



gratitude

2020-21
ANNUAL REPORT

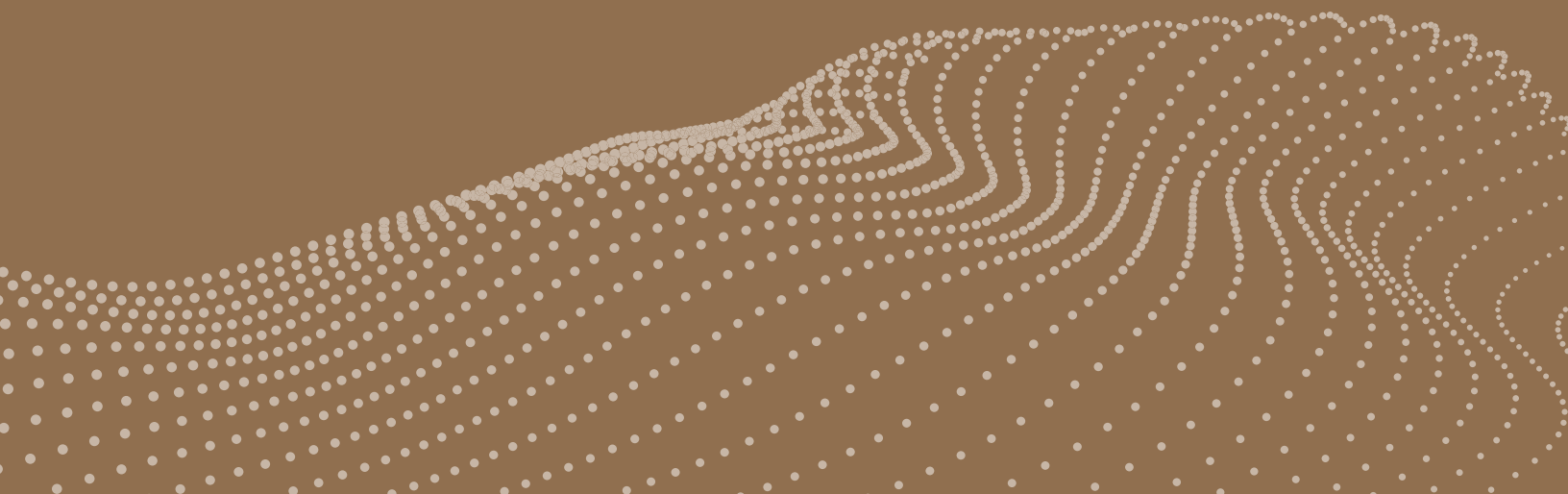
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Consolidated Financial Highlights

(Rs. in million)

| | 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2016-17 |
|--|---------|---------|---------|---------|---------|
| Revenue from Operations | 2,867 | 2,761 | 2,994 | 2,968 | 3,417 |
| EBITDA | 242 | 62 | 73 | 33 | 136 |
| Profit Before Tax and Exceptional Items | 161 | (31) | 44 | (1) | 115 |
| Profit After Tax (PAT) | 109 | (648) | 27 | (56) | 93 |
| Earnings Per Share (Basic EPS) | 4.31 | (25.71) | 1.09 | (2.26) | 3.74 |



Letter to Shareholders

Dear Shareholders,

We are pleased to present the financial statements for the fiscal year ended March 31, 2021.

Consolidated Revenue for the year 2020-21 stood at Rs. 286.72 crores, as against Rs. 276.13 crores for the previous year ended March 31, 2020. The Company reported a Consolidated Net Profit for the year 2020-21 of Rs. 10.86 crores as compared to a loss of Rs. 64.80 crores for the previous year ended March 31, 2020. Last year's loss included an exceptional non-cash item amounting to Rs. 59.42 crores on account of impairment of goodwill on consolidation of the US and Singapore subsidiaries.

The Company's Standalone Revenue for the year 2020-21 was Rs. 103.98 crores, as against Rs. 92.31 crores for the previous year ended March 31, 2020. Standalone Net Profit for the year 2020-21 stood at Rs. 8.53 crores as compared to a loss of Rs. 59.24 crores for the previous year ended March 31, 2020. Last year's loss included an exceptional non-cash item amounting to Rs. 56.66 crores on account of impairment of investment in the US and Singapore subsidiaries as mentioned above.

Expression of Gratitude

When your Company embarked on a new fiscal year last April, it was becoming apparent that the year would be like no other. The coronavirus pandemic was sweeping the globe and presenting difficulties for humankind. How lives were lived dramatically changed! Furthermore, as a matter of course, an abundance of uncertainties prompted companies of all sizes to pivot to survive or stabilise until it became clear that recovery was attainable.

In 2020-21, your Company clearly faced pandemic-related challenges and was also challenged again by ongoing industry disruption, competition, and talent scarcity. It is particularly heartening to report, however, that our shared commitment to ensure business continuity and care during the pandemic fuelled more connectedness, harmony, knowledge-sharing and entrepreneurialism within the global organisation, while improving operating profitability.

Stronger today, we are profoundly grateful for the valuable contributions of all those without whose support the year would have been much more challenging.

- **Our Employees**, who once again collectively exceeded expectations with their 'can-do' spirit, considerate and caring nature, patience, perseverance, and dedication to their work, our clients and the Company under tremendous pressure. Additionally, a special word of appreciation to the IT team and a cadre of support staff who provided continuous critical remote support for new joiners and employees;
- **Our Clients**, who trusted us and believed in our ability to consistently execute on the expected deliverables with positive outcomes, despite the challenges posed by the pandemic;
- **Our Shareholders**, who expressed warm concerns for the well-being of our employees, and whose confidence and advocacy endures.

Resolute and Proactive

While navigating through the year's volatile situation, we remained resolute in our pursuit of a future of predictable, profitable and sustainable growth. To this end, we focused on proactive measures specifically related to:

Driving Performance

- Additional steps in our quest to build a performance culture were taken with the Company-wide establishment of measurable goals for individuals and teams, as well as focused leadership development coaching.
- Competencies in new technologies and new service offerings to spur growth:
 - Development of an IoT Framework – providing a variety of industries faster solution deployment, with near ready-made components that can be seamlessly deployed as a complete solution or integrated with existing systems for the Consumer Internet of Things (CloT), Industrial Internet of Things (IIoT), and the Internet of Medical Things (IoMT).
 - Enhancement of Digital Engineering capabilities, including in AI/ML and cloud native application development.
 - Introduction of a Cybersecurity Practice.
 - Establishment of a dedicated IT Infrastructure services team focused on providing services such as Remote Infrastructure Support, including data centre, network, security, desktop and ITIL compliance management.
- Sharpened our focus on sales to improve lead qualification and closures, enhance sales coverage, and drive revenue from specific services.

Delivery Excellence

- The team continues to adhere to the business continuity measures instituted early last April. We are pleased to have received accolades for our performance during this time as well.
- Invested in the curation of a series of Learning and Development sessions to sharpen the business and technological acumen of multiple teams with an eye toward improving competencies and the capacity to anticipate clients' future needs.
- Increased the frequency of client connects, and refined associated protocols and processes.
- Implemented more robust project management practices and efficiencies in the estimation process.
- Improved the quality and speed of hiring.
- Refined processes to increase collaboration among teams.

Quality Assurance

During 2021, the team transformed quality management system processes in order to enhance modularity and scalability, as well as organisational capabilities in process management, project management and engineering. This is in line with our dedication to continuous improvement, enabling us to consistently deliver quality products and services to our clients on time and within budget.

Other highlights include: the strengthened ability to delivery critical safety applications in the medical device domain; successful completion of the ISO 27001:2013 surveillance audit, and being appraised at CMMI DEV Version 1.3 Maturity Level 5. The quality journey will continue in the coming year with a focus on CMMI DEV Version 2.0 adoption, as well as the exploration and adoption of the latest information security/threat intelligence solutions to help protect clients' information assets from cyberattacks.

Notable Highlights

As a testament to the increased recognition of our valued niche knowledge, we are pleased to report that your Company added a total of 29 logos to its roster across several industries during the year.

In the IMEA region, we started an engagement with the Indian subsidiary of a patient-centric medical technology company by securing a dialysis equipment system testing project. We also won a two-year IT infrastructure management and maintenance contract with a premier public sector manufacturing company in the Middle East. Other highlights for the region include:

- Software testing project with a new logo – the Indian subsidiary of a data storage start-up.
- Collaboration with the Middle East and US teams of a multinational conglomerate specialising in efficiency, controls, and automation, for:
 - An integration testing project for a FIFA stadium.
 - Full stack development for a waste management company.
- Two projects with a company focused on connected technologies for the hardware design and development of:
 - A first-of-its-kind product to be used as a smartphone attachment for composition analysis and authentication of liquids, and objects such as gemstones and paintings.
 - A smart connected device which integrates personal voice assistants and control of smart home devices.
- Test automation project for an existing data storage company's new product line.
- Secured business with telecommunications companies in Bahrain and Saudi Arabia, and a leading Japanese provider of industrial automation and test and measurement solutions in Qatar.

In the United States, we secured a high-value, full development project from a US-based semiconductor equipment manufacturing client which focuses on delivering next-generation solutions. This win follows the successful execution and delivery of a three-month system study phase for the same project which initiated the new client relationship during the fourth quarter of 2019-20. The scope of the project encompasses the design and development of a common cluster tool controller software framework for their new and existing products, as well as the development of control application for three of their existing tools. Additional business highlights include:

- Multiple digital transformation projects with a new medical device client that specialises in oncology-related solutions. The projects are being conducted with both onsite and offshore teams across the US, Canada, Europe and India. Two teams are enhancing the application integration workflows on radiation oncology software, as well as a mobile workflow management tool used for patient care by healthcare professionals.

- Hardware reengineering project with another new medical device and equipment client which designs medical solutions and systems that help prevent the transmission of infection. The project encompasses electronic and firmware design, as well as the modernisation of a user interface of a medical system.
- Added two system integrators as new clients, and won additional business on a data center and cloud transformation project across North America with an existing digital technology integrator client.
- IoT application development project for an existing workforce management solutions client. It entails the enhancement of an intelligent and touchless time clock product to be used by companies wishing to have employees return to the workplace without the risk of infections.
- Signed multiple product engineering contracts with an existing audio video client, including:
 - Customisation of a conference system with the addition of various lighting options due to pandemic-related work-from-home measures.
 - Creation of a universal interface for multiple device integration on the web.
 - Development of a mobile application that controls keypads, switches, dimmers, sensors, plugs and receptacles.
- Won a project in big data analytics with Einstein Analytics skills for a world-renowned analytical instruments client.
- Deepened relationships with all existing clients in the region.

In the APAC region, we secured business from several new clients, including multiple insurance providers, a manufacturer of mobile and telecom devices, and an HR information technology support services company. We also expanded our relationships with existing clients such as a Japanese life sciences company, a utilities company and a global industrial manufacturing conglomerate.

Key new client highlights

- A new data storage company engagement involving an agile-based software development project for the client's entry offering in the public cloud storage domain. It is massively scalable object storage that will be available on leading cloud platforms.
- A new semiconductor manufacturing company engagement comprising the remote execution of a crucial proof-of-concept project for their Industry 4.0 initiative roll-out. This required the integration of the client's critical legacy semiconductor automation system to their newly-installed factory system gateway.
- A new consumer electronics company engagement encompassing the design of a mobile app interface for an edutainment system, as well as product development and support services.

Key existing client highlights

- Three new projects with a high-tech photonics client. Amidst stiff competition, we were fortunate to win a project involving the development of a Computer-Integrated Manufacturing (CIM) app on Azure Cloud which will be used by the client's production staff across two plant locations in Malaysia, one location in China and another one in Germany. The other two projects involve cloud consulting, as well as software development and testing.
- Two new feature and functionality enhancement projects for the Transportation and Information Security divisions of another hi-tech client.


In the European region, we won a project encompassing the design and development of new control systems software for next-generation process modules for metal deposition technology. The new client is a company that provides advanced wafer processing technologies and solutions for the semiconductor and microelectronics industry. Other business highlights include:

- Collaborating on the first-ever advanced mass spectroscopy solutions development project with the UK subsidiary of a US-based analytical instrument client.
- Secured a SOUP anomaly database project with a new medical device client that specialises in oncology-related solutions.
- Won new business with the world's largest brewery and received extensions with an existing semiconductor client in Belgium.
- Strengthened global relationship with a longstanding MedTech client.
- With a multinational B2B IT services company, we secured:
 - A new project to support large, professional sporting venues in Germany.
 - Project extensions from their German and Romanian centres of excellence.


Marking Another Milestone

As we close a memorable year with optimism and gratitude lingering in our hearts and minds, we would like to take this special opportunity to mark the start of our 30th year by acknowledging all the individuals, companies, institutions, and governments who contributed to our longevity and success. We recognise the importance of your unwavering confidence, support and commitment and wholeheartedly value our relationships with you.

Thank you for your role in our journey.



Yusuf Lanewala
Chairman



Anand Balakrishnan
Managing Director and CEO

Board of Directors

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



Yusuf Lanewala
Chairman



Anand Balakrishnan
*Managing Director and
Chief Executive Officer*



Meenaz Dhanani
Non-Executive Director



Jagdish Malkani
Independent Director



Prochie Mukherji
Independent Director



Guhan Subramaniam
Independent Director



Satish Menon
Independent Director



Subhash Bhushan Dhar
Independent Director

Legal and Company Secretary

Shivarama Adiga S.
Vice President

Registered Office

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Fax: 91 80 4112 5813

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Registrar and Share Transfer Agent

Universal Capital Securities Private Limited
C 101, 247 Park
LBS Road, Vikhroli West
Mumbai – 400083, India
Tel: 022-28207203-05
Fax: 022-28207207

Bankers

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

Leadership Team

Anand Balakrishnan
*Managing Director and
Chief Executive Officer*

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

Arup Banerjee
*Senior Vice President
Global Delivery and Practices*

Pradeep K
*General Manager
Human Resources*

Jacob Pillay
*Senior Vice President
Sales (US and Europe)*

Karen Stark
*Senior Vice President
Marketing and Communications*

Harish Nair
*Senior Vice President
Sales (APAC and IMEA)*

Ramachandra Magadi
Chief Financial Officer

Practice Team

Ratnakar Gandhe
IoT and Automotive

Surjit Lahiri
*Storage, Semiconductor,
Cloud and Testing*

Manju Reddy
Electronic Design

Board's Report

To the Members,

The Directors hereby present the Thirtieth Annual Report of your Company along with the Audited Financial Statements for the Financial Year ended March 31, 2021. The Consolidated performance of the Company and its Subsidiaries has been referred to wherever required.

1. FINANCIAL RESULTS

(in Rs. Million)

| Particulars | Standalone | | Consolidated | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Revenue from operations | 1,039.8 | 923.1 | 2,867.2 | 2,761.3 |
| Other income | 28.3 | 18.4 | 45.5 | 17.5 |
| Employee benefits expense | 708.1 | 662.4 | 1,947.8 | 1,992.4 |
| Cost of technical sub-contractors | 23.3 | 21.8 | 491.1 | 417.1 |
| Other expenses | 125.6 | 165.9 | 232.1 | 306.9 |
| Profit before finance cost, depreciation, taxes, amortisation | 211.1 | 91.4 | 241.7 | 62.4 |
| Finance cost | 13.0 | 18.7 | 16.5 | 22.6 |
| Depreciation and Amortisation expense | 58.4 | 61.5 | 63.9 | 70.4 |
| Exceptional Item | - | 599.3 | - | 610.1 |
| Profit Before Tax | 139.7 | (588.1) | 161.3 | (640.7) |
| Tax expense | 54.4 | 4.3 | 52.7 | 7.3 |
| Profit After Tax | 85.3 | (592.4) | 108.6 | (648.0) |
| Paid-up Equity Share Capital | 256.2 | 256.2 | 252.1 | 252.1 |
| Basic Earnings Per Share (EPS) | 3.33 | (23.12) | 4.31 | (25.71) |

2. COMPANY AFFAIRS

Standalone

On a Standalone basis, your Company recorded revenue of Rs. 1,039.8 million, as against Rs. 923.1 million in the previous financial year. Mindteck's profit after tax stood at Rs. 85.3 million, as against a loss of Rs. 592.4 million in the previous financial year. At an operating margin level, Mindteck recorded EBITDA (including other income and excluding exceptional items) of Rs. 211.1 million (20.3%) during this financial year as against Rs. 91.4 million (9.9%) last year.

Consolidated

During the financial year under review, your Company recorded Consolidated revenue of Rs. 2,867.2 million as against Rs. 2,761.3 million in the previous financial year. Of the Consolidated revenue that was recorded, 54.6% is attributed to the US and the balance pertains to the rest of the world.

Mindteck's Consolidated profit after tax for the financial year stood at a profit of Rs. 108.6 million, as against loss of Rs. 648.0 million in the corresponding previous financial year.

At an operating margin level, Mindteck recorded EBITDA (including other income and excluding exceptional items) of Rs. 241.7 million (8.4%) during this financial year as against Rs. 62.4 million (2.3%) last year.

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

3. DIVIDEND

The Board has not recommended any dividend for the year ended March 31, 2021.

4. BUSINESS FOCUS AND HIGHLIGHTS

Mindteck provides a unique blend of engineering value and technology know-how to a top-tier clientele of Fortune 1000 companies, start-ups, leading universities, and government entities around the globe. Since its establishment in 1991, the Company's niche knowledge and expertise has led to engagements with industry leaders, including the top 5 Data Storage companies, top 3 Medical Device companies, top 6 Semiconductor companies, and top 7 Analytical Instrument companies.

The Company's legacy expertise in embedded systems, enterprise applications, testing and professional services complements expanded competencies in digital engineering. Appraised at CMMI Level 5, the highest form of third-party validation, the Company stands out among industry peers for process capability and maturity.

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

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

Current partner and alliances include: Intel Partner Alliance, Microsoft® Gold Application Development Partner, NetApp, SNIA, CMMI Institute, and the IoT Global Network. The Company is also one of the Founding Members of The Atlas of Economic Complexity, a data visualisation tool for research developed by the Growth Lab at Harvard University's Center for International Development.

Over the last three years, Mindteck has consistently improved its rank in the third-party rating considered the industry standard for benchmarking service providers across capabilities. In 2020-21, the Company improved its ratings across all ER&D services, moved into an Emerging and Expansive Player in Digital Services, and became an Established and Niche Player for IoT Services.

Product Engineering

Mindteck's end-to-end product engineering service offerings encompass core competencies in embedded design; application development, support and maintenance; product lifecycle management; system integration; reengineering, sustenance and optimisation; product conceptualisations, feasibility studies and prototyping. Domain-specific trained engineers work seamlessly as extended engineering teams to help clients maximise their potential for new product development and continually enhance or modernise existing products.

Notable projects for 2020-21 include:

- Collaboration with a longstanding client to create product engineering solutions for the debut of a new AV room product for a global leader in advanced workplace technology. The product provides integrators with high-value plug and play capabilities for expanding classrooms and smaller meeting space businesses.
- System validation of new equipment for a medical technology company.
- Development of medical equipment in the area of probe disinfection with solutions in hardware, software and cybersecurity.
- Gateway-related projects for home automation, as well as mobile verifier accessories for a leading audio electronics company.
- Product development and testing for a multinational electronics company.

Digital Engineering

Mindteck's digital engineering portfolio is comprised of selected solutions, services, and technologies which complement our product engineering portfolio and help clients compete, innovate and propel forward along the digital continuum: data services, cloud, mobility, IoT-based solutions, and cybersecurity.

According to recent industry reports, Engineering R&D spend stayed resilient and grew during 2020, despite COVID-19. Apart from the spend towards traditional ER&D services, digital engineering spend is accelerating across industries and is expected to represent 47% of the total ER&D spending by 2023. Mindteck's growing strength in this area is evidenced by our

focused efforts in remote patient monitoring, telemedicine, IoT-based smart asset tracking, smart and connected devices, smart grid and smart street lighting.

Data Services

Mindteck's data services capabilities now leverage the data ecosystem to support clients' need to move, process and use data for competitive advantage, as well as for operational, compliance and decision-making requirements. The portfolio includes services and solutions for enterprise data management, AI and ML, advanced analytics, analytical dashboards, dedicated data analytics R&D labs, as well as strategic consulting to help guide clients to data maturity.

Internet of Things (IoT)

During 2020-21, Mindteck enhanced its IoT solutions portfolio with the development of an IoT Framework comprised of:

- Edge devices for monitoring and control
- Low-Power Wide-Area Network (LPWAN) for sensor and actuator connectivity
- Solution deployment on the cloud and on-premises
- Web and mobile applications
- Addition of computer vision with AI and ML capabilities, as well as data analytics

Various components of this Framework have been optimised to provide key solutions for IoT applications, as follows:

- Solutions for the manufacturing industry with process, quality and productivity improvement in compliance with Industry 4.0 requirements – including Machine-to-Machine (M2M) communication providing connectivity between sensors, machines and operators for better production yield and efficiency.
- Smart solution for energy saving and conservation for utilities – including lighting controllers, smart metering, solar plant management, and software applications for Network Operations Centres (NOCs).
- Video surveillance and image processing for object detection and classification to provide security and automated inspection solutions – with AI/ML capabilities.
- Asset tracking solutions with Radio Frequency Identification (RFID) and Bluetooth Low Energy (BLE) for the healthcare and manufacturing industries.

Cloud

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

Serverless Solutions: Serverless is the next evolution from monolithic application architecture after service-oriented architecture and micro-services architectures. As per experts, it is among the top five fastest-growing PaaS cloud services. This year, Mindteck supported a client in the development of a true serverless application.

DevOps: Developing scalable and secured Continuous Integration/Continuous Delivery (CI/CD) pipelines to improve software delivery requires a DevOps or site reliability engineering approach. Mindteck, as a solid DevOps partner, has a proven track record of building pipelines that help clients improve and enhance product quality.

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

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

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

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

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

Security and Compliance: Security and compliance for the healthcare domain.

Cloud Testing Competencies:

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

Highlights for 2020-21 are as follows:

- Developed a centralised Fault Documentation and Catalogue System to unify the inspection process with Serverless Architecture.
- Developed a Connected Clock for biometric registration data using the Azure IoT Hub. It is a multi-tenant application with device provisioning and real-time data monitoring.
- Deepened relationships with existing storage clients by supporting them in the areas of hyper-converged infrastructure, multi-cloud storage, test automation and DevOps implementation.

Mobility

The unusual turn of events in 2020 increased the use of digital services more than ever before. Mobile devices have become more personal than the personal computer as businesses and organisations are seeking mobile applications to woo users and maintain a competitive edge.

E-commerce companies have shifted their focus to mobile applications to reach out to mass markets, and the surge of smart appliances and machines are slowly paving way for more and more technical users to use their mobile phones to configure, monitor and control various smart installations. With these two sectors expanding rapidly, social media and the entertainment and gaming industries have been influencing the user experience of all mobile applications being developed.

Over the past few years Mindteck has adapted to this demand by building a dedicated team for mobility development and testing which has been adding the power of mobile applications for existing industry verticals. Apps developed include those for:

- Smart Energy
- Medical Patient Monitoring
- IoT Device Monitoring and Management
- Industrial Workforce Applications
- Automated Meter Reading Tools
- Smart Parking
- Asset Tracking
- Library and Knowledge Management Systems
- Insurance Field Agent
- Vehicle Infotainment

The mobile applications developed by Mindteck span across standard consumer mobile phones to specialised Android-based touchscreen, hand-held devices and industrial tablets.

The Company is proficient in the development of these applications on various popular platforms for both Native Android, Native iOS, Hybrid, and even in a few cases, combinations of Native and Hybrid technologies. Data security measures are taken into account, and qualifying third-party security audits are conducted when required.

The Mindteck mobility team has implemented advanced programming such as device communication across multiple protocols, integration with third party libraries, maps, payment gateways, back-end API integration, dynamic reporting, and data security under the hood. At the same time, the team designs intuitive UI/UX to give end users the seamless people-centric experience they have grown accustomed to with their mobile phones.

Cybersecurity

Mindteck continuously strives to update and expand its capabilities to help clients compete, innovate and propel forward along the digital continuum. During the year at hand, the Company focused some efforts toward the global cybersecurity services segment which, according to a report by Grand View Research, Inc., is expected to reach USD 192.70 billion by 2028, registering a CAGR of 10.2% over the 2021-2028 forecast period.

Specifically, the Company began offering services such as Vulnerability Assessment, Penetration Testing, Threat Modelling and Threat Analytics. It completed a Threat Modelling and Threat Analytics of a connected medical device in an ambulance for a leading US medical device manufacturer. Additional projects related to our existing industry verticals are in progress.

Testing

Mindteck's hallmark end-to-end testing discipline encompasses manual black box testing, white box testing, test automation, security/penetration tests, regression testing, performance testing, prototype testing, unit testing, multilingual and business/user acceptance testing. Over the years, the Company has supported most clients with one or a multitude of test services specifically for web, mobile, embedded device and other applications; networks; hardware and firmware; databases; web services; cloud; connectivity; interoperability. Mindteck's niche knowledge for domain-specific testing, such as for data storage, is also a core strength.

Highlights for the year 2020-21 include:

- The win of a new data storage logo, for whom we are involved in the development and testing of a petabyte-scale cloud storage solution.
- End-to-end manual and automation testing for a Building Management System catering to next-generation smart stadiums and integration components.
- Functional validation of an application for automated positive pressure solid phase extraction

IT Infrastructure Services

The pace of growth in cloud and a variety of emerging technologies, combined with increased demand throughout the pandemic, helped prompt the Company to establish a dedicated IT Infrastructure team focused on the following portfolio of services:

Remote Infrastructure Support

Remote Infrastructure Management (RIM) – including the management of computer hardware and software, such as workstations, servers, network devices, storage devices, and IT security devices. Sub-services include:

- *Data Centre Management:* Monitoring and management of servers, database, middle tier application, messaging and storage
- *Network Management:* Monitoring and management of routers, switches, VOIP devices and network links
- *Security Management:* Monitoring and management of firewall, IPS, IDS, VPN, PKI, etc.
- *Desktop Management:* Remote maintenance of desktop/laptops, file and print servers, printer and scanners

ITIL-Compliance, Processes, SLA

- Proactive monitoring and incident management
- Problem change and configuration management
- Asset management and patch management
- Availability management
- Process consulting, audits and reviews
- 24/7 support

Vulnerability Assessment and Penetration Testing (VA/PT)

VA/PT helps to protect against network and application breaches by providing visibility of security weaknesses and the guidance to address them. It is increasingly important for enterprises that want to achieve compliance with standards, including the GDPR, ISO 27001 and PCI DSS.

Vulnerability Assessment – carried out through vulnerability scans, is designed to help identify, classify and address security risks. This exercise does not include exploiting the vulnerabilities observed during the scanning process.

Penetration Testing – a multi-layered security assessment that uses a combination of machine and human-led techniques to identify and exploit vulnerabilities in the infrastructure, systems and applications.

Service areas include:

- *Network VA/PT* – involving a rigorous testing of the network to obtain information of backdoor entries into a network. It establishes the possibility of penetrating the network to obtain access to the internal IT infrastructure, application software and data.
- *Infrastructure VA* – involves the scanning of the IT infrastructure to ensure that IT assets are configured as per business and security requirements, and that the internal environment is safe and secure.
- *Application Software VA/PT* – vulnerabilities within web-based application software (internet and mobile) are easily exploited to obtain sensitive data or compromise customer information. Automated and manual tests are carried out to identify such vulnerabilities and ensure the robustness of the application.

Change in Nature of Business

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

5. QUALITY

During 2020-21, Mindteck continued to transform its quality management system processes in order to enhance modularity and scalability. Using Lean Principles, ETVX and SWIMLANES, the Company successfully completed the enhancement of organisational capabilities in process management, project management and engineering to continue consistently delivering quality products and services to clients in time and within budget.

The transformed processes comport to the latest industry standards and frameworks and have been validated through ISO audits for ISO 27001:2015 and ISO 13485:2016 which were completed successfully in February 2021. The highlight of the year was being appraised at CMMI DEV Version 1.3, Maturity Level 5, which again reflects our confidence in the transformed Quality Management System's ability in enabling projects to achieve the highest levels of customer satisfaction.

In addition, several guidelines were released to strengthen the Company's ability to deliver critical safety applications in the medical device domain. With respect to information security, the Company also successfully completed the ISO 27001:2013 surveillance audit.

In 2021-22, the quality journey will continue with a focus on CMMI DEV Version 2.0 adoption, as well as exploration and

adoption of the latest information security solutions to protect clients' information assets based on threat intelligence.

In 2021-22, the quality journey will continue with a focus on CMMI DEV Version 2.0 adoption, as well as exploration and adoption of the latest information security solutions to protect clients' information assets based on threat intelligence.

6. INFRASTRUCTURE

Mindteck has local offices in the US, Canada, UK, Germany, Singapore, Malaysia, Bahrain and India. In addition to space for workstations, conference rooms, meeting rooms, and a world-class communications system, the Company's infrastructure includes two development centres equipped with R&D laboratories (Bengaluru and Kolkata, India).

At the start of the pandemic in 2020-21, the Company made the requisite adjustments in its IT infrastructure to ensure productive and safe in-office and remote workplace environments for both essential and other employees, while contending with peaks in the spread of the virus. Specifically, access to conferencing platforms was expanded, and critical support for new joiners and existing employees was provided continuously on a rotational basis by the IT team, security officers, an electrical team and courier services. Additionally, the Company initiated plans for investment in hybrid workforce management capabilities such as productivity, security and asset management tools.

7. SUBSIDIARIES

On March 31, 2021, Mindteck had seven wholly owned subsidiaries: Mindteck, Inc. (US), Mindteck Middle East Limited WLL (Bahrain), Mindteck Software Malaysia SDN. BHD. (Malaysia), Mindteck Singapore Pte. Ltd. (Singapore), Mindteck (UK) Limited (UK), Chendle Holdings Limited (British Virgin Islands), and Hitech Parking Solutions Private Limited (India). Mindteck (UK) Limited has one subsidiary: Mindteck Germany GmbH (Germany), and Mindteck, Inc. has one subsidiary: Mindteck Canada, Inc. (Canada). Mindteck Solutions Philippines, Inc. and Hitech Parking Solutions Private Limited are under strike-off process.

The Consolidated Financials have been audited and form part of this Annual Report. The financials of the subsidiaries have also been audited by the respective Auditors. The Consolidated Financials have been prepared and audited in strict compliance with the applicable Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All information, including (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investment (except in case of investment in the subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation and (j) proposed dividend as directed by the Ministry of Corporate Affairs, has been disclosed in the Consolidated Financial Statement. Financial Highlights with the Indian rupee equivalent of the figures given in the foreign currency, along with exchange rate as on closing day of the financial year, and the statement pursuant to Section 129 (3) of the Companies Act, 2013 in Form AOC-1, forms part of this Board's Report as **Annexure-1**.

Further, the Company undertakes that the annual accounts of the Subsidiary Companies and the related detailed information will be made available to any investor seeking such information at any point of time. The annual accounts of the Subsidiary Companies and related information will also be kept for inspection

by any investor at Mindteck's registered office. The soft copy of accounts is available on the Investors section of 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 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 as **Annexure-2**.

During the financial year, your Company had obtained urgent non-material legal services from CounsePro Compliance at which a Partner is a relative of an Independent Director of the Company.

9. LITIGATION

No material litigation was outstanding as on March 31, 2021 except one recovery suit filed in the year 2013 in connection with advance payment made for the office premises, which was not occupied by the Company.

10. CHANGES TO SHARE CAPITAL

The Company has not issued any Equity Shares during the FY 2020-21. Hence, there was no change in the Share Capital compared to previous financial year. The issued, subscribed and paid up Equity Share Capital was Rs. 25,62,18,980 as on March 31, 2021.

11. FIXED DEPOSITS

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

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

13. TRANSFER TO RESERVES

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

14. DIRECTORS

As per Section 152 of the Companies Act, 2013, Mr. Meenaz Dhanani retires by rotation as a Director in the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment. A brief resume of Mr. Meenaz Dhanani is included in the Annexure to the Notice of the Annual General Meeting. Mr. Guhan Subramaniam, an Independent Director of the Company, was appointed for five (5) years effective from May 20, 2016 and his term ended on May 19, 2021. The Board of Directors have re-appointed Mr. Guhan Subramaniam, who fulfils the requisite criteria of an Independent Director for a second term of five (5) years effective from May 20, 2021 as recommended by the Nomination and Remuneration Committee subject to the approval of the Members of the Company, in the ensuing 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 the Companies Act, 2013.

Board Evaluation

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

Board Diversity

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

Policy on Directors' Appointment and Remuneration

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

Number of Meetings of the Board

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

Vigil Mechanism/Whistleblower Policy

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

Constitution of Internal Complaints Committee

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

15. AUDITORS**Statutory Auditor**

At the 26th Annual General Meeting held on August 11, 2017, Members of the Company appointed Statutory Auditor, S.R. Batliboi

& Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004), Bengaluru for a period of five (5) years, who shall hold the office up to the conclusion of the 31st Annual General Meeting. During the year, the Statutory Auditor confirmed its eligibility and independence criteria to hold office.

Secretarial Auditor

CS S Kannan, a Practising Company Secretary, was appointed to conduct the Secretarial Audit of the Company for the FY 2020-21, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the FY 2020-21 forms part of this Board's Report as *Annexure-4*.

Cost Auditor

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

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

16. ANNUAL RETURN

In accordance with Section 92(3) and 134(3)(a) of the Companies Act, 2013, the annual return in the prescribed format is displayed on the website of the Company (*Weblink: <https://www.mindteck.com/annual-return>*).

17. SIGNIFICANT AND MATERIAL ORDERS

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

18. INTERNAL FINANCIAL CONTROL

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

19. INDEPENDENT DIRECTORS FAMILIARISATION PROGRAMME

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

20. PARTICULARS OF EMPLOYEES

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

Board's Report

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

Top 10 employees of the Company based upon the remuneration drawn during the FY 2020-21

| Employee Name | Designation | Remuneration Received (in Rs.) | Nature of Employment | Qualification | Experience (in years) | Date of Commencement of Employment | Age | Last Employment | Percentage of Equity Shares held by the employee in the Company | Any such employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager |
|-------------------------|---|--------------------------------|----------------------|--------------------|-----------------------|------------------------------------|-----|---------------------------------------|---|---|
| Anand Balakrishnan | Managing Director and CEO | 1,26,88,960 | Contractual | CA and CPA | 28 | 30-Jan-19 | 48 | Wipro GE Healthcare Private Limited | 0.03% | NO |
| Ramachandra M S | Chief Financial Officer | 60,68,355 | Employee | CA and DipIFR | 15 | 01-Jul-19 | 41 | Spera Management Group | NIL | NO |
| Arup Banerjee | Senior Vice President - Global Delivery and Practices | 52,56,721 | Employee | B E and M.Tech | 33 | 08-Jul-11 | 55 | Wipro Ltd | 0.04% | NO |
| Surjit Lahiri | Vice President - Technology | 52,26,816 | Employee | B. Tech | 30 | 29-Mar-05 | 51 | Novellus India Pvt Ltd | 0.03% | NO |
| Shivarama Adiga S. | Vice President - Legal and Company Secretary | 49,17,838 | Employee | C.S, M.Com and LLB | 44 | 18-Mar-13 | 62 | Diligent Media Corporation Limited | 0.03% | NO |
| Ayushman Ghosh | General Manager - Delivery | 34,98,128 | Employee | M.Sc. | 29 | 01-Jul-99 | 51 | PCL, Mindware | 0.01% | NO |
| Saibal Dey | General Manager - Delivery | 33,32,007 | Employee | B.Sc. (Physics) | 28 | 12-May-03 | 50 | Cygnus Software Services | 0.01% | NO |
| Karnendu Raja Pattanaik | General Manager - Delivery | 32,39,246 | Employee | B.E. | 21 | 04-Jan-12 | 44 | Wipro Ltd | 0.02% | NO |
| Selvaganapathi Kasi | Principal Architect | 31,01,467 | Employee | MCA | 21 | 19-Nov-08 | 44 | Satyam Computer Services Ltd | 0.00% | NO |
| Santosh Kalli Nandiyath | Senior Manager - Finance | 29,71,055 | Employee | CA | 12 | 05-Nov-19 | 38 | Altisource Business Solutions Pvt Ltd | 0.00% | NO |

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

| Employee Name | Designation | Remuneration Received (in Rs.) | Nature of Employment | Qualification | Experience (in years) | Date of Commencement of Employment | Age | Last Employment | Percentage of Equity shares held by the employee in the Company | Any such employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager |
|--------------------|---------------------------|--------------------------------|----------------------|---------------|-----------------------|------------------------------------|-----|-------------------------------------|---|---|
| Anand Balakrishnan | Managing Director and CEO | 1,26,88,960 | Contractual | CA and CPA | 28 | 30-Jan-19 | 48 | Wipro GE Healthcare Private Limited | 0.03% | NO |

21. COMMITTEES OF THE BOARD

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

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

| Name of the Committee | Composition of the Committee | Highlights of duties, responsibilities and activities |
|---|---|--|
| Audit Committee | Mr. Jagdish Malkani – Chairperson Mr. Satish Menon – Member Mr. Guhan Subramaniam – Member Mr. Meenaz Dhanani – Member | <ul style="list-style-type: none"> The Committee oversees the Company's financial reporting process and disclosures of its financial information to ensure accuracy and reliability. The Company has adopted the Whistleblower Policy for Directors, Employees and other Stakeholders to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Business Conduct and Ethics. The Whistleblower Policy is attached as Annexure-3 to the Board's Report. In accordance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated policies on related party transactions and material subsidiaries. The policies, including the Whistleblower Policy, are available on the Company's website. |
| Nomination and Remuneration Committee | Ms. Prochie Mukherji – Chairperson Mr. Yusuf Lanewala – Member Mr. Meenaz Dhanani – Member Mr. Subhash Bhushan Dhar – Member | <ul style="list-style-type: none"> The Committee oversees and administers executive compensation, operating under a written charter adopted by the Board of Directors. The Committee has designed and continuously reviews the compensation program for the Managing Director and senior executives to align both short and long-term compensation with business objectives, and to link compensation with the achievement of measurable performance goals. The Committee structures compensation to ensure that it is competitive in the global markets in which it operates in order to attract and retain the best talent. The Committee intends to have a combination of stock options and performance-based stocks to align senior employee compensation. The Nomination and Remuneration Committee has framed the Nomination and Remuneration policy. A copy of the policy is uploaded on the Company's website (<i>Weblink: https://www.mindteck.com/assets/investor_pdf/Nomination_Remuneration_Policy.pdf</i>). |
| Corporate Social Responsibility Committee | Mr. Yusuf Lanewala – Chairperson Ms. Prochie Mukherji – Member Mr. Subhash Bhushan Dhar – Member | <ul style="list-style-type: none"> 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 for CSR activities to various beneficiaries. The Company was not required to spend any amount for the FY 2020-21 as the Company incurred a loss in the immediate previous year. The Annual Report on CSR Activities is attached as per the prescribed format in Annexure -6 to the Board's Report. The contents of the CSR policy are available on the Company's website (<i>Weblink: https://www.mindteck.com/assets/investor_pdf/CSR_Policy.pdf</i>). |

| Name of the Committee | Composition of the Committee | Highlights of duties, responsibilities and activities |
|-------------------------------------|---|---|
| Stakeholders Relationship Committee | Mr. Meenaz Dhanani – Chairperson Mr. Yusuf Lanewala – Member Mr. Subhash Bhushan Dhar – Member Ms. Prochie Mukherji – Member | <ul style="list-style-type: none"> ▪ The Committee reviews and ensures redressal of investor grievances. ▪ The Committee notes all the grievances of the investors and takes suitable action accordingly. |

22. RISK MANAGEMENT

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

23. CORPORATE GOVERNANCE REPORT

Mindteck recognises good Corporate Governance and is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability, for the benefit of its stakeholders and for long-term success. Mindteck adheres to the standards set by SEBI for Corporate Governance practices as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and a report on Corporate Governance pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report. A Compliance Certificate on Corporate Governance forms part of this report as *Annexure-7*.

24. MANAGEMENT DISCUSSION AND ANALYSIS

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

25. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. that in the preparation of the annual financial statements for the year ended March 31, 2021, 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, 2021 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;

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

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

26. CSR INITIATIVES

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

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

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

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

During FY 2020-21, there was no amount spent on CSR activity as it was not applicable for the Company.

27. MINDTECK EMPLOYEES STOCK OPTION SCHEMES

Mindteck believes in the policy of enabling Mindteckers to participate in the ownership of the Company and share in its wealth creation as they are responsible for the Management growth and success of the Company. The Company has four Employees Stock Option Schemes: Mindteck Employees Stock Option Scheme 2005, Mindteck Employees Stock Option Scheme 2008, Mindteck Employees Stock Option Scheme 2014, and Mindteck Employees Stock Option Scheme 2020.

a. Mindteck Employees Stock Option Scheme 2005

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

b. Mindteck Employees Stock Option Scheme 2008

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

c. Mindteck Employees Stock Option Scheme 2014

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

d. Mindteck Employees Stock Option Scheme 2020

During the year, the Company introduced a new Scheme through Postal Ballot dated December 11, 2020. The Scheme has 4,16,000 shares which shall be administered and transferred through the Mindteck Employees Welfare Trust (MEWT). No options were granted under this Scheme and there has been no variation in the terms of ESOP Scheme during the year.

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

28. MINDTECK EMPLOYEES WELFARE TRUST

The Mindteck Employees Welfare Trust was set up in the year 2000 to implement the Company's Share Incentive Scheme. During the year, the Company implemented a new Scheme named as Mindteck Employees Stock Option Scheme 2020 in lieu of Company's earlier Share Incentive Scheme. The Scheme has 4,16,000 shares which shall be administered and transferred through Mindteck Employees Welfare Trust (MEWT). As on March 31, 2021, the said Trust holds 4,16,000 shares of the Company and has not transferred any shares to the employees of the Company under the said scheme.

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

Particulars that are required to be disclosed under Sub-Section (3)(m) of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are set out in **Annexure-8** included in this Report.

30. ACKNOWLEDGEMENTS

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

for and on behalf of the Board of Directors



Yusuf Lanewala
Chairman
(DIN: 01770426)

Bengaluru, India
May 28, 2021



Anand Balakrishnan
Managing Director and CEO
(DIN: 05311032)

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. WLL. | Mindteck Singapore Pte. Ltd. | Mindteck (UK) Limited | Mindteck, Inc. | Chendle Holdings Ltd. | Mindteck Solutions Philippines, Inc.* | Mindteck Canada, Inc. | Hitech Parking Solutions Private Limited* |
|------------------------|-----------------------|--------------------------------------|--------------------------------|------------------------------|-----------------------|----------------------|-----------------------|---------------------------------------|-----------------------|---|
| Sl. No. | 1 | 2 | 3 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| Reporting Period | 01-04-20 to 31-03-21 | 01-04-20 to 31-03-21 | 01-04-20 to 31-03-21 | 01-04-20 to 31-03-21 | 01-04-20 to 31-03-21 | 01-04-20 to 31-03-21 | 01-04-20 to 31-03-21 | 01-04-20 to 31-03-21 | 01-04-20 to 31-03-21 | 01-04-20 to 31-03-21 |
| Reporting Currency | EUR | MYR | BHD | SGD | GBP | USD | USD | PHP | CAD | INR |
| Exchange Rate | 85.858 | 17.687 | 195.726 | 54.409 | 100.855 | 73.153 | 73.153 | - | 58.173 | - |
| Share Capital | 21,46,450 | 44,21,750 | 97,86,295 | 7,13,02,995 | 9,76,68,789 | 60,08,41,653 | 3,65,76,500 | - | 1,24,55,945 | - |
| Reserves & Surplus | (5,72,09,847) | 7,19,22,647 | (23,04,673) | 2,11,50,628 | (8,23,18,154) | (23,35,81,187) | - | - | 59,66,048 | - |
| Total Assets | 3,04,25,757 | 9,53,21,027 | 3,86,72,503 | 13,34,15,003 | 9,75,05,807 | 72,02,13,450 | 3,65,76,500 | - | 3,76,31,008 | - |
| Total Liabilities | 8,54,89,154 | 1,89,76,630 | 3,11,90,880 | 4,09,61,380 | 8,21,55,172 | 35,29,52,984 | - | - | 1,92,09,015 | - |
| Investments | - | - | - | - | - | 1,22,64,320 | 3,65,76,500 | - | - | - |
| Turnover | 10,11,55,783 | 14,26,01,629 | 10,71,32,184 | 25,78,84,537 | 25,16,80,501 | 1,59,46,81,946 | - | - | 9,93,32,890 | - |
| Profit before taxation | (38,06,713) | 62,69,178 | 1,15,94,279 | (2,01,27,068) | (35,49,920) | (12,26,234) | - | - | 47,77,888 | - |
| Provision for taxation | - | 18,60,422 | - | 11,06,721 | - | 26,63,858 | - | - | 12,66,180 | - |
| Profit after taxation | (38,06,713) | 44,08,756 | 1,15,94,279 | (2,12,33,789) | (35,49,920) | (38,90,092) | - | - | 35,11,708 | - |
| Proposed Dividend | - | - | - | - | - | - | - | - | - | - |
| % of Shareholding | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 99.99 | 100 | 99.99 |

* Mindteck Solutions Philippines, Inc. and Hitech Parking Solutions Private Limited are under strike-off process.

for and on behalf of the Board of Directors



Yusuf Lanewala
Chairman
(DIN: 01770426)



Anand Balakrishnan
Managing Director and CEO
(DIN: 05311032)

Bengaluru, India
May 28, 2021

Annexure-2

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

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

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

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

There were no contracts or arrangements, or transactions entered in to during the year ended March 31, 2021, which were not at arm's length basis.

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

The details of material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2021 are as follows:

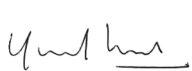
(Amount in Rs.)

| Name(s) of the related party | Nature of relationship | Nature of contracts/arrangements/transactions | Duration of the contracts/arrangements/transactions | Salient terms of the contracts or arrangements or transactions including the value, if any* | Date(s) of approval by the Board, if any | Amount paid as advances, if any |
|--|------------------------|---|---|---|--|---------------------------------|
| (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| Mindteck, Inc., US | Subsidiary | Buy & Sale of service/ Cross charge transactions | 01-04-2008 - ongoing | 51,19,96,490 | NA | 55,46,199 |
| Mindteck Software Malaysia SDN. BHD, Malaysia | Subsidiary | Sale of service/Cross charge transactions | 01-04-2009 - ongoing | 1,04,33,397 | NA | 30,623 |
| Mindteck Middle East Limited WLL, Kingdom of Bahrain | Subsidiary | Sale of service/Cross charge transactions | 01-04-2009 - ongoing | 39,59,274 | NA | 20,10,445 |
| Mindteck (UK) Limited, United Kingdom | Subsidiary | Sale of service/Cross charge transactions | 01-04-2008 - ongoing | 15,82,42,922 | NA | 7,23,477 |
| Mindteck Singapore Pte. Limited, Singapore | Subsidiary | Buy & Sale of service/ Cross charge transactions | 01-04-2009 - ongoing | 4,58,08,391 | NA | 24,62,953 |
| Chendle Holdings Ltd, BVI | Subsidiary | NIL | NIL | NA | NA | NA |
| Hitech Parking Solutions Private Limited** | Subsidiary | NIL | NIL | NA | NA | NA |
| Mindteck Germany GmbH, Germany | Step-Subsidiary | Sale of service/Cross charge transactions | 01-04-2008 - ongoing | 61,79,462 | NA | 43,78,052 |
| Mindteck Solutions Philippines, Inc., Philippines** | Step-Subsidiary | NIL | NIL | NA | NA | NA |
| Mindteck Canada, Inc., Canada | Step-Subsidiary | NIL | NIL | NA | NA | NA |

* Based on TP Agreements.

** Mindteck Solutions Philippines, Inc. and Hitech Parking Solutions Private Limited are under strike-off process.

for and on behalf of the Board of Directors



Yusuf Lanewala
Chairman
(DIN: 01770426)



Anand Balakrishnan
Managing Director and CEO
(DIN: 05311032)

Bengaluru, India
May 28, 2021

Annexure-3

WHISTLEBLOWER POLICY/VIGIL MECHANISM

As part of our Corporate Governance practices, the Company has adopted the Whistleblower policy that covers our Directors, former or current employees, vendors, consultants and any other person(s) who is affiliated with the Company.

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 (India) Limited (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 persons 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 all persons 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 any person discovers information which he/she believes to be a serious malpractice, impropriety, abuse or wrongdoing within the organisation, 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 Stakeholders 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 all persons 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. Capitalised 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” - means and includes, but not limited to:

- Non-compliance of Corporate Governance
- Non-compliance of Related Party Transactions

- Misappropriation of funds
- Non-compliance to the law of the land or violation of law
- Concealing legal mandatory disclosures
- Breach of fiduciary responsibilities
- Infringement of Company Code of Conduct
- Breach of integrity and ethics policy
- Infringement of Insider Trading Code of the Company
- Financial irregularities
- Infringement and misuse of Intellectual Property
- Leak of Unpublished Price Sensitive Information in any manner

c. “Code” - means Company Code of Conduct.

d. “Company” - means “Mindteck (India) Limited”.

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

f. “Person” - means 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 persons of Mindteck (India) Limited and its subsidiaries.

b. The Policy covers any ‘Alleged Wrongful Conduct’ and other malpractices which have taken place involving, but not limited to:

- Any unlawful act, whether criminal or not.
- Breach of any Policy or Manual or Code of conduct adopted by the Company.
- Abuse (e.g. through physical, psychological or financial abuse, exploitation or neglect).
- Fraud and corruption (e.g. to solicit or receive any gift/ reward as a bribe).
- Any instance of failure to comply with legal or statutory obligation either on behalf of the Company or in any personal capacity in the course of discharging duties of the Company.
- Any kind of financial malpractice.

- Abuse of power (e.g. bullying/harassment).
 - Negligence causing substantial and specific danger to public health and safety
 - Wastage/misappropriation of Company funds/assets
 - Leak of Unpublished Price Sensitive Information in any manner
 - Any other unethical or improper conduct.
- c. All persons 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 persons 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 victimisation, subsequent discrimination or disadvantage. However, persons shall 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 is effective from May 28, 2019.

5. COMPANY GUARANTEES UNDER THE POLICY

Protection

- a. The Company as a matter of policy condemns any kind of discrimination, harassment, victimisation 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 minimise difficulties, which the Whistleblower may experience as a result of making the Protected Disclosure. Whistleblowers 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 Whistleblowers who raise Protected Disclosures in good faith, unless forced by circumstances to reveal, in which case the Whistleblowers will be taken into confidence and his/her interests adequately protected.

Any other person 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.

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. A person 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 Chairperson 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 Chairperson of Audit Committee as below:

Chairperson 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 Chairperson of the Audit Committee of the Company, who will investigate/oversee the investigations under the authorisation of the Audit Committee. If any member of the Audit Committee has a conflict of interest in any given case, then he/she should recuse himself/herself and the other members of the Audit Committee should deal with the matter on hand.
- b. The Chairperson of the Audit Committee may at his/her discretion, consider involving any Investigators for the purpose of investigation
- c. The decision to conduct an investigation taken by the Chairperson 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 Chairperson of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- g. Subject has a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistleblower. Subject shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- h. Subject shall not interfere with the investigation.
- i. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subject.
- j. Unless there are compelling reasons not to do so, Subject will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- k. Subject has a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- l. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

Appeal against the decision of the Audit Committee

If either the Whistleblower or the Subject 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 any person makes allegations in good faith, which is not confirmed by subsequent investigation, no action will be taken against the Whistleblower. In making disclosures, employees should exercise due care to ensure the accuracy of the information.

Maintaining confidentiality of the Protected Disclosure

The Whistleblower 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 Whistleblower is called upon to disclose this issue by any judicial process and in accordance with the laws of land.

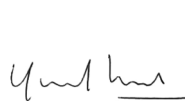
7. COMPLAINTS OF RETALIATION AS A RESULT OF DISCLOSURE

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

Amendment

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

for and on behalf of the Board of Directors



Yusuf Lanewala
Chairman
(DIN: 01770426)



Anand Balakrishnan
Managing Director and CEO
(DIN: 05311032)

Bengaluru, India
May 28, 2021

Annexure-4

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH, 31, 2021

{Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by Mindteck (India) Limited (herein after referred to as "Company") for the period from 1st April 2020 to 31st March 2021. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

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

Based on my verification of the documents provided by the company as stated above and also the information provided by the Company and its officers during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the scanned documents and other records provided by the Company for the financial year ended on 31st March 2021 according to the provisions of:

1. The Companies Act, 2013, (the Act) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) as amended up to the date of audit:

- a. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client;
 - b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
 - f. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - g. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - h. The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2018; and
 - i. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
6. The Company has identified the following laws as applicable to them:
- (i) Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - (ii) Employees State Insurance Act, 1948
 - (iii) Environment Protection Act, 1986 and other applicable environmental laws
 - (iv) Indian Contract Act, 1872
 - (v) Income Tax Act, 1961 and other related laws
 - (vi) Payment of Bonus Act, 1965
 - (vii) Payment of Gratuity Act, 1972 and such other applicable labour laws.
 - (viii) The Information Technology Act, 2000
 - (ix) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
 - (x) The Central Goods and Service Tax Act, 2017, IGST and relevant State GST Acts.

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

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

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

During the period under the review the Company has 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 period under review, the Company has sought approval of the members through Postal Ballot (e-voting), pursuant to Section 110 of the Companies Act, 2013 read with Rule 20 and 22 of Companies (Management and Administration) Rules, 2014, for.
 - i. Mindteck Employees Stock Option Scheme 2020; and
 - ii. Grant of stock options under Mindteck Employees Stock Option Scheme 2020 to the employees of subsidiary company (ies) of the Company.

Members approved both the above resolutions with requisite majority.

- (vii) During the audit period, there were no Public / Rights issue of shares / debentures / sweat equity by the Company.
- (viii) During the period under review, the Company has NOT allotted any equity shares through various ESOP Schemes to its employees and Directors.
- (ix) During the audit period, there were no instances of:
 - a) Redemption/Buy-back of securities
 - b) Merger/amalgamation/reconstruction etc.,
 - c) Foreign technical collaborations.

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

For S KANNAN AND ASSOCIATES



S Kannan
Company Secretary
FCS No. 6261/C P No.: 13016
Firm No. S2017KR473100
UDIN No. F006261C000388016

Place: Bangalore
Date: 28th May 2021

Annexure-A

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

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

- a. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
- b. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- d. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

- e. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
- f. We further report that, based on the information provided by the Company its officers, authorised representatives during the conduct of the audit, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like Labour laws & Environment laws and Data protection policy.
- g. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For S KANNAN AND ASSOCIATES



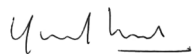
S Kannan
Company Secretary
FCS No. 6261/C P No.: 13016
Firm No. S2017KR473100
UDIN No. F006261C000388016

Place: Bangalore
Date: 28th May 2021

Annexure-5**DETAILS OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

| (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year | <table border="1"> <thead> <tr> <th data-bbox="836 283 1144 315">Name of the Director</th> <th data-bbox="1161 283 1507 315">Ratio to the Median</th> </tr> </thead> <tbody> <tr><td data-bbox="836 325 1144 357">Yusuf Lanewala</td><td data-bbox="1161 325 1507 357">1.36</td></tr> <tr><td data-bbox="836 357 1144 388">Anand Balakrishnan</td><td data-bbox="1161 357 1507 388">20.92</td></tr> <tr><td data-bbox="836 388 1144 420">Meenaz Dhanani</td><td data-bbox="1161 388 1507 420">NIL</td></tr> <tr><td data-bbox="836 420 1144 451">Guhan Subramaniam</td><td data-bbox="1161 420 1507 451">1.36</td></tr> <tr><td data-bbox="836 451 1144 483">Jagdish Malkani</td><td data-bbox="1161 451 1507 483">1.36</td></tr> <tr><td data-bbox="836 483 1144 514">Prochie Mukherji</td><td data-bbox="1161 483 1507 514">1.36</td></tr> <tr><td data-bbox="836 514 1144 546">Satish Menon</td><td data-bbox="1161 514 1507 546">1.36</td></tr> <tr><td data-bbox="836 546 1144 577">Subhash Bhushan Dhar</td><td data-bbox="1161 546 1507 577">1.36</td></tr> </tbody> </table> | Name of the Director | Ratio to the Median | Yusuf Lanewala | 1.36 | Anand Balakrishnan | 20.92 | Meenaz Dhanani | NIL | Guhan Subramaniam | 1.36 | Jagdish Malkani | 1.36 | Prochie Mukherji | 1.36 | Satish Menon | 1.36 | Subhash Bhushan Dhar | 1.36 | | | | |
|--|---|----------------------------|---------------------|----------------|--------|--------------------|-------|----------------|-----|-------------------|--------|-----------------|--------|------------------|--------|--------------|--------|----------------------|--------|----------------------|-----|------------------------|-------|
| Name of the Director | Ratio to the Median | | | | | | | | | | | | | | | | | | | | | | |
| Yusuf Lanewala | 1.36 | | | | | | | | | | | | | | | | | | | | | | |
| Anand Balakrishnan | 20.92 | | | | | | | | | | | | | | | | | | | | | | |
| Meenaz Dhanani | NIL | | | | | | | | | | | | | | | | | | | | | | |
| Guhan Subramaniam | 1.36 | | | | | | | | | | | | | | | | | | | | | | |
| Jagdish Malkani | 1.36 | | | | | | | | | | | | | | | | | | | | | | |
| Prochie Mukherji | 1.36 | | | | | | | | | | | | | | | | | | | | | | |
| Satish Menon | 1.36 | | | | | | | | | | | | | | | | | | | | | | |
| Subhash Bhushan Dhar | 1.36 | | | | | | | | | | | | | | | | | | | | | | |
| (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year | <table border="1"> <thead> <tr> <th data-bbox="836 619 1144 651">Name of the Director & KMP</th> <th data-bbox="1161 619 1507 651">% increase</th> </tr> </thead> <tbody> <tr><td data-bbox="836 661 1144 693">Yusuf Lanewala</td><td data-bbox="1161 661 1507 693">14.29%</td></tr> <tr><td data-bbox="836 693 1144 724">Anand Balakrishnan</td><td data-bbox="1161 693 1507 724">NIL</td></tr> <tr><td data-bbox="836 724 1144 756">Meenaz Dhanani</td><td data-bbox="1161 724 1507 756">NIL</td></tr> <tr><td data-bbox="836 756 1144 787">Guhan Subramaniam</td><td data-bbox="1161 756 1507 787">14.29%</td></tr> <tr><td data-bbox="836 787 1144 819">Jagdish Malkani</td><td data-bbox="1161 787 1507 819">14.29%</td></tr> <tr><td data-bbox="836 819 1144 850">Prochie Mukherji</td><td data-bbox="1161 819 1507 850">60.00%</td></tr> <tr><td data-bbox="836 850 1144 882">Satish Menon</td><td data-bbox="1161 850 1507 882">14.29%</td></tr> <tr><td data-bbox="836 882 1144 913">Subhash Bhushan Dhar</td><td data-bbox="1161 882 1507 913">14.29%</td></tr> <tr><td data-bbox="836 913 1144 945">Ramachandra M S, CFO</td><td data-bbox="1161 913 1507 945">NIL</td></tr> <tr><td data-bbox="836 945 1144 976">Shivarama Adiga S., CS</td><td data-bbox="1161 945 1507 976">5.00%</td></tr> </tbody> </table> | Name of the Director & KMP | % increase | Yusuf Lanewala | 14.29% | Anand Balakrishnan | NIL | Meenaz Dhanani | NIL | Guhan Subramaniam | 14.29% | Jagdish Malkani | 14.29% | Prochie Mukherji | 60.00% | Satish Menon | 14.29% | Subhash Bhushan Dhar | 14.29% | Ramachandra M S, CFO | NIL | Shivarama Adiga S., CS | 5.00% |
| Name of the Director & KMP | % increase | | | | | | | | | | | | | | | | | | | | | | |
| Yusuf Lanewala | 14.29% | | | | | | | | | | | | | | | | | | | | | | |
| Anand Balakrishnan | NIL | | | | | | | | | | | | | | | | | | | | | | |
| Meenaz Dhanani | NIL | | | | | | | | | | | | | | | | | | | | | | |
| Guhan Subramaniam | 14.29% | | | | | | | | | | | | | | | | | | | | | | |
| Jagdish Malkani | 14.29% | | | | | | | | | | | | | | | | | | | | | | |
| Prochie Mukherji | 60.00% | | | | | | | | | | | | | | | | | | | | | | |
| Satish Menon | 14.29% | | | | | | | | | | | | | | | | | | | | | | |
| Subhash Bhushan Dhar | 14.29% | | | | | | | | | | | | | | | | | | | | | | |
| Ramachandra M S, CFO | NIL | | | | | | | | | | | | | | | | | | | | | | |
| Shivarama Adiga S., CS | 5.00% | | | | | | | | | | | | | | | | | | | | | | |
| (iii) The percentage increase in the median remuneration of employees in the financial year | 27.32% | | | | | | | | | | | | | | | | | | | | | | |
| (iv) The number of permanent employees on the rolls of Company | The total number of Mindteck permanent employees as on March 31, 2021 was 672. | | | | | | | | | | | | | | | | | | | | | | |
| (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 3.31% for all the employees and for managerial personnel in the FY 2020-21. 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)**Anand Balakrishnan**
Managing Director and CEO
(DIN: 05311032)Bengaluru, India
May 28, 2021

Annexure-6

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

- Brief outline on CSR Policy of the Company: Company laid down its focus on the following CSR activities in line with the statute governing CSR, and for the benefit of the public:
 - Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, differently abled and livelihood enhancement projects.
 - Eradicating hunger, poverty and malnutrition, promoting health care, including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
 - Any other CSR activities as per the Companies Act, 2013 and approved by the Board from time to time.

- Composition of CSR Committee:

| Sl. No. | Name of Director | Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|---|------------------------|--|--|
| 1 | Yusuf Lanewala, Chairperson of the Committee | Chairman | NIL | NIL |
| 2 | Prochie Mukherji | Independent Director | NIL | NIL |
| 3 | Subhash Bhushan Dhar | Independent Director | NIL | NIL |

- The Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: There was no CSR expenditure during the FY 2020-21. The CSR policy and CSR Composition is mentioned in the website of Company. (Weblink: https://www.mindteck.com/assets/investor_pdf/CSR_Policy.pdf)
- The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: **NOT APPLICABLE**
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **NOT APPLICABLE**

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in Rs) | Amount required to be set-off for the financial year, if any (in Rs) |
|---------|----------------|---|--|
| NIL | NIL | NIL | NIL |

- Average net profit of the Company as per section 135(5): **NOT APPLICABLE**
- (a) Two percent of average net profit of the Company as per section 135(5): **NOT APPLICABLE**
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NOT APPLICABLE**
(c) Amount required to be set off for the financial year, if any: **NOT APPLICABLE**
(d) Total CSR obligation for the financial year (7a+7b-7c): **NOT APPLICABLE**
- (a) CSR amount spent or unspent for the financial year: **NOT APPLICABLE**

| Total Amount Spent for the Financial Year (in Rs.) | Amount Unspent (in Rs.) | | | | |
|--|---|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| NIL | NIL | NIL | NIL | NIL | NIL |

(b) Details of CSR amount spent against ongoing projects for the financial year: **NOT APPLICABLE**

| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project | | Project duration. | Amount allocated for the project (in Rs.) | Amount spent in the current financial year (in Rs.) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
|---------|---------------------|---|---------------------|-------------------------|----------|-------------------|---|---|--|--|--|-------------------------|
| | | | | State | District | | | | | | Name | CSR Registration number |
| NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year: **NOT APPLICABLE**

| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project | | Amount spent in the current financial year (in Rs.) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
|---------|---------------------|---|---------------------|-------------------------|----------|---|--|--|-------------------------|
| | | | | State | District | | | Name | CSR Registration number |
| NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |

(d) Amount spent in Administrative Overheads: **NOT APPLICABLE**

(e) Amount spent on Impact Assessment, if applicable: **NOT APPLICABLE**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **NOT APPLICABLE**

(g) Excess amount for set off, if any: **NOT APPLICABLE**

| Sl. No. | Particulars | Amount (in Rs.) |
|---------|---|-----------------------|
| (i) | Two percent of average net profit of the Company as per section 135(5) | NOT APPLICABLE |
| (ii) | Total amount spent for the Financial Year | NOT APPLICABLE |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | NOT APPLICABLE |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NOT APPLICABLE |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | NOT APPLICABLE |

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**

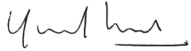
| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount spent in the reporting Financial Year (in Rs.) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | | Amount remaining to be spent in succeeding financial years. (in Rs.) |
|---------|--------------------------|--|---|---|----------------|------------------|--|
| | | | | Name of the Fund | Amount (in Rs) | Date of transfer | |
| NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NOT APPLICABLE**

| Sl. No. | Project ID. | Name of the Project | Financial Year in which the project was commenced | Project duration. | Total amount allocated for the project (in Rs.) | Amount spent on the project in the reporting Financial Year (in Rs) | Cumulative amount spent at the end of reporting Financial Year (in Rs.) | Status of the project - Completed/ Ongoing |
|---------|-------------|---------------------|---|-------------------|---|---|---|--|
| NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): **NOT APPLICABLE**11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5): **NOT APPLICABLE**

for and on behalf of the Board of Directors



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



Anand Balakrishnan
Managing Director and CEO
(DIN: 05311032)

Bengaluru, India
May 28, 2021

Annexure-7

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

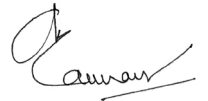
Nominal Capital: Rs. 33,00,00,000.00

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 2020 to 31st March 2021.

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

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

For S KANNAN AND ASSOCIATES



S KANNAN

Company Secretary

FCS No. 6261/C P No.: 13016

Firm No.: S2017KR473100

UDIN No.: F006261C000444765

Place: Bangalore
Date: 28th May, 2021

Annexure-8

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

1. CONSERVATION OF ENERGY

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

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

Conservation of Energy:

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

Waste Management:

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

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

2. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

Technology Absorption:

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

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

- (i) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans.
Through off-shore leverage, Mindteck is seeking to increase exports and develop new markets through subsidiaries.
- (ii) Total Foreign Exchange used and earned:

| Particulars | Amount in Rs. | |
|-------------|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Earnings | 69,94,03,252 | 60,42,15,279 |
| Expenditure | 11,930,513 | 2,17,75,849 |

for and on behalf of the Board of Directors



Yusuf Lanewala
Chairman
(DIN: 01770426)



Anand Balakrishnan
Managing Director and CEO
(DIN: 05311032)

Bengaluru, India
May 28, 2021

Corporate Governance Report

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

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

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

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

GOVERNANCE

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

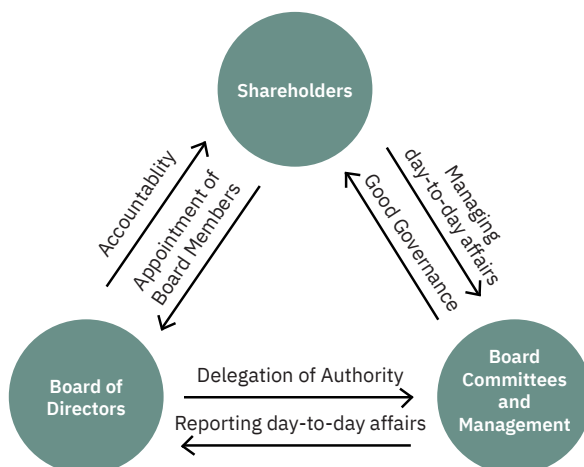
The Management aims to achieve its objective of increasing stakeholders' value while consistently observing the norms laid down in the Code of Corporate Governance. The Management has institutionalised Corporate Governance at all levels within the Company in order to ensure transparency, good practices,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

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

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

- (viii) Maintenance of high standards of safety and health.
- (ix) Adherence to good governance practices in spirit and not just in letter.

2. THE GOVERNANCE STRUCTURE AT MINDTECK



The governance mechanism adopted at Mindteck:

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

A. GOVERNANCE BY THE BOARD OF DIRECTORS

Composition:

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

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

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

As at March 31, 2021, the Company had eight Directors, of which five Directors were Independent, as defined in the Companies Act, 2013 and SEBI (LODR). The Chairman of the Company, a Non-Executive Director, conducts all the Board Meetings and Shareholders' Meetings. The Managing Director and CEO, manages the day-to-day affairs of the Company. The Board periodically evaluates the need for change in its composition and size. None of the Directors of the Company are related inter se.

None of the Directors of the Company held directorships for more than the statutory limit, or were Members of more than ten Committees or Chairperson of more than five Committees across all companies in which they are Directors, as prescribed under the Companies Act, 2013 and SEBI (LODR). Further, none of the Directors of the Company held directorships in any other listed companies.

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

| Name of the Director | Designation and Category | Age | Equity Shareholding (as on March 31, 2021) | No. of Directorship* | | No. of Committees** | |
|----------------------------|---|-----|--|----------------------|---------|---------------------|--------|
| | | | | Public | Private | Chairperson | Member |
| Mr. Yusuf Lanewala | Non-Executive Chairman | 67 | 29,705 shares | - | 1*** | - | - |
| Mr. Anand Balakrishnan | Managing Director and Chief Executive Officer | 48 | 7,350 shares | - | 1*** | - | - |
| Mr. Meenaz Dhanani | Non-Executive Director | 64 | NIL | - | - | - | - |
| Mr. Jagdish Dayal Malkani | Independent Director | 65 | NIL | - | 4*** | - | - |
| Ms. Prochie Sanat Mukherji | Independent Director | 72 | NIL | - | - | - | - |
| Mr. Guhan Subramaniam | Independent Director | 67 | NIL | - | 1 | - | - |
| Mr. Satish Menon | Independent Director | 63 | NIL | - | - | - | - |
| Mr. Subhash Bhushan Dhar | Independent Director | 55 | NIL | - | 2 | - | - |

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

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

*** Mr. Yusuf Lanewala, Mr. Anand Balakrishnan and Mr. Jagdish Dayal Malkani are the Directors of Hitech Parking Solutions Private Limited, which is under strike off process.

Broad Definition of Independent Directors:

The Company has defined the independence as stipulated under the Companies Act, 2013 and SEBI (LODR). Accordingly, an Independent Director means a person who is not an officer or employee of the Company or its subsidiaries, or any other individual having a material pecuniary relationship or transactions with the Company which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a Director. At the time of their appointment, all Independent Directors furnished to the Company a declaration that they qualify the test of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR), and annually certify their independence. The process of selection of Independent Directors is rigorous, transparent, objective and is aligned with the needs of the Company. None of the Independent Directors have any pecuniary relationship or transactions with the Company except the receipt of sitting fees, nor served on the Board of the Company for more than ten years. In the opinion of the Board, all Independent Directors are

independent of the Management and fulfill the conditions specified in SEBI (LODR).

Pursuant to Regulation 25(3) of SEBI (LODR), the Independent Directors of the Company met once in FY 2020-21: February 11, 2021.

Independent Directors Familiarisation Programme:

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

The Board met four times in FY 2020-21: May 27, 2020, August 13, 2020, November 12, 2020 and February 11, 2021.

Sitting Fees:

During FY 2020-21, the Company paid a sitting fee of Rs. 1,00,000 each to its Non-Executive Directors, including Independent Directors, for attending meetings of the Board, Audit Committee and Nomination & Remuneration Committee.

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

| Name of the Director | No. of Board Meetings during FY 2020-21 | | Whether attended last AGM held on August 14, 2020 | Sitting fees for Board and Committee Meetings (in Rs.) |
|----------------------------|---|----------|---|--|
| | Held | Attended | | |
| Mr. Yusuf Lanewala | 4 | 4 | Yes | 8,00,000 |
| Mr. Anand Balakrishnan | 4 | 4 | Yes | NIL |
| Mr. Meenaz Dhanani | 4 | 4 | Yes | NIL |
| Mr. Jagdish Dayal Malkani | 4 | 4 | Yes | 8,00,000 |
| Ms. Prochie Sanat Mukherji | 4 | 4 | Yes | 8,00,000 |
| Mr. Guhan Subramaniam | 4 | 4 | Yes | 8,00,000 |
| Mr. Satish Menon | 4 | 4 | Yes | 8,00,000 |
| Mr. Subhash Bhushan Dhar | 4 | 4 | No | 8,00,000 |

Non-Executive/Independent Directors' Remuneration:

The remuneration paid to Non-Executive/Independent Directors is fixed by the Board of Directors and is within the limits prescribed under the Companies Act, 2013. The remuneration paid to Non-Executive/Independent Directors of the Company, as sitting fees, are noted above in Table 03 for FY 2020-21. The Company did not pay any other remuneration to Non-Executive/Independent Directors during the FY 2020-21, except sitting fees. None of the Non-Executive Directors including Independent Directors have any pecuniary relationship or transactions with the Company except the receipt of sitting fees. The Company also reimburses out-of-pocket expenses incurred by the Directors for attending the meetings.

Mr. Meenaz Dhanani, a Non-Executive Director of the Company, was not paid any remuneration by the Company but a remuneration of USD 191,268 per annum was paid till September 30, 2020, which was revised to USD 197,006 per annum w.e.f. October 01, 2020 by the Company's wholly-owned subsidiary, Mindteck, Inc., US.

None of the Non-Executive/Independent Directors held shares or any convertible instruments in the Company, except Mr. Yusuf Lanewala, Non-Executive Chairman, who held 29,705 equity shares as on March 31, 2021. Mr. Yusuf Lanewala holds 1,00,000 stock options issued at Rs. 90.75 per share on August 10, 2016, and Mr. Meenaz Dhanani, Non-Executive Director, holds 1,00,000 stock options issued at Rs. 90.75 per share on August 10, 2016. Both grants of stock options are not issued at discount and shall vest one-third on the completion of every year from the date of grant. The said stock options can be exercisable for a maximum period of 60 months from the date of vesting.

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

Remuneration to Managing Director and CEO:

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

The Company has executed a formal service contract with Mr. Anand Balakrishnan, Managing Director and CEO, with a notice period of 90 days.

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

Gross Salary: Fixed Salary: Rs. 1,25,00,000/- p.a.
Variable Salary: Rs. 25,00,000/- p.a. (based on the Company's performance)

Mr. Anand Balakrishnan was granted 100,000 stock options at Rs. 34.70 on February 26, 2019 under the Mindteck Employees Stock Option Scheme 2014 and it was not issued at discount. The grant of stock options shall vest one-third on the completion of every year from the date of grant. The said stock options can be exercisable for a maximum period of 60 months from the date of vesting.

Proceedings of Board Meetings:

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

Information and Updates to the Board of Directors:

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

- Annual operating plans, budgets, and any updates.
- Capital budgets and any updates.

- Quarterly results of the Company and its operating divisions or business segments.
- Minutes of meetings of the Audit Committee and other Committees of the Board of Directors.
- Information on recruitment and remuneration of senior officers just below the level of Board of Directors, including the appointment or removal of the Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices that are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods/services sold by the Company.
- Any issue involving possible public or product liability claims of substantial nature, including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development on Human Resources/Industrial Relations matters, such as signing of wage agreements, implementation of Voluntary Retirement Scheme, etc.
- Sale of investments, subsidiaries and assets which are material in nature and not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by Management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer, etc.

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

Recording Minutes of Proceedings at Board and Committee Meetings:

The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the Members of the Board/Committees for their comments. The minutes are entered in the Minutes book and signed as per Secretarial Standard-1.

Post-meeting Follow-up Mechanism:

The important decisions taken at the Board/Committee meetings are communicated promptly to the concerned departments/

divisions and Stock Exchanges wherever and whenever necessary to comply with SEBI (LODR). An Action Taken Report on the decisions/minutes of the previous meeting(s) is placed at the following meeting of the Board/Committee for noting and taking on record. Thus, effective post-meeting follow-up, review and reporting of the decisions taken at the Board/Committee meetings is ensured.

B. GOVERNANCE BY COMMITTEES OF THE BOARD OF DIRECTORS

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

- (I) Audit Committee
- (II) Nomination and Remuneration Committee
- (III) Stakeholders Relationship Committee
- (IV) Corporate Social Responsibility Committee

(I) Audit Committee

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

(a) Composition and Meetings of the Committee:

Meeting: The Audit Committee Meeting was conducted four times during the year on May 27, 2020, August 13, 2020, November 12, 2020 and February 11, 2021. The approved minutes of the meetings were placed before the Board at the succeeding Board Meeting for information.

Table 04: Composition and Attendance Details of Audit Committee Meetings held during the year:

| Members | No. of Meetings | |
|---|-----------------|----------|
| | Held | Attended |
| Mr. Jagdish Dayal Malkani, Chairperson | 4 | 4 |
| Mr. Guhan Subramaniam | 4 | 4 |
| Mr. Satish Menon | 4 | 4 |
| Mr. Meenaz Dhanani | 4 | 4 |

Mr. Shivarama Adiga S., Company Secretary, acted as Secretary for all of the Audit Committee meetings held in FY 2020-21.

(b) Powers:

Powers of the Audit Committee include:

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

(c) Roles and Responsibilities:

- (i) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (ii) To recommend appointment, remuneration and terms of appointment of auditors of the Company.

- (iii) To approve payment to the Statutory Auditor for any other services rendered by them.
- (iv) To review, with the Management, the annual financial statements and the auditor's report thereon before submission to the Board for approval, with particular reference to:
 - matters required to be included in the Director's Responsibility Statement and the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by Management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any Related Party Transactions;
 - modified opinion(s) in the draft audit report.
- (v) To review, with the Management, the quarterly financial statements before submission to the Board for approval.
- (vi) To review, with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice, and the report submitted by the monitoring agency that monitors the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- (vii) To review and monitor the auditor's independence, performance and effectiveness of the audit process.
- (viii) To approve or subsequently modify transactions of the Company with related parties.
- (ix) To scrutinise inter-corporate loans and investments.
- (x) To carry out valuation of undertakings or assets of the Company, whenever it is necessary.
- (xi) To evaluate internal financial controls and risk management systems.
- (xii) To review with the Management, performance of Statutory and Internal Auditors, and adequacy of internal control systems.
- (xiii) To review the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (xiv) To discuss with the Internal Auditor, any significant findings and follow up thereon.
- (xv) To review the findings of any internal investigations by the Internal Auditor into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, and report the matter to the Board.
- (xvi) To discuss with the Statutory Auditor before the audit commences, the nature and scope of audit, as well as post-audit discussion to ascertain any area of concern.
- (xvii) To look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (xviii) To review the functioning of the whistleblower mechanism.
- (xix) To approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background, etc., of the candidate.
- (xx) To carry out any other function as is mentioned in the terms of reference of the Audit Committee.
- (xxi) To review the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/advances/investments.
- (xxii) To consider and comment on the rationale, cost-benefits and impact of schemes involving a merger, demerger, amalgamation, etc. on the Company and its shareholders.
- (xxiii) The Audit Committee mandatorily reviews the following information:
 - Management Discussion and Analysis of financial condition, and results of operations;
 - Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by Management;
 - Management letters/letters of internal control weaknesses issued by the Statutory Auditor;
 - Internal Audit reports relating to internal control weaknesses;
 - The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee;
 - Statement of deviations:
 - a. Quarterly statement of deviation(s), including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1) of SEBI (LODR).
 - b. Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice, in terms of Regulation 32(7) of SEBI (LODR).

(II) Nomination and Remuneration Committee**(a) Composition and Meetings of the Committee:**

Meeting: The Nomination and Remuneration Committee held four meetings during the year: May 27, 2020, August 13, 2020, November 12, 2020 and February 11, 2021.

Table 05: Composition and Attendance Details of Nomination and Remuneration Committee Meetings held during the year:

| Members | No. of Meetings | |
|---|-----------------|----------|
| | Held | Attended |
| Ms. Prochie Sanat Mukherji, Chairperson | 4 | 4 |
| Mr. Subhash Bhushan Dhar | 4 | 4 |
| Mr. Yusuf Lanewala | 4 | 4 |
| Mr. Meenaz Dhanani | 4 | 4 |

(b) Roles and Responsibilities:

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

- (i) To decide on all matters relating to the Company's stock option/share purchase schemes including the grant of options/shares to the Directors and employees of the Company and/or its subsidiaries.
- (ii) To determine and make suitable recommendations to the Board in all matters relating to qualification, appointment, evaluation and remuneration of the Independent Directors, Executive Directors, Non-Executive Directors and Key Managerial Personnel of the Company under the Companies Act, 2013 and SEBI (LODR).
- (iii) To establish and administer employee compensation and benefit plans.
- (iv) To decide and make suitable recommendations to the Board on any other matter that the Board may entrust to the Committee with or as may be required by any statutes/regulations/guidelines, etc.
- (v) To formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
- (vi) To devise a policy on diversity of the Board of Directors.
- (vii) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria that is laid down, and recommend to the Board of Directors their appointment and removal.
- (viii) To decide whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors.
- (ix) To recommend to the Board, all remuneration in whatever form, payable to Senior Management.

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

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

(d) Performance Evaluation Criteria for the Board of Directors

The Board, along with the Nomination and Remuneration Committee, laid down the evaluation criteria for the Board,

including evaluation of the performance of the Board as a whole, Individual Directors (including Independent Directors and Chairperson), and various Committees of the Board, in line with the Companies Act, 2013, and the Guidance Note on Board Evaluation issued by SEBI. The Members of the Board evaluate the performance of all Board Members through peer evaluation. Further, each and every Board member evaluates the effectiveness of the Board dynamics and relationships, the Company's performance strategy, and effectiveness of the Board and its Committees. Questionnaires were devised to gather information from the Board of Directors and sent to the relevant Directors for evaluation and submission. The responses were collected and summarised, which helped to provide effective feedback to all Individual Directors, Chairperson and Committees of the Board, as well as the Board as a whole.

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

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

(III) Stakeholders Relationship Committee**(a) Composition and Meetings of the Committee:**

Meeting: During the year, the Stakeholders Relationship Committee met once on February 11, 2021.

Table 06: Composition and Attendance Details of Stakeholders Relationship Committee Meetings held during the year:

| Members | No. of Meetings | |
|---------------------------------|-----------------|----------|
| | Held | Attended |
| Mr. Meenaz Dhanani, Chairperson | 1 | 1 |
| Mr. Subhash Bhushan Dhar | 1 | 1 |
| Mr. Yusuf Lanewala | 1 | 1 |
| Ms. Prochie Sanat Mukherji | 1 | 1 |

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

(b) Roles and Responsibilities:

The roles of the Committee include the following:

- (i) To resolve the grievances of the Shareholders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- (ii) To review measures taken for effective exercise of voting rights by shareholders.
- (iii) To review the adherence of service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (iv) To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensure timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Table 07: Report of Investor Complaints Received and Resolved during the year ended March 31, 2021:

| | No. of Cases Outstanding as on April 01, 2020 | No. of Cases Added during the year | No. of Cases Resolved during the year | No. of Cases Outstanding as on March 31, 2021 |
|------------------------|---|------------------------------------|---------------------------------------|---|
| No. of Investor Issues | NIL | NIL | NIL | NIL |
| No. of Legal Cases | NIL | NIL | NIL | NIL |

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

(IV) Corporate Social Responsibility Committee**(a) Composition and Meetings of the Committee:**

Meeting: During the year, the Committee did not meet as the Company was not required to spend any Corporate Social Responsibility fund and also there was no ongoing project.

Table 08: Composition of Corporate Social Responsibility Committee:

| Members |
|---------------------------------|
| Mr. Yusuf Lanewala, Chairperson |
| Ms. Prochie Sanat Mukherji |
| Mr. Subhash Bhushan Dhar |

(b) CSR Objectives:

The Company focuses on the following CSR activities for the benefit of the public, in line with Schedule VII of the Companies Act, 2013:

- Promoting education, including special education and employment-enhancing vocation skills especially among children, women, elderly and the differently-abled and livelihood enhancement projects.
- Promoting gender equality, empowering women, supporting the set-up of homes and hostels for women and orphans, as well as old age homes, day care centres and facilities for senior citizens, and measures for reducing inequalities faced by socially and economically backward groups.
- Any other CSR activities in line with Schedule VII of the Companies Act, 2013 and approved by the Board from time to time.

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

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy that shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- To recommend the CSR budget from time to time for the approval of the Board.
- To recommend the amount of expenditure to be incurred on the CSR activities, out of the budgeted amount.
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.

- To institute a transparent monitoring mechanism for implementation of CSR projects/programs/activities.
- To monitor the implementation of CSR activities on a quarterly basis.
- To approve such projects/programs/activities as approved by the Central Government

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

During FY 2020-21, there were no materially significant Related Party Transactions entered into by the Company with the Directors or the 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 on an arm's length basis are separately shown in the *Annexure-2* to the Board's Report and Note 41 of the Notes to Accounts of the Standalone Financial Statements as at March 31, 2021. The Company's Related Party Transactions Policy is displayed on its website. (Weblink: https://www.mindteck.com/assets/investor_pdf/RPT_Policy.pdf)

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

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

Certificate on Corporate Governance:

As required under Schedule V (E) of SEBI (LODR), the Certificate is obtained from a Practicing Company Secretary and is also annexed to the Board's Report as *Annexure-7*.

Certificate on Qualification of Directors:

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

CEO and CFO Certificate:

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

Code of Business Conduct and Ethics:

In compliance with the Companies Act, 2013 and SEBI (LODR), the Company has adopted a Code of Business Conduct and Ethics for all employees and Directors of the Company, and its subsidiaries. All Members of the Board and Senior Management personnel have affirmed compliance with the Company's Code of Business Conduct and Ethics. A copy of the said Code of Business Conduct and Ethics is available on the Company's website. (Weblink: https://www.mindteck.com/assets/investor_pdf/Mindteck-Code-of-Business-Conduct-and-Ethics-v3.pdf)

Compliance with Laws:

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

Management Discussion and Analysis:

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

Subsidiaries:

The Company has no Indian-listed subsidiary. Hitech Parking Solutions Private Limited was an unlisted wholly-owned Indian subsidiary of the Company, for which a strike-off application has been filed with the MCA for approval. The statement pertaining to all Subsidiaries of the Company forms part of the Board's Report as *Annexure-1*.

Material Subsidiaries:

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

(Weblink: [https://www.mindteck.com/assets/investor_pdf/Material_Subsubsidiaries_Policy\(1\).pdf](https://www.mindteck.com/assets/investor_pdf/Material_Subsubsidiaries_Policy(1).pdf))

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

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

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

Policies and Best Practices:

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

Code of Practices and Procedures for Fair Disclosure:

Pursuant to Regulation 8 of Chapter IV of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code for timely, appropriate and adequate disclosure of unpublished price sensitive information.

Code of Conduct for Prohibition of Insider Trading:

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

Whistleblower Policy:

The Company has adopted a Whistleblower Policy and has established the necessary vigil mechanism in line with the Companies Act, 2013 and SEBI (LODR), for any person to report concerns, alleged wrongful conduct, including unethical behavior, financial irregularities, misuse or leak of unpublished price sensitive information, sexual harassment, infringement and misuse of Intellectual Property. It also provides protection against victimisation of any person who avails 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 Whistleblower Policy is displayed on the website of the Company. (Weblink: https://www.mindteck.com/assets/investor_pdf/Whistle_Blower_Policy.pdf)

Policy for Determining Material Information:

The Company has adopted a Policy for Determining Material Information as per SEBI (LODR). This Policy applies with respect to the disclosure of Material Events/Information occurring/arising within the Company and its subsidiaries. This Policy for Determining Material Information is displayed on the website of the Company. (Weblink: https://www.mindteck.com/assets/investor_pdf/Policy-for-Determining-Material-Information.pdf)

Document Retention and Archival Policy:

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

Statutory Auditor's Fees:

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

Table 09: Details of Total Fees Paid to the Statutory Auditor and its Network Firms/Entities during FY 2020-21:

| Amount in Rs. | | | |
|--|------------------|------------------------|------------------|
| Description | Basic | Out-of-pocket Expenses | Total |
| Payment to S.R. Batliboi & Associates LLP | | | |
| Audit Fees | 32,00,000 | 1,92,901 | 33,92,901 |
| Tax Audit | 1,00,000 | 2,706 | 1,02,706 |
| Annual Performance Report and Other Certifications | 5,15,000 | 4,752 | 5,19,752 |
| US GAAP Audit | 7,00,000 | 24,958 | 7,24,958 |
| Total | 45,15,000 | 2,25,317 | 47,40,317 |

Internal Auditor:

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

Sexual Harassment Complaints:

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

Table 10: Report of Sexual Harassment Complaints Received and Disposed of during year ended March 31, 2021:

| No. of Complaints as on April 01, 2020 | No. of Cases Received during the year | No. of Cases Resolved during the year | Pending as on March 31, 2021 |
|--|---------------------------------------|---------------------------------------|------------------------------|
| No. of Complaints | NIL | NIL | NIL |

Software Development Centres**Bengaluru, India:**

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

Kolkata, India:

9-C, 9th Floor, Tower 2
Millennium City Technology Park
Plot 62, Block-DN, Sector V
Salt Lake, Kolkata – 700091, India

Investor Contacts**Registered Office Address for correspondence:****Mindteck (India) Limited**

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

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

For queries relating to financial statements:**Mr. Ramachandra M S**

Chief Financial Officer
Tel: 91 80 4154 8000, Ext. 8169
Email: ram.magadi@mindteck.com

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

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

Address of Registrar and Transfer Agent:**Universal Capital Securities Private Limited**

C 101, 247 Park, LBS Road
Vikhroli West, Mumbai – 400083
Contact: Mr. Santosh Gamare
Tel: 91 22 2820 7203-05
Fax: 022-2820 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 – 400051, India
Tel: 91 22 2644 9000/4045 9000
Email: sebi@sebi.gov.in

Registrar of Companies, Karnataka

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

BSE Limited

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

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400051, India
Tel: 91 22 2659 8100/022 2659 8114
Email: ignse@nse.co.in; gifaq@nse.co.in

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

Trade World, A Wing, 4th and 5th Floors
Kamala Mills Compound, Senapati Bapat Marg
Lower Parel, Mumbai – 400013, India
Tel: 91 22 2499 4200
Email: info@nsdl.co.in

Central Depository Services (India) Limited

A-Wing, 25th Floor, Marathon Futurex
Mafatlal Mills Compound, N.M. Joshi Marg
Lower Parel, Mumbai – 400013, India
Tel: 91 22 2305 8640/8624
Email: helpdesk@cdslindia.com

D. INFORMATION FOR SHAREHOLDERS**Corporate Profile:**

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

Forthcoming Annual General Meeting (AGM):

The AGM for FY 2020-21 is scheduled for Friday, August 13, 2021 at 12:00 Noon through Video Conferencing (VC)/Other Audio-Visual Means (OAVM).

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

| Date of AGM | Time of AGM | Location |
|--------------------|-------------|--|
| September 28, 2018 | 12:00 Noon | Hotel Paraag, #3, Rajbhavan Road, Bengaluru – 560001 |
| August 14, 2019 | 12:00 Noon | Hotel Paraag, #3, Rajbhavan Road, Bengaluru – 560001 |
| August 14, 2020 | 3:00 PM | Held through Video Conference |

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

| | |
|--------------------|--|
| September 28, 2018 | ▪ No Special Resolutions were passed. |
| August 14, 2019 | ▪ Re-appointment of Mr. Jagdish Dayal Malkani as an Independent Director of the Company. |
| August 14, 2020 | ▪ Appointment and Payment of Remuneration to Mr. Anand Balakrishnan as Managing Director and Chief Executive Officer of the Company. ▪ Re-Appointment of Ms. Prochie Sanat Mukherji as an Independent Director. |

Postal Ballot:

During FY 2020-21, the Company conducted a Postal Ballot through e-voting for which the details are as under:

- Date of Postal Ballot Notice: December 11, 2020.
- Voting Period: December 18, 2020 at 9:00 A.M. to January 17, 2021 at 5:00 P.M.
- E-voting Facility: The e-voting facility was provided through CDSL platform.
- Date of Approval: January 17, 2021.
- Date of Declaration of Result: January 18, 2021.

| Resolution | Type of Resolution | No. of Votes Polled | No. of Votes in Favour | % of Votes in Favour | No. of Votes Against | % of Votes Against |
|---|--------------------|---------------------|------------------------|----------------------|----------------------|--------------------|
| To approve Mindteck Employee Stock Option Scheme | Special | 1,72,83,067 | 1,72,82,037 | 99.994 | 1,030 | 0.006 |
| To approve grant of stock options under Mindteck Employee Stock Option Scheme 2020 to the employees of subsidiary company(ies) of the Company | Special | 1,72,83,067 | 1,72,82,037 | 99.994 | 1,030 | 0.006 |

Mr. Gopalakrishnaraj H H, a Practicing Company Secretary (FCS No. 5654, CP No. 4152), was appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner. Both agendas were approved in the postal ballot as Special Resolutions

Financial Year:

April 01, 2020 to March 31, 2021

2021; Scrip code is “517344” and the Symbol is “MINDTECK”, respectively.

Book Closure dates for the forthcoming AGM:

July 31, 2021 to August 13, 2021 (both days inclusive)

The annual listing fee for FY 2021-22 has been paid by the Company to BSE and NSE. The annual custodial fee for FY 2021-22 has been paid by the Company to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Listing and Payment of Annual Fees:

The Company's equity shares are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') as at March 31,

Dividend:

The Board has not recommended dividend for FY 2020-21.

Share Transfer System:

In terms of Regulation 40(1) of SEBI (LODR), as amended from time to time, transfer of securities shall not be processed unless the shares are held in dematerialised mode with effect from April 01, 2019. However, transmission or transposition of securities are allowed for shares held in physical mode. Further, SEBI has stipulated March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in dematerialised mode. Members holding shares in physical mode are requested to consider converting their shares into dematerialised mode. Transfers of dematerialised shares are effected through the depositories without any involvement of the Company.

Dematerialisation of shares and liquidity:

The Company's shares are compulsorily traded in dematerialised mode and are available for trading on both the depositories in India viz. NSDL and CDSL. Equity Shares of the Company representing 99.38% of the Company's equity share capital are dematerialised as on March 31, 2021. The Company continues to facilitate requests for dematerialisation of shares on a regular basis and the request can be routed through the respective investors' Depository Participant (DP) to the Company's RTA, Universal Capital Securities Private Limited for further action. Under the Depository system, the International Securities Identification Number (ISIN) allotted to Mindteck shares is INE110B01017.

Shareholding Pattern as on March 31, 2021:

The Shareholding pattern as on March 31, 2021 is available on the Company's website (www.mindteck.com) and also made available on the websites of BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com).

Table 13: Distribution of Shareholding as on March 31, 2021:

| Range | As on March 31, 2021 | | | | As on March 31, 2020 | | | |
|------------------|----------------------|---------------|--------------------|---------------|----------------------|---------------|-------------------|---------------|
| | Shareholders | | Shares | | Shareholders | | Shares | |
| Number of Shares | Number | % to Total | Number | % to Total | Number | % to Total | Number | % to Total |
| 1 – 500 | 8,746 | 86.94 | 9,12,069 | 3.56 | 9,664 | 88.09 | 9,55,744 | 3.73 |
| 501 – 1,000 | 633 | 6.29 | 5,18,415 | 2.02 | 635 | 5.79 | 5,20,279 | 2.03 |
| 1,001 – 2,000 | 290 | 2.88 | 4,46,540 | 1.74 | 267 | 2.43 | 3,99,022 | 1.56 |
| 2,001 – 3,000 | 115 | 1.14 | 2,92,506 | 1.14 | 106 | 0.97 | 2,69,196 | 1.05 |
| 3,001 – 4,000 | 49 | 0.49 | 1,75,793 | 0.69 | 51 | 0.46 | 1,81,196 | 0.71 |
| 4,001 – 5,000 | 55 | 0.55 | 2,57,912 | 1.01 | 59 | 0.54 | 2,73,063 | 1.06 |
| 5,001–10,000 | 85 | 0.85 | 6,32,408 | 2.47 | 108 | 0.98 | 7,89,576 | 3.08 |
| 10,001 & above | 87 | 0.86 | 2,23,86,255 | 87.37 | 81 | 0.74 | 2,22,33,822 | 86.78 |
| Total | 10,060 | 100.00 | 2,56,21,898 | 100.00 | 10,971 | 100.00 | 25,621,898 | 100.00 |

Unclaimed Dividend:

Sections 124 and 125 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred as 'IEPF Rules'), mandates companies to transfer dividend that has been unclaimed for a period of seven years from the Unpaid Dividend Account to the Investor Education and Protection

Secretarial Audit:

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

During the year, Mr. S. Kannan, a Practicing Company Secretary, was appointed to conduct the Secretarial Audit of the Company for FY 2020-21, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for FY 2020-21 is attached to the Board's Report as **Annexure-4**.

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

Commodity price risk or foreign exchange risk and hedging activities:

There was no commodity price risk during FY 2020-21. The Company's transactions involve foreign currency and, to that extent, attracts foreign exchange risk due to changes in the forex rate, if any. The Board has taken a conscious decision not to have a formal hedging strategy for the foreign exchange exposures of the Company.

Fund (IEPF). Further, the IEPF Rules mandate the transfer of corresponding shares with respect to the dividend which has not been paid or claimed for seven consecutive years or more to the IEPF. Accordingly, the dividend for the years mentioned as under, if remains unclaimed within a period of seven years, and corresponding shares will be transferred to the IEPF as per the due dates noted 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 in Rs. ⁽¹⁾ |
|---------------|------------------|---------------|---------------------|-------------------------------|--|
| 2013-14 | Final Dividend | 10% | 14-08-2014 | 18-10-2021 | 113,342.00 |
| 2014-15 | Final Dividend | 10% | 11-08-2015 | 15-10-2022 | 146,567.19 |
| 2015-16 | Final Dividend | 10% | 11-08-2016 | 15-10-2023 | 165,763.97 |
| 2016-17 | Final Dividend | 10% | 11-08-2017 | 15-10-2024 | 170,367.29 |
| 2017-18 | Final Dividend | 10% | 28-09-2018 | 02-12-2025 | 217,364.56 |
| 2018-19 | Final Dividend | 10% | 14-08-2019 | 18-10-2026 | 232,094.34 |

(1) Amount unclaimed as at March 31, 2021

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

The statement of the entire unclaimed dividend amount as on March 31, 2020 has been published on the website of the Company as per Form IEPF-2.

In accordance with the above provisions, the following shares were transferred to the IEPF Authority in respect of which dividend amount was unpaid/claimed for seven consecutive years during FY 2020-21:

| Dividend Year | No. of Shareholders | No. of Shares |
|---------------|---------------------|---------------|
| 2000-01 | 225 | 6,525 |
| 2001-02 | 78 | 2,516 |
| 2004-05 | 300 | 14,930 |
| 2005-06 | 270 | 9,455 |
| 2006-07 | 185 | 7,185 |
| 2007-08 | 184 | 8,112 |
| Total | 1,242 | 48,723 |

Communication to the Shareholders:

(i) Quarterly Results:

The Company published its quarterly and year-end financial results in the Business Standard (English) and Hosadigantha (Bengaluru Edition - Kannada) newspapers during FY 2020-21. The results have also been submitted to the BSE and NSE where the Company's equity shares are listed, and published on the Company's website (www.mindteck.com).

(ii) News Releases and Presentations:

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

(iii) Website:

The Company's website www.mindteck.com contains a separate dedicated Investors section where all shareholder information is available, along with the Annual Reports of the Company.

(iv) Annual Report:

The Annual Report of the Company, containing the annual audited financial statements (both standalone and consolidated), along with the Auditor's Report thereon, the Board's Report, Management Discussion & Analysis Report, and other important information, is being circulated to all the shareholders whose email IDs are registered with the Company. The soft copy of the Annual Report is made available on the website of the Company.

Members holding shares in dematerialised mode are requested to update their email IDs with their respective Depository Participant (DP). Changes intimated to the DP will be automatically reflected in the Company's records that will help the Company and its RTA to provide efficient and better services to the Members. Members holding shares in physical mode are requested to update their email IDs to the RTA, Universal Capital Securities Private Limited at C 101, 247 Park, LBS Road, Vikhroli West, Mumbai – 400083, Tel: 022-2820 7203-05, Fax: 022-2820 7207, Email: gamare@unisec.in.

(v) Market Price Data:

Table 15: High/Low of BSE Sensex and Company's Share Price on BSE Limited, month-wise for FY 2020-21:

| Month | Sensex | | Share Price (Rs.) | | Trade | |
|----------------|-----------|-----------|-------------------|-------|----------------------|--------------|
| | High | Low | High | Low | No. of Shares Traded | Value in Rs. |
| April 2020 | 33,887.25 | 27,500.79 | 21.30 | 13.21 | 31,718 | 5,44,709 |
| May 2020 | 32,845.48 | 29,968.45 | 24.80 | 17.00 | 58,202 | 12,35,525 |
| June 2020 | 35,706.55 | 32,348.10 | 28.85 | 19.65 | 1,06,186 | 26,18,066 |
| July 2020 | 38,617.03 | 34,927.20 | 29.65 | 22.20 | 55,449 | 13,65,437 |
| August 2020 | 40,010.17 | 36,911.23 | 43.90 | 22.20 | 1,01,780 | 33,36,393 |
| September 2020 | 39,359.51 | 36,495.98 | 36.75 | 28.00 | 51,914 | 17,11,861 |
| October 2020 | 41,048.05 | 38,410.20 | 34.25 | 28.00 | 36,381 | 11,15,926 |
| November 2020 | 44,825.37 | 39,334.92 | 37.80 | 26.25 | 54,049 | 17,85,788 |
| December 2020 | 47,896.97 | 44,118.10 | 55.70 | 35.05 | 1,37,156 | 60,51,132 |
| January 2021 | 50,184.01 | 46,160.46 | 61.35 | 42.00 | 1,66,591 | 85,98,119 |
| February 2021 | 52,516.76 | 46,433.65 | 49.15 | 40.10 | 78,569 | 35,71,779 |
| March 2021 | 51,821.84 | 48,236.35 | 49.90 | 41.00 | 1,05,797 | 47,96,507 |

Table 16: High/Low of Nifty and Company's Share Price on NSE, month-wise for FY 2020-21:

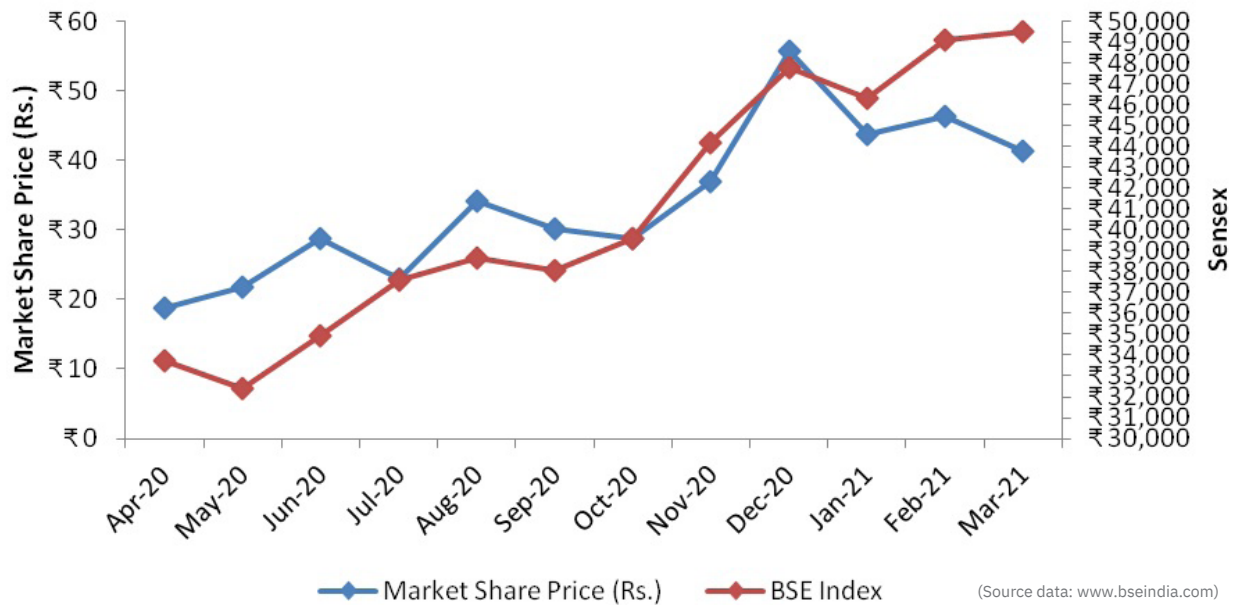
| Month | Nifty | | Share Price (Rs.) | | Trade | |
|----------------|----------|----------|-------------------|-------|----------------------|----------------|
| | High | Low | High | Low | No. of Shares Traded | Value in Rs. |
| April 2020 | 9889.05 | 8055.80 | 21.90 | 13.30 | 1,80,075 | 31,82,145.05 |
| May 2020 | 9598.85 | 8806.75 | 24.90 | 16.65 | 2,98,702 | 65,73,630.55 |
| June 2020 | 10553.15 | 9544.35 | 28.85 | 19.05 | 4,92,223 | 1,16,20,413.20 |
| July 2020 | 11341.40 | 10299.60 | 29.75 | 22.00 | 3,64,609 | 89,33,037.70 |
| August 2020 | 11794.25 | 10882.25 | 44.50 | 22.35 | 8,34,091 | 2,77,08,171.45 |
| September 2020 | 11618.10 | 10790.20 | 36.00 | 27.70 | 1,89,464 | 62,02,854.25 |
| October 2020 | 12025.45 | 11347.05 | 34.70 | 27.20 | 1,11,893 | 35,08,936.40 |
| November 2020 | 13145.85 | 11557.40 | 37.65 | 26.30 | 2,75,133 | 92,55,844.95 |
| December 2020 | 14024.85 | 12962.80 | 56.20 | 35.00 | 5,82,824 | 2,56,91,223.50 |
| January 2021 | 14753.55 | 13596.75 | 61.95 | 41.15 | 6,75,274 | 3,52,48,040.55 |
| February 2021 | 15431.75 | 13661.75 | 49.20 | 41.00 | 2,75,506 | 1,23,75,119.75 |
| March 2021 | 15336.30 | 14264.40 | 49.75 | 41.25 | 3,05,797 | 1,37,75,115.75 |

Table 17: Company's Quoted Share Price in Comparison to broad-based BSE Index and BSE IT Index:

| Month | Closing Share Price on the month's last trading day (Rs.) | BSE Index | BSE IT Index |
|----------------|---|-----------|--------------|
| April 2020 | 18.73 | 33,717.62 | 14,235.04 |
| May 2020 | 21.75 | 32,424.10 | 14,067.30 |
| June 2020 | 28.70 | 34,915.80 | 14,886.92 |
| July 2020 | 22.95 | 37,606.89 | 18,251.06 |
| August 2020 | 34.15 | 38,628.29 | 18,055.38 |
| September 2020 | 30.15 | 38,067.93 | 19,979.89 |
| October 2020 | 28.85 | 39,614.07 | 21,058.79 |
| November 2020 | 36.90 | 44,149.72 | 21,635.41 |
| December 2020 | 55.70 | 47,751.33 | 24,248.26 |
| January 2021 | 43.65 | 46,285.77 | 24,820.69 |
| February 2021 | 46.40 | 49,099.99 | 24,423.97 |
| March 2021 | 41.35 | 49,509.15 | 26,543.24 |

Table 18: Company's Quoted Share Price in Comparison to broad-based NSE Index and NSE IT Index:

| Month | Closing Share Price on the month's last trading day (Rs.) | NSE Index | NSE IT Index |
|----------------|---|-----------|--------------|
| April 2020 | 18.50 | 9859.90 | 14108.35 |
| May 2020 | 21.80 | 9580.30 | 14010.50 |
| June 2020 | 28.80 | 10302.10 | 14754.30 |
| July 2020 | 22.70 | 11073.45 | 18071.85 |
| August 2020 | 34.20 | 11387.50 | 17928.85 |
| September 2020 | 30.00 | 11247.55 | 19951.30 |
| October 2020 | 28.05 | 11642.40 | 20916.85 |
| November 2020 | 36.60 | 12968.95 | 21764.90 |
| December 2020 | 56.20 | 13981.75 | 24251.35 |
| January 2021 | 43.70 | 13634.60 | 24645.75 |
| February 2021 | 46.60 | 14529.15 | 24301.45 |
| March 2021 | 41.70 | 14690.70 | 25855.00 |

(vi) Performance of Mindteck Shares in Comparison to BSE Index:

(vii) Performance of Mindteck shares in comparison to NSE Index:



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

This is to confirm that the Company has adopted a Code of Business Conduct and Ethics for its Senior Management including the Managing Director and Non-Executive Directors/Independent Directors. I confirm that the Company has received from its Senior Management Team, and the Members of the Board, a declaration of compliance with the Code of Business Conduct and Ethics as applicable to them in respect of the FY ended on March 31, 2021.

for and on behalf of the Board of Directors

Anand Balakrishnan
Managing Director and CEO
(DIN: 05311032)

Bengaluru, India
May 28, 2021

Annexure

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

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

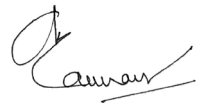
I, S Kannan, Consultant Company Secretary, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Mindteck (India) Limited having CIN L30007KA1991PLC039702 and having registered office at A M R Tech Park, Block 1, 3rd Floor, No.664, 23/24, Hosur Main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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I, hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sl. No. | Name of Director | DIN No. | Date of appointment |
|---------|------------------------|----------|---------------------|
| 1 | Satish Menon Kumar | 00114149 | 14/05/2018 |
| 2 | Subramaniam Guhan | 00131687 | 20/05/2016 |
| 3 | Jagdish Dayal Malkani | 00326173 | 08/08/2013 |
| 4 | Yusuf Lanewala | 01770426 | 13/02/2013 |
| 5 | Subhash Bhushan Dhar | 03603891 | 29/05/2018 |
| 6 | Anand Balakrishnan | 05311032 | 01/03/2020 |
| 7 | Meenaz Dhanani | 06705048 | 04/10/2013 |
| 8 | Prochie Sanat Mukherji | 07158863 | 11/08/2015 |

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

For S KANNAN AND ASSOCIATES



S KANNAN
Company Secretary
FCS No. 6261/C P No.: 13016
Firm No. S2017KR473100
UDIN No. F006261C000418442

Place: Bangalore
Date: 28th May, 2021

Management Discussion and Analysis

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

MACROECONOMIC OUTLOOK

According to the World Bank's *Global Economic Prospects Report* released in June 2021, the global economy is set to expand by 5.6 percent in 2021 – its greatest post-recession pace in 80 years. That said, recovery is anticipated to be uneven and largely reflects sharp rebounds in some major economies. In several Emerging Market and Developing Economies (EMDEs), hindrances to vaccination continue to be a burden on activity. The report states that by 2022, last year's per capita income losses will not be fully unwound in about two-thirds of EMDEs. As far as global outlook is concerned, it remains subject to significant downside risks, including the possibilities of more COVID-19 waves and financial stress amid high EMDE debt levels.

The growth rate of the US is expected to reach 6.8 percent in 2021, reflecting a large-scale fiscal support and relaxation of pandemic restrictions. In other advanced economies, growth is strengthening, but to a lesser extent. Among EMDEs, China is anticipated to rebound to 8.5 percent in 2021, indicating the release of curbed demand.

At a modest 4.7 percent in 2022, the growth rate recovery in many EMDEs is being directly challenged by a resurgence of COVID-19 cases and lagging vaccination progress, as well as the withdrawal of policy support in a few instances. Gains in this group of economies are not sufficient to recover losses experienced during the recession induced by the pandemic. Further, according to the report, output in 2022 is expected to be 4.1 percent below pre-pandemic projections. While major drivers of growth had been expected to lose momentum even before the COVID-19 crisis, the trend is likely to be amplified due to the damaging effects of the pandemic.

In the South Asian region, growth is projected to become a stronger-than-expected 6.8 percent in 2021, partly reflecting momentum from the end of 2020. India accounts for most of the improvement since strong activity in the services sector more than compensated for the prolonged economic effects of the pandemic. However, the recovery will not reach the pre-pandemic projections for 2022. In fact, the GDP is expected to be 9 percent lower.

In October 2020, the International Monetary Fund (IMF) had projected the GDP for the Middle East and North Africa region (MENA) to grow by 3.2 percent in 2021, but in April 2021 this figure was revised to 4 percent as countries began recovering from the pandemic. The outlook is expected to vary significantly across countries depending on factors such as vaccine rollouts, as well as exposure to tourism and policies, according to the IMF's latest regional economic report.

As of May 2021, the GDP growth forecast in Singapore for 2021 was 4-6 percent, although the government warned of a larger-than-usual degree of uncertainty caused by the pandemic, as well as new domestic curbs against it. Malaysia's GDP projection was lowered to 4.5 percent in 2021 amid a dramatic resurgence of the COVID-19 beginning in mid-April

2021. As far as the EU is concerned, the economy is forecast to grow by 4.2 percent in 2021 and further strengthen to around 4.4 percent in 2022.

INDUSTRY OUTLOOK

According to Gartner's 2021 Tech Trends e-book, distributed cloud, which provides public cloud options to different physical locations, is expected to be a major trend. In the distributed cloud model, the public cloud company maintains, operates and evolves services, but physically executes at the point of need. This further means that latency issues and privacy regulations (which require data to remain at a specific geography) can be effectively resolved and managed. This allows customers to get all benefits of the public cloud and also avoid the expensive and complicated private cloud. Some distributed cloud styles include: on-prem public, IoT edge, metro-area community, 5G mobile edge and global network edge.

The cybersecurity mesh – a distributed architectural approach to scalable, flexible as well as reliable cybersecurity control – has gained popularity during the pandemic. It enables any person to securely access and use any digital asset, irrespective of the asset's location, while providing the necessary level of security. Additionally, it enables a security model that retains the agility so very crucial in business operations considering the current conditions. At the same time, cybersecurity mesh offers security to companies without any hindrances. The rise of distributed digital assets and users is a major growth driver of the cybersecurity mesh trend.

Prior to the pandemic, companies around the world were primarily focusing on efficiency – this meant that when the disruption hit, many business processes were burdensome and not stable enough to adapt to the circumstances. To achieve resilient delivery during the rebuilding process, Gartner suggests that leaders need to consider designing an architecture – one that is composable, modular and adaptable – enabling better access to information, and augmentation of this information with new insights.

Hyperautomation is very crucial, especially with digital operational excellence already in demand, along with COVID-19 pushing companies to allow more remote, digital-first options. By implementing hyperautomation, companies can achieve both digital operational excellence as well as operational resiliency. However, digitising documents and IT process workflows alone is not sufficient – companies also need to automate tasks, processes and orchestrate automation across functional areas.

Some challenges associated with AI-based projects include lack of maintainability, scalability and governance. A robust AI engineering strategy is necessary for the facilitation of performance, scalability, interpretability and reliability of AI models while delivering the full value of AI investments. In the absence of AI engineering, most companies will fail to move AI projects beyond POCs and prototypes to full-scale production. According to Gartner, companies need to apply DevOps principles across the data pipeline for DataOps and the machine learning model pipeline for MLOps so as to reap the benefits of AI engineering.

The increasing prevalence of 5G technology, which will bring faster broadband speeds and more reliable mobile networks, continues to be yet another trend of the year. Forbes states that the 5G proliferation will also result in enhancements of smart city, smart vehicle, smart

manufacturing, and numerous other IoT-based technologies. Transformation across many industries is anticipated to take place as a result of the 5G technology penetration.

As far as business intelligence technologies are concerned, SaaS was adopted by multiple organisations in 2020. A report by Analytics Insight suggests that this is further expected to grow in 2021 as a result of companies embracing the tool so as to gain more flexibility and access to data on the cloud, irrespective of the device used. SaaS is predominantly gaining traction for remote teams that require solutions which will help them optimise business processes and ensure that there are no challenges posed by the remote work model. SaaS focuses on achieving sustainable growth, which is very important in an uncertain period such as the present.

Top Outsourcing Trends

According to a NASSCOM report, enterprise CXOs anticipate that more work will shift from companies' global headquarters to Global In-house Captives (GICs) in India in the next three to five years. Analytics, traditional IT, digital-age IT, domain expertise, leadership quality and cost savings are the six focus areas for Indian GICs to invest in, as per the report. CXOs are also pushing to reduce legacy IT spending so as to fund digital efforts in the new operating model.

As per Technavio's IT outsourcing statistics, the value of the IT outsourcing market is expected to reach USD 486.16 billion by 2024, growing at 5 percent during 2020-2024.

Organisations across multiple sectors, especially fintech, healthcare and telecom, are seeking to accelerate their journey towards digital transformation. Businesses in these industries are following IT outsourcing trends and are the most likely clients who are searching for IT outsourcing services.

Companies are projected to increasingly outsource the migrations, maintenance, security, compliance, and day-to-day troubleshooting related to the cloud. According to Gartner, cloud system infrastructure services is expected to grow from USD 44 billion in 2019 and reach USD 81 billion by 2022.

A Deloitte report suggests that embracing disruptive technologies remains to be a top outsourcing trend this year. Alongside shoring up value and driving down costs, a renewed focus on risk management is expected.

While many players in the IT industry anticipated cost savings to be just an ancillary benefit to objectives such as increasing agility or improving the quality of service in the past, cost reduction has become a top priority this year. A number of companies are prioritising cost savings owing to the pandemic-induced global recession. It is expected that this trend will remain on top in the coming years as well.

Evolving business scenarios, heightened visa restrictions as well as rising client expectations are some reasons as to why it is vital for service providers to become more agile. Collaboration in a world where speed, quality, flexibility and cost are key for firms that are seeking to accelerate overall outsourcing. Deloitte suggests that service providers will need to reimagine how they provide effective remote services, build plug-and-play solutions that enable rapid integration, as well as have contracts that allow them to pivot according to everchanging business priorities.

Lastly, the shortage for technology skills is soaring, according to a KPMG survey. Eastern European countries are increasingly being considered as outsourcing destinations by many companies. Particularly, Ukraine, Poland and Romania are becoming top choices for software companies looking for a software development partner due to the solid talent pool, technological excellence and great price-quality ratio offered by companies in these countries.

MARKET OUTLOOK BY INDUSTRY

Medical Device

In 2020, the global medical devices market was USD 432.23 billion. It is projected to grow from USD 455.34 billion in 2021 to USD 657.98 billion in 2028 at a Compound Annual Growth Rate (CAGR) of 5.4 percent in the forecast period. Increasing investment of MedTech companies in research and development, and favourable scenarios by regulatory authorities for their approval is expected to further boost the industry through this time period.

The global healthcare ecosystem is undergoing a major technological transformation, due to a combination of factors such as changes in spending patterns in the medical devices industry, stronger focus on digitalisation, as well as rising emphasis on partnerships, including collaborations with start-ups, and ER&D service providers.

COVID-19 has positioned the MedTech industry at the centre stage with an unparalleled demand for diagnostic tests, ventilators, and other critical medical supplies. The pandemic has also led to a stronger demand for Remote Patient Monitoring (RPM) tools to monitor patients outside regular hospital settings. As a result, telemedicine, RPM tools, digital therapeutics, electronic healthcare records, and wearables are segments that are predicted to benefit.

One of the most noticeable changes in healthcare today is the use of medical devices that incorporate AI and ML. With the advances of these technologies, the medical device industry is able to diagnose diseases better and earlier, treat illnesses more precisely, and engage with patients more efficiently.

Yet another area of advancement in healthcare is the Internet of Medical Things (IoMT) – a connected infrastructure of medical devices, software applications, health systems, and services to a centralised healthcare IT system for a more refined and in-depth data analysis.

The field of robotics is also drastically changing today's healthcare industry beyond the operating room in performing procedures beyond baseline programming.

Wearable technology has evolved and offers the potential to collect much more advanced data. This technology can also be used to relay vital information to doctors, patients, and health-conscious citizens. Needless to say, digitalisation is sweeping across the medical device industry and there is significant innovation happening in the ecosystem.

Another ever-growing segment is Healthcare Informatics. Currently, Mindteck is working on a major Information System of Oncology for patients who are being treated using radiotherapy. We have ample experience in Patient Monitoring and Digital Therapeutics. We are also in the process of building AI/ML-based tools for large amounts of healthcare data. Lastly, Mindteck is working on designing wireless medical gateways and IoT gateways to connect patients and healthcare providers.

Analytical Instrument

According to Research and Markets, the global analytical laboratory instrument market is expected to grow from USD 87.96 billion in 2020 to USD 92.55 billion in 2021 at a CAGR of 5.2 percent. A rapid growth in population depending on the life sciences market will increase the necessity to conduct lab research, ultimately resulting in a rising demand for laboratory instruments.

Analytical instruments and systems are extensively used for product analysis in various industries and have widespread application in chemical and healthcare research. During the pandemic, the extensively used PCR test is carried out by a bio-analytical instrument. This device assists in precise substance separation, qualitative and quantitative identification, and evaluation with different techniques.

Increasing R&D across the globe is driving demand for analytical instruments. Moreover, with rising sample sizes and data generation through these samples, managing information has become crucial. Annually, industrial analytical laboratories generate large volumes of information that needs to be documented and processed. Information systems are developed to aid in managing the process and outcomes of the analytical tests. This is expected to fuel growth of the market over the forecast period.

Companies within the industry are increasingly investing in nanotechnology, automation and AI for the development of a new generation of instruments that are smaller, faster and more efficient when compared to traditional equipment.

Mindteck has strong domain experience and many years of industry experience in laboratory informatics. As part of an internal R&D programme, we recently developed laboratory business intelligence application software based on an internal platform. Currently, we are also providing business intelligence for the master data of one of the top five leading analytical instrument companies.

Semiconductor

While several industries worldwide have been severely impacted by the pandemic-induced uncertainties, the relatively quick recovery of the global semiconductor industry is an encouraging sign. In spite of the global supply chain disruption, the semiconductor industry's revenue rose to USD 442 billion in 2020, up by 5.4 percent from 2019. During 2021, this is projected to rise to USD 476 billion, as per Statista.

The APAC region continues to be the largest growing producer of semiconductors, with an ever-rising consumption being witnessed by countries such as Japan, China and South Korea. Furthermore, emerging markets such as India, with its highly skilled and experienced workforce and innovative tech capabilities, will play a key role in this growth.

The usage of AI in everyday life is accelerating at a great speed. Technologies such as augmented and virtual realities, voice and facial recognition require high-processing speeds as well as components so as to execute complex mathematical computations. As per a McKinsey study, semiconductor manufacturers are projected to benefit by 50 percent of the total value from this technology stack. With AI going mainstream, this is the best opportunity that the semiconductor industry has ever witnessed, according to the study.

The continued growth in IoT is significant for the semiconductor industry, just as it is the case with other industries such as healthcare, manufacturing, consumer electronics and supply chain management.

The increasing popularity of this technology has also led to tech companies branching into the IoT ecosystem.

According to a report by Cybermedia, yet another driver of the industry's growth is the emergence of 5G. It is expected that this will be a factor in the enhancement and adoption of technologies beyond smartphones, such as IoT, edge computing and automotive. Furthermore, semiconductor manufacturers that are not directly part of the 5G value chain are projected to benefit from this growth. Undoubtedly, with these advances, the semiconductor industry is bound to continue expanding in the coming years.

Data Storage

As per Statista, worldwide spending on data storage is expected to exceed USD 78 billion by 2021, due to the growing demand from organisations to store greater volumes of data.

Data storage trends indicate the extent of change witnessed by the industry. According to a report by Sirius, data storage systems have become a mission-critical component of enterprise IT infrastructure. Organisations will need to be prepared for the next wave of data boom by adopting storage solutions that are agile, scalable, secure and flexible. In addition to this, companies are having fewer conversations about how and where to store data, and more about the value that data brings to their business.

Since organisations are hesitant to move all their data to the cloud, the hybrid cloud model continues to be the strategy that businesses continue to choose. This ensures cost-effectiveness and increased data mobility between on-prem, public cloud and private cloud, without compromising on data integrity. Flexibility for collection and segregation (whether on- or off-prem), accelerated time-to-market, as well as easy deployment and management are a few advantages of the hybrid multi-cloud model. A cloud environment, along with AI, learns from the data it gathers, formulates predictions and troubleshoots problems before they occur.

As per Modor Intelligence, a market intelligence and advisory firm, the enterprise flash storage market is forecasted to register a CAGR of 13.67 percent during 2021 to 2026. It is predicted that all-flash storage will be a major component of enterprise data centres and therefore it will continue to be the trend among IT organisations – this is mainly attributed to its low power consumption, high performance, scalability and ease of management. Through all-flash storage, businesses can unlock the power of Non-Volatile Memory Express (NVMe), because of its ability to access high-speed storage media compared to legacy protocols. NVMe is delivering innovation by solving what businesses can do with their data – especially fast data for real-time analytics.

Companies are increasingly minimising the human element and investing in AI as a way to control data storage across multiple platforms to achieve efficiencies that result in cost and risk reduction. AI also ensures that the time taken for data processing is also significantly less.

Software-defined storage solutions are gaining a lot of importance within the data storage industry. These cost-effective and optimised solutions eliminate the complexity of hardware systems. With storage separated from its hardware, companies are able to dynamically adjust its capacity as their data needs change.

The adoption of as a Service (aaS) models continues to be a top trend of the year. Storage as a Service (STaaS) is a cloud-based storage model

that allows organisations to pay only for the capacity they use, thereby eliminating the long-term financial liability of investing in storage infrastructure. In the past, companies had to predict how much storage they needed in advance, resulting in the possibility of spending money on storage capacity they would never use. With STaaS, organisations can access capacity on a subscription basis and scale up or down on demand, most likely resulting in significant cost savings.

Energy and Utilities

According to the Business Research Company, the industry revenue is expected to grow from USD 4230.3 billion in 2020 to USD 4534.38 billion in 2021 at a CAGR of 7.2 percent. The growth is mainly because of companies rearranging their operations and recovering from the COVID-19 impact. The market is expected to reach USD 5996.57 billion in 2025 at a CAGR of 7 percent.

Numerous companies in the energy and utilities industry, as well as their host municipalities and customers, announced plans to fully decarbonise over the next 30 years – even in the aftermath of the pandemic-driven shocks to the electricity load. This is mainly attributed to the pressure from an extensive range of stakeholders, including citizens and shareholders. This pressure amplified in 2020, following the Paris Climate Accord recommendations. Deloitte forecasts that as a result, in 2021, the industry's transition and convergence could be accelerated.

IoT solutions are increasingly being used in the energy and utilities industry. These provide better operational efficiency by capturing relevant data, as well as by deploying AI and ML. IoT solutions help in improved decision-making, reduced vulnerabilities and provide safer operations. The usage of drones and sensors to inspect and monitor facilities support predictive maintenance as well as early detection of faults.

According to a report by Deloitte, cloud services will constitute a substantial part of the IT portfolio of companies in the industry. Data analytics is expected to rule in the operations and maintenance of plant and network infrastructure. Furthermore, utility companies are projected to cut down on IT costs by migrating IT infrastructure into the public cloud.

While digital twin technology models a real-life object or process without replacing the physical system, it provides the means to analyse information gathered from its physical twin faster and efficiently. Such analysis gives early alerts to operators and helps fix operational issues. Mindteck has been deriving solutions for the energy and utilities industry for efficiency improvement by leveraging its expertise in IoT and digital twin technologies. We also have extensive experience in smart grid deployment, which provides trends and real-time updates to manage demand response management by utility companies engaged in distribution of water, electricity, oil and gas.

Manufacturing

Prior to the COVID-19 crisis, the manufacturing industry was working to regain the momentum it had attained after the 2008 recession. However, after the first wave of pandemic-driven shutdowns, segment recoveries for various manufacturers have been irregular. Recovery is expected to take longer to reach pre-pandemic levels. This is indicated by Deloitte's predictions based on the Oxford Economic Model (OEM) project, which forecasts a decline in annual manufacturing GDP growth levels for 2020-2021 (-6.3 percent for 2020 and 3.5 percent for 2021).

Predictive maintenance in equipment is extremely critical for manufacturers. Predictive analytics enables companies to monitor equipment performance, as well as automate the data collection process using IoT. It provides manufacturers with better knowledge of when systems might fail, thereby enabling them to conduct predictive maintenance and save valuable time, money, and resources in the process. The introduction of smart devices in the manufacturing industry with Industry 4.0 helps in amplified profits, faster time-to-market, brand and price control, and better customer data. These connected devices with self and remote monitoring capabilities, along with predictive maintenance based on AI/ML over Edge, are aiding manufacturers with automated decisions and operations.

A renewed interest in IoT and heightened emphasis on predictive maintenance signifies that big data is an even larger trend than ever before. As per a report by Hitachi Solutions, one can expect almost every surface to be transformed into a sensor for data collection in order to generate real-time insights for manufacturers. The ability to collect data from a variety of sources, combined with increasingly powerful cloud computing capabilities, enable manufacturers to analyse data in ways that provide them with an ample understanding of their business. This is very essential for manufacturers for reassessing their forecasting and planning models and further develop an effective COVID-19 exit strategy.

Indeed, there is a rising convergence of traditional manufacturing to smart manufacturing. Mindteck has been a part of this transformational journey of many companies. We provide solutions in connected machines with low-cost sensors, wired and wireless connectivity with analytics. Our smart manufacturing initiatives include intelligent manufacturing and automation.

Consumer Electronics

According to Statista, global consumer electronics spending is expected to rise by USD 36 billion and reach USD 1.06 trillion in 2021. By 2025, the unified market is forecast to reach a value of USD 1.16 trillion. The figures of global phone sales, including landline phones, mobile phones and smartphones, are expected to jump by 5.7 percent year-on-year and generate USD 512.1 billion – almost 50 percent of total revenues in 2021.

As the size of the consumer electronics market is growing rapidly, industry players are increasingly investing in R&D. There is also a rapid rise in connectivity and services requirements for newer products.

Tirias Research estimates that the ever-growing demand for remote learning, working, and entertainment, combined with new software and hardware technologies in areas such as gaming, will continue to fuel robust growth in consumer electronics, as well as servers and networking gear for cloud services and 5G.

The demand for new technologies has led to swift product lifecycle development, faster time-to-market and competitive pricing. The rising expectation for more products as a service, and the resulting delivery of better customer outcomes, is changing product development and delivery. Software companies are under significant competitive pressure and striving for quality and customer experiences. These companies are moving to a continuous innovation and delivery model by taking maximum advantage of agile development and cloud delivery. With software also leading the innovation in hardware products, a similar shift is expanding across an increasing number of technology products.

OPPORTUNITIES AND THREATS**Opportunities**

- *Niche Expertise and Knowledge:* Clients across the globe value our unique blend of engineering expertise, domain knowledge and technology know-how. Our services and solutions, together with flexible and mindful approach, have consistently provided innovative options for R&D spend, cost and time advantages for technology investments, reduced integration risk, improved user productivity, and positive client experiences. The impact of the pandemic is anticipated to increase demand for wearables, localised asset tracking, remote monitoring, and point-of-care devices – all part of the Mindteck Solutions portfolio.
- *Emerging Technologies:* Mindteck remains committed to building capacity in newer technologies. Currently, its legacy expertise in embedded systems, enterprise applications and testing are a powerful complement to competencies in data services, such as AI/ML, and cloud, cybersecurity, and IoT.
- *Long-standing and Diverse Client Base:* Our client relationships are strong, with some lasting for over 18 years across industries and geographies. Additionally, we have engaged with industry leaders, including the top 5 data storage companies, top 3 medical device companies, top 6 semiconductor companies, and top 7 analytical instrument companies.
- *Offshore Delivery Centres:* Mindteck's global delivery capabilities provide clients – multinational, in particular – the specialised knowledge and expertise they are increasingly seeking. The Company's offshore delivery centres in Kolkata and Bengaluru, India provide a skilled pool of talent, agile processes, plus cost and productivity efficiencies for new, enhanced, and reengineered product development, software development and maintenance, as well as testing.
- *Practices Team:* Enable continuous innovation and provide subject matter expertise in select technologies, such as data services, AI, IoT, cloud and edge computing for our focused industries – semiconductor, medical device, analytical instrument, data storage, energy and utilities, insurance, and consumer electronics.

Threats

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

RISKS AND CONCERNS**Risks**

- *Offshore Delivery:* As per Technavio's IT outsourcing statistics, the value of the IT outsourcing market is expected to reach USD 486.16 billion by 2024, growing at 5 percent during 2020-2024. According to a NASSCOM report, enterprise CXOs anticipate that more work will shift from companies' global headquarters to Global In-house Captives (GICs) in India in the next three to five years. Analytics, traditional IT, digital-age IT, domain expertise, leadership quality and cost savings are the six focus areas for Indian GICs to invest in, as per the report. CXOs are also pushing to reduce legacy IT spending so as to fund digital efforts in the new operating model. Mindteck operates an offshore development centre in India supported by highly qualified and talented teams with expertise in end-to-end product engineering, IT and testing. World-class infrastructure, best-in-class tools, methodologies and processes, and international quality accreditations are more of the many reasons why clients opt for this cost-efficient and high-performance model.
- *Global IT Skills Shortage:* According to a KPMG survey, the shortage of technology skills is soaring. This often delays staffing for new projects. Mindteck reduces this risk by continually building the talent database and, when necessary, partnering with other companies who have their own talent pool. The Company, however, recognises the potential risks associated with changing US immigration policies as well as the pandemic's impact on evolving workforce environments.
- *Attrition Rate:* Market demand for highly skilled employees impacts attrition. Mindteck strives to mitigate this challenge through an Employees-First approach – continually focusing on providing a good work environment, a positive work-life balance and a strong culture. We also have a curated L&D programme, and an innovative endeavour under our We Care umbrella – Consultant Care, which helps retain valuable IT talent and avoid project disruption.
- *Reputation:* There has always been a risk of direct or indirect actions adversely impacting Mindteck's reputation. Clearly, the risk has become more difficult to manage due to social media and other channels and venues where information exchange is quick and easy. A small team continues to monitor and manage such activities.

Concerns

- *Enormous Uncertainty:* Prior to the global spread of COVID-19, economic, geopolitical, regulatory uncertainties were causes for concern to the Company. This uncertainty remains and is further exacerbated by the pandemic's continuing waves and a relatively slow vaccination progress in many countries.
- *Reduced Demand:* The COVID-19 pandemic paused, and in some cases, halted business that was anticipated to either close out in 2020-21 or put us on a good footing to start 2021-22. According to a NASSCOM report, the majority of Indian tech companies expect to focus on recovery and restart through 2021.
- *Selling, General and Administrative Cost Containment (SG&A):* Throughout 2020-21, we continued our efforts to reengineer internal processes and systems, as well as restructure parts of the organisation, in order to contain costs and work as an ensemble more efficiently and productively.

DISCUSSION ON FINANCIAL PERFORMANCE**Business**

During the year under review your Company recorded Consolidated Revenue of Rs. 2,867.2 million as against Rs. 2,761.3 million in the previous year. Of the revenues that were recorded, 54.6% is attributed to the US and the rest to Europe and Asia.

Mindteck's Consolidated Net Profit for the year stood at Rs. 108.6 million, as against net loss of Rs. 648.0 million in the corresponding previous year. On an operating margin level, Mindteck recorded Consolidated EBITDA (including other income and excluding exceptional items) of Rs. 241.7 million this fiscal year as against of Rs 62.4 million last year.

Share Capital

As on March 31, 2021, Mindteck has an issued share capital base of 2,56,21,898 equity shares of Rs. 10/- each at 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, 2021, in relation to discharge of consideration for the acquisition of Chendle Holdings Limited, one of the Company's wholly owned subsidiaries. The allotment has been pending owing to the non-availability of Permanent Account Number (PAN) for these shareholders.

Further, issued capital also includes 4,16,000 equity shares allotted to the Mindteck Employees Welfare Trust (MEWT). The trust was set up with the objective of transferring its holding in Mindteck (India) Limited to deserving employees, by way of share-based compensation. Owing to the consolidation of the Trust's accounts with that of Mindteck, the number of shares and corresponding capital and share premium held by the Trust are deducted from the issued share capital and securities.

Reserves and Surplus

Mindteck has accumulated losses of Rs. 89.7 million in the Consolidated Balance Sheet as at March 31, 2021. Shareholders' Funds, excluding capital reserves, increased from Rs. 1,216.5 million in FY 2020 to Rs. 1,318.7 million in FY 2021 on account of profit earned during the year.

Non-Current Liabilities

Non-Current Liabilities in the Consolidated Balance Sheet include rental deposit, deferred rental income, provision towards service concession arrangement, lease liabilities, current portion of deferred social security taxes and provision for employee benefits. Non-Current Liabilities decreased from Rs. 174.9 million in FY 2019-20 to Rs. 82.0 million in FY 2020-21. The decrease is mainly due to derecognition of lease liabilities and reversal of provision created towards future obligation under service concession arrangement with Bhopal Municipal Corporation (BMC). During the year ended March 31, 2021, the Company invoked force majeure clause and terminated the contract with BMC and accordingly, reversed all the assets and liabilities created due to termination of contract.

Current Liabilities

Current Liabilities in the Consolidated Balance Sheet include borrowings, trade payables, provision for employee benefits, provision for tax, and other current liabilities. Current Liabilities increased from Rs. 373.8 million in FY 2019-20 to Rs. 585.8 million in FY 2020-21.

The US Federal government in the wake of COVID-19 pandemic has provided support to business through Paycheck Protection Program (PPP). Mindteck, Inc. has obtained a benefit under this

scheme for Rs. 1,806 lakhs during April 2020. This loan is eligible for forgiveness on fulfilment of certain conditions. Mindteck, Inc. has applied for forgiveness.

Trade payables increased from Rs. 128.4 million in FY 2019-20 to Rs. 135.0 million in FY 2020-21. Other current liabilities comprise unearned income, statutory liabilities such as PF, TDS, etc., non-current portion of deferred social security taxes and payroll payables amounting to Rs. 75.5 million as at March 31, 2021 compared to Rs. 43.8 million as at March 31, 2020.

Provisions under Current Liabilities stood at Rs. 49.9 million as at March 31, 2021 compared to Rs. 51.5 million as at March 31, 2020.

Non-Current Assets

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

Mindteck invested Rs. 5.6 million in Property, Plant and Equipment during the fiscal year, which primarily relates to Computer Equipment, Office Equipment in India and US, and leasehold improvements.

During the year ended March 31, 2021, the Company invoked force majeure clause and terminated the contract with BMC and accordingly, reversed all the assets and liabilities created due to termination of contract. As a result, company has de-recognized its intangible assets amounting to Rs. 71.4 million.

Decrease in right of use assets from Rs. 108.4 million in FY 2019-20 to Rs. 65.0 million, due to derecognition on termination of contract and amortisation during FY 2020-21.

Loans under Non-Current Assets comprise security deposits totalling to Rs. 34.1 million as at March 31, 2021 compared to Rs. 38.7 million as at March 31, 2020.

Other Non-Current Assets consist of prepaid expense amounting to Rs. 1.3 million as at March 31, 2021.

Current Assets

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

Mindteck's accounts receivables as at March 31, 2021 amounts to Rs. 503.6 million, representing about 89 days of sales. All debts doubtful of recovery have been provided for in the financial statements.

Cash and Bank balances amounted to Rs. 776.6 million compared to Rs. 293.9 million in the previous year which includes both rupee and foreign currency accounts.

Loans under Current Assets include security deposits. The balance as at March 31, 2021 stood at Rs. 4.2 million compared to Rs. 2.5 million as at March 31, 2020.

Other current assets include prepaid expenses, advances recoverable and balances with government authorities. The balance as at March 31, 2021 stood at Rs. 56.8 million.

Investments

Mindteck (India) Limited has six wholly owned subsidiaries and two step-down subsidiaries as at March 31, 2021. The nature of operations of these subsidiaries is as follows:

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

Note: Mindteck Solutions Philippines Inc. and Hitech Parking Solutions Private Limited are under strike-off process.

Internal Control Systems and their adequacy

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

RESULTS OF OPERATION

Income

The Company recorded consolidated revenue from operations of Rs. 2,867.2 million in FY 2020-21 as against Rs. 2,761.3 million in FY 2019-20. The items of other income include rental income from owned property, net foreign exchange gain, government grants

received as part of COVID-19 relief, interest income from deposits, rent concession and other miscellaneous items. The company recorded other income of Rs. 45.5 million in FY 2020-21 as against Rs. 17.5 million in FY 2019-20.

Expenses

Employee benefit expenses and cost of technical sub-contractors for the FY 2020-21 stood at Rs. 2,438.9 million as against Rs. 2,409.5 million in FY 2019-20. Manpower expense decreased to 85% of revenue compared to 87% last year.

Finance cost in FY 2020-21 was Rs. 16.5 million as compared to Rs. 22.6 million in FY 2019-20. The decrease is mainly due to reduction in interest expense on service concession arrangement on account of Force Majeure clause invoked by the Company during the FY 2020-21.

Other expenses of FY 2020-21 amounted to Rs. 232.1 million compared to Rs. 306.9 million last year. The decrease is mainly due to reduction in travel and other expenses due to impact of COVID-19 and Provision created on doubtful input credit receivable during FY 2019-20. Mindteck will continue to focus on cost-effective measures to further improve productivity and increase efficiency in the operations. Tax expense for the year amounting to Rs. 52.7 million (net) is the aggregate of current tax liability in all tax jurisdictions in which the Company operates, and deferred tax. Tax provision in India is based on the normal tax computation in accordance with the prevailing tax laws.

Operating Profit and Net Profit

Consolidated EBITDA (including other income and excluding exceptional items) for the year amounted to Rs. 241.7 million as against Rs. 62.4 million the previous year. Net profit is Rs. 108.6 million in FY 2020-21, as against Net loss of Rs. 648.0 million in FY 2019-20.

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

| Sl. No. | Description | As at March 31, 2021 | As at March 31, 2020 | Reasons for variance |
|---------|---|----------------------|----------------------|--|
| i | Debtors Turnover | 5.32 | 4.05 | |
| ii | Inventory Turnover | NA | NA | Not applicable to IT Industry |
| iii | Interest Coverage Ratio | NA | NA | No Interest on Loans |
| iv | Current Ratio | 3.24 | 2.66 | |
| v | Debt Equity Ratio | 0.00 | 0.00 | |
| vi | Operating Profit Margin (%) | 11.96% | 1.25% | |
| vii | Net Profit Margin (%) | 8.20% | (64.18%) | During the year ended March 31, 2020, the Company had made an impairment provision of Rs. 566.6 million towards the carrying value of investment in Mindteck, Inc. and Mindteck Singapore Pte. Ltd., a provision for impairment of loan amounting to Rs. 16.8 million, provision on receivables and intangible assets under a service concession arrangement amounting to Rs. 15.9 million which are of exceptional nature, and also made a provision on Input Credit on Service Tax amounting to Rs 18.0 million. |
| viii | Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof | 7% | (49%) | |

Human Resources Initiatives

During a year marked by varying fluctuations in the spread of COVID-19, the Company placed a special focus on ensuring employee well-being, health and safety. Specifically, this included:

- Providing new and current employees the required tech and communications support to work from home.
- Conducting virtual Employee Connect gatherings to keep the dialogue open between employees and their Managers, the CEO, and HR.
- Administering a variety of technical, behavioural and leadership development training sessions online – curated to upskill, future skill, cross-skill, and foster learning overall.
- Offering dental and eye check-up sessions, an exclusive COVID insurance policy, as well as opportunities to attend educational programs such as yoga and meditation, ergonomics tips, and maintaining a healthy diet for immunity.

The cadence of work-from-home notifications, cancelled business travel measures, and office lockdowns per governmental guidelines flowed as appropriate for each region in our global footprint.

Attrition Rate: Mindteck’s annualised attrition rate during 2020-21 was 19.3%.

Headcount Details:

| Year | Permanent | Contractual | Total |
|-------------|------------------|--------------------|--------------|
| 2020-21 | 672 | 42 | 714 |
| 2019-20 | 625 | 16 | 641 |

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

To,
The Board of Directors
Mindteck (India) Limited

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

- 1) We have reviewed the financial statements for the Quarter and Year ended March 31, 2021 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, 2021, which are fraudulent, illegal or which violate the Company's code of conduct.
- 3) We are responsible for establishing and maintaining internal controls for financial reporting and we have:
 - a) Evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting;
 - b) Disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware; and
 - c) The steps we have taken or propose to take to rectify these deficiencies.
- 4) We have indicated to the Company's Auditors and the Audit Committee of the Board of Directors
 - a) Significant changes that have occurred in the internal control over financial reporting during the quarter;
 - b) All significant changes in accounting policies during the quarter, if any, and that the same have been disclosed in the notes to the financial statements; and
 - c) Instances of significant fraud, if any, of which we are aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting;
 - d) All deficiencies, if any, in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's Auditors, any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.



Bengaluru, India
May 28, 2021

Anand Balakrishnan
Managing Director and CEO



Ramachandra M S
Chief Financial Officer

Independent Auditor's Report

To the Members of Mindteck (India) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Mindteck (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income/(Loss), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income/(loss), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial

statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

| Key audit matters | How our audit addressed the key audit matter |
|--|--|
| Impairment of Investments in Subsidiaries (as described in Note 6 of the standalone financial statements) | |
| <p>As at March 31, 2021, the carrying value of investment in subsidiaries in the standalone balance sheet amounts to Rs. 6,724 lakhs, net of impairment.</p> <p>The management assesses annually the existence of impairment indicators in respect of its investment in subsidiaries and such investments are subject to impairment test.</p> <p>During the current year, an impairment assessment was carried out by the Company by comparing the carrying value of these investments to their recoverable amount to determine whether an impairment was required to be recognized.</p> <p>For the above impairment testing, basis valuation conducted by an external valuation specialist ('management's expert'), value in use has been determined by forecasting and discounting future cash flows which has been reviewed and approved by Audit Committee / Board of Directors of the Company. Furthermore, the value in use is highly sensitive to changes in some of the inputs used for forecasting the future cash flows. Further, the determination of the recoverable amount of the investments involved significant judgment due to inherent uncertainty in the assumptions supporting the recoverable amount of these investments.</p> <p>Accordingly, the impairment of investments was determined to be a key audit matter in our audit of the standalone financial statements.</p> | <p>Our audit procedures included the following amongst others:</p> <ul style="list-style-type: none"> ▪ We understood the Company's process for identification of indicators for impairment and evaluated the Company's internal controls over its impairment assessment of investment in subsidiaries. We understood the key assumptions applied by the management such as revenue growth, operating margins, discount rates and terminal growth rates in determining impairment. ▪ We have obtained the valuation assessment and report from the management's expert and assessed the key valuation assumptions and methodologies used by the management's expert in their valuation reports. ▪ We have evaluated the competences, capabilities and objectivity of the management's expert and obtained an understanding of the scope of work and the terms of engagement. ▪ We also assessed the recoverable value by performing sensitivity testing of key assumptions used. ▪ We discussed potential changes in key drivers as compared to previous year / actual performance with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable. ▪ We tested the arithmetical accuracy of the model. ▪ We also assessed the disclosures in the standalone financial statements for compliance with disclosure requirements under the accounting standards. |

Contingencies in relation to tax litigations (as described in Note 34 of the standalone financial statements)

The Company is involved in various legal proceedings relating to taxes. As of March 31, 2021, there is Rs. 463 lakhs disclosed as contingent liability in the standalone financial statements. In relation to these proceedings, management assesses the impact of the eventual outcome on its standalone financial statements.

The Company discloses contingencies for income tax pending litigations when it is probable that the taxation authority will accept the uncertain tax treatment in accordance with the requirements of Appendix C to Ind AS 12 on 'Uncertainty over Income tax treatment'.

Since the aforesaid estimates require significant judgments by management, based on the available information, including that obtained from its tax advisors, we identified it as a key audit matter in our audit of the standalone financial statements.

Our audit procedures included the following amongst others:

- We obtained an understanding and assessed the internal control environment relating to the identification, recognition and measurement of provisions for disputes and disclosures of contingent liabilities in relation to taxes.
- We obtained details of completed tax assessments, demands issued by tax authorities, orders/notices received in this regard from the management.
- We held discussions with management to understand their assessment of the quantification and likelihood of significant exposures and the provision required in accordance with the requirements of Appendix C to Ind AS 12 which is supported by assessment reports from management's expert.
- We obtained confirmation from management's expert on ongoing litigations along with risk assessment. We have evaluated the competences, capabilities and objectivity of the management's expert and obtained an understanding of the scope of work and the terms of engagement.
- We involved our tax specialists to obtain and evaluate management's assessment of the likely outcome and potential exposures arising from all significant contingencies and considered the requirements of any provisions and related disclosures.
- We also assessed the disclosures in the standalone financial statements for compliance with disclosure requirements under the accounting standards.

Other Information

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

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

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

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

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

records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a

statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income/(Loss), 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- g. In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 34 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts – Refer Note 34 to the standalone financial statements; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 21213803AAAABY6528

Place: Bengaluru
Date : May 28, 2021

Annexure 1 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Mindteck (India) Limited**Statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order")**

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- b. Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- c. According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/investment property are held in the name of the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given by the management, the Company has complied with the provisions of section 185 and 186 of the Act in respect of grant of loans to directors including entities in which they are interested

and in respect of loans and advances given, making investments and providing guarantees and securities, as applicable.

- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act for the services of the Company.
- (vii) a. Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and services tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delays in remittance of provident fund, professional tax and goods and services tax in few cases.
- b. According to the information and explanations given by the management, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us, there are no dues of income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax and cess which have not been deposited on account of any dispute, except the following:

| Name of the Statute | Nature of the Dues | Disputed amount (Rs. in Lakhs) | Amount paid/refund adjusted under protest (Rs. in Lakhs) | Period to which the amount relates (Assessment Year) | Forum where dispute is pending |
|----------------------|--------------------|--------------------------------|--|--|---|
| Income Tax Act, 1961 | Income tax | 82 | 82 | 2006-07 | Commissioner of Income Tax (Appeals)/ Deputy Commissioner of Income Tax |
| | | 34 | - | 2012-13 | Commissioner of Income Tax (Appeals) |
| | | 130 | - | 2016-17 | Assistant Commissioner of Income Tax |
| | | 283 | - | 2017-18 | Assistant Commissioner of Income Tax |
| | | 8 | - | 2018-19 | Assistant Commissioner of Income Tax |

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by the way of initial public offer/further public offer (including debt instruments) and term loans during the year. Hence, reporting under clause 3(ix) of the Order is not applicable to the Company.

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (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 financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 21213803AAAABY6528

Place: Bengaluru
Date: May 28, 2021

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Mindteck (India) Limited**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of Mindteck (India) Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to these standalone 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 with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to these standalone 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 with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these standalone financial statements and such internal financial controls with reference to these standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 21213803AAAABY6528

Place: Bengaluru
Date : May 28, 2021

Standalone Balance Sheet as at March 31, 2021

All amounts in Rs. lakhs unless otherwise stated

| | Notes | As at March 31, 2021 | As at March 31, 2020 |
|-------------------------------|-------|----------------------|----------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 3 | 228 | 320 |
| Investment property | 4 | 65 | 67 |
| Right-of-use assets | 37 | 600 | 1,056 |
| Intangible assets | 5 | 15 | 782 |
| Financial Assets | | | |
| Investments | 6 | 6,724 | 6,724 |
| Loans | 7 | 553 | 541 |
| Other financial assets | 8 | 14 | 11 |
| Deferred tax assets (net) | 39 | 436 | 314 |
| Income tax assets (net) | 9 | 583 | 1,186 |
| Other non-current assets | 10 | 13 | 6 |
| | | 9,231 | 11,007 |
| Current Assets | | | |
| Financial assets | | | |
| Investments | 11 | - | 43 |
| Trade receivables | 12 | 1,951 | 1,956 |
| Cash and cash equivalents | 13 | 425 | 1,331 |
| Other bank balances | 13 | 2,706 | 33 |
| Loans | 14 | 21 | 19 |
| Other financial assets | 15 | 1,064 | 898 |
| Other current assets | 16 | 334 | 355 |
| | | 6,501 | 4,635 |
| Total assets | | 15,732 | 15,642 |

Standalone Balance Sheet as at March 31, 2021 (cont'd.)

All amounts in Rs. lakhs unless otherwise stated

| | Notes | As at March 31, 2021 | As at March 31, 2020 |
|--|-------|----------------------|----------------------|
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity share capital | 17 | 2,562 | 2,562 |
| Other equity | 18 | 10,496 | 9,627 |
| | | 13,058 | 12,189 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| <i>Financial liabilities</i> | | | |
| Lease liabilities | 37 | 334 | 793 |
| Other financial liabilities | 19 | 16 | 16 |
| Other non-current liabilities | 20 | 7 | 7 |
| Provisions | 21 | 310 | 895 |
| | | 667 | 1,711 |
| Current liabilities | | | |
| <i>Financial liabilities</i> | | | |
| Borrowings* | 22 | 2 | - |
| Trade payables | | | |
| (a) total outstanding dues of micro enterprises and small enterprises; and | 23 | 39 | 40 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | 23 | 707 | 765 |
| Lease liabilities | 37 | 408 | 412 |
| Other financial liabilities | 24 | 116 | 56 |
| Provisions | 25 | 211 | 223 |
| Income tax liabilities (net) | 9 | 196 | 117 |
| Other current liabilities | 26 | 328 | 129 |
| | | 2,007 | 1,742 |
| Total liabilities | | 2,674 | 3,453 |
| Total equity and liabilities | | 15,732 | 15,642 |

*Rounded-off to lakhs

Corporate information and significant
accounting policies

1 & 2

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

As per our report of even date

For S.R. Battliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number:

101049W/E300004

per Rajeev Kumar

Partner

Membership Number: 213803

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

Chairman

DIN - 01770426

Anand Balakrishnan

Managing Director and CEO

DIN - 05311032

Jagdish Malkani

Director

DIN - 00326173

Ramachandra M S

Chief Financial Officer

Place: Bengaluru

Date: May 28, 2021

Shivarama Adiga S

Company Secretary

Place: Bengaluru

Date: May 28, 2021

Place: Bengaluru

Date: May 28, 2021

Standalone Statement of Profit and Loss for the year ended March 31, 2021

All amounts in Rs. lakhs unless otherwise stated

| | Notes | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|-------|------------------------------|------------------------------|
| INCOME | | | |
| Revenue from operations | 27 | 10,398 | 9,231 |
| Other income | 28 | 283 | 184 |
| Total income | | 10,681 | 9,415 |
| EXPENSES | | | |
| Cost of technical sub-contractors | | 233 | 218 |
| Employee benefit expenses | 29 | 7,081 | 6,624 |
| Finance costs | 30 | 130 | 187 |
| Depreciation and amortization expense | 31 | 584 | 615 |
| Other expenses | 32 | 1,256 | 1,659 |
| Total expenses | | 9,284 | 9,303 |
| Profit before tax and exceptional items | | 1,397 | 112 |
| Exceptional Items | | | |
| Provision for impairment of investment in subsidiaries | 33 | - | (5,666) |
| Provision for expected losses under service concession arrangement | | - | (159) |
| Provision for impairment of loan | | - | (168) |
| Total exceptional items | | - | (5,993) |
| Profit/(Loss) before tax | | 1,397 | (5,881) |
| Tax expense (net): | | | |
| Current tax | 39 | 467 | 114 |
| Tax relating to earlier years | | 202 | - |
| Deferred tax charge/(credit) | | (125) | (71) |
| Total tax expense | | 544 | 43 |
| Profit/(Loss) for the year | | 853 | (5,924) |
| Other comprehensive income/(loss), net of tax | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | |
| Re-measurement gain/(loss) on defined benefit plan | | 12 | (3) |
| Income tax relating to items that will not be reclassified to profit or loss | | (3) | 1 |
| Other comprehensive income/(loss) for the year, (net of tax) | | 9 | (2) |
| Total comprehensive income/(loss) for the year | | 862 | (5,926) |
| Earnings/(Loss) per share (equity shares, par value Rs. 10 each) (March 31, 2020: Rs. 10 each) | | | |
| | 36 | | |
| Basic (in Rs.) | | 3.33 | (23.12) |
| Diluted (in Rs.) | | 3.32 | (23.12) |

Corporate information and significant accounting policies

1 & 2

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

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number:

101049W/E300004

per Rajeev Kumar

Partner

Membership Number: 213803

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

Chairman

DIN - 01770426

Anand Balakrishnan

Managing Director and CEO

DIN - 05311032

Jagdish Malkani

Director

DIN - 00326173

Ramachandra M S

Chief Financial Officer

Shivarama Adiga S

Company Secretary

Place: Bengaluru
Date: May 28, 2021Place: Bengaluru
Date: May 28, 2021

Standalone Statement of Changes in Equity for the year ended March 31, 2021**A. Equity share capital**

All amounts in Rs. lakhs unless otherwise stated

| Particulars | Number | Amount |
|--|-------------|--------|
| Balance as at April 01, 2019 | 2,56,21,898 | 2,562 |
| Changes in equity share capital during the year: 2019-20 | - | - |
| Balance as at March 31, 2020 | 2,56,21,898 | 2,562 |
| Changes in equity share capital during the year: 2020-21 | - | - |
| Balance as at March 31, 2021 | 2,56,21,898 | 2,562 |

B. Other equity

All amounts in Rs. lakhs unless otherwise stated

| Particulars | Share application money pending allotment | Reserves & Surplus | | | | Total other equity |
|--|---|--------------------|--------------------|-------------------|--------------------------------|--------------------|
| | | Capital reserve | Securities premium | Retained earnings | Employee stock options reserve | |
| Balance as at April 01, 2019 | 28 | 357 | 10,518 | 4,744 | 334 | 15,981 |
| Less: Loss for the year | - | - | - | (5,924) | - | (5,924) |
| Less: Changes in remeasurement of defined benefit plan through other comprehensive income/(loss), net of taxes | - | - | - | (2) | - | (2) |
| Less: Effect of adoption of Ind AS-116 Leases (refer Note 37) | - | - | - | (105) | - | (105) |
| Less: Cash dividend | - | - | - | (256) | - | (256) |
| Less: Dividend distribution tax | - | - | - | (53) | - | (53) |
| Add/(less): Transfer to retained earnings upon expiry or lapse of employee stock options after vesting | - | - | - | 167 | (167) | - |
| Less: Employee share-based expense (refer Note 43) | - | - | - | - | (14) | (14) |
| Balance as at March 31, 2020 | 28 | 357 | 10,518 | (1,429) | 153 | 9,627 |
| Add: Profit for the year | - | - | - | 853 | - | 853 |
| Add: Changes in remeasurement of defined benefit plan through other comprehensive income/(loss), net of taxes | - | - | - | 9 | - | 9 |
| Add/(Less): Transfer to retained earnings upon expiry or lapse of employee stock options after vesting | - | - | - | 13 | (13) | - |
| Add: Employee share-based expense (refer Note 43) | - | - | - | - | 7 | 7 |
| Balance as at March 31, 2021 | 28 | 357 | 10,518 | (554) | 147 | 10,496 |

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

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

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number:

101049W/E300004

per **Rajeev Kumar**

Partner

Membership Number: 213803

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

Chairman

DIN - 01770426

Anand Balakrishnan

Managing Director and CEO

DIN - 05311032

Jagdish Malkani

Director

DIN - 00326173

Ramachandra M S

Chief Financial Officer

Place: Bengaluru

Date: May 28, 2021

Shivarama Adiga S

Company Secretary

Place: Bengaluru

Date: May 28, 2021

Place: Bengaluru

Date: May 28, 2021

Standalone Statement of Cash Flows for the year ended March 31, 2021

All amounts in Rs. lakhs unless otherwise stated

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| Operating activities | | |
| Profit/(Loss) before tax | 1,397 | (5,881) |
| Adjustments to reconcile profit/(loss) before tax to net cash flows: | | |
| Depreciation and amortization expense | 584 | 615 |
| Provision for impairment of investment in subsidiaries (Refer Note 33(a)) | - | 5,666 |
| Provision for expected losses under service concession arrangement (Refer Note 33(b)) | - | 159 |
| Provision for doubtful deposits | 1 | - |
| Provision for impairment of loan (Refer Note 33(c)) | - | 168 |
| Finance costs | 122 | 187 |
| Interest income | (203) | (34) |
| Unrealised exchange differences | (12) | (40) |
| Gain on sale of assets | - | (5) |
| Impact due to termination of service concession arrangement | (5) | - |
| Provision for doubtful debts (net) and loss allowance | 38 | 12 |
| Provision for doubtful input credit receivable | - | 180 |
| Share based payment expenses | 7 | - |
| Fair value gain on mutual fund at fair value through profit or loss | - | (23) |
| Gain on sale of mutual funds (net) | - | (23) |
| Other non-operating income | (44) | (9) |
| Changes in operating assets and liabilities: | | |
| (Increase)/Decrease in trade receivables | (41) | 674 |
| (Increase)/Decrease in loans and advances and other assets | (127) | (195) |
| Increase/(Decrease) in liabilities and provisions | 323 | (488) |
| Net cash from operating activities before taxes | 2,040 | 963 |
| Income taxes paid (net of refunds) | 13 | (348) |
| Net cash from operating activities (A) | 2,053 | 615 |
| Investing activities | | |
| Purchase of property, plant and equipment, intangible assets and capital work-in-progress | (61) | (253) |
| Proceeds from sale of assets | 5 | 6 |
| Movement in fixed deposits and other bank balances (net) | (2,679) | 87 |
| Investment in mutual funds | - | (6,068) |
| Proceeds from sale of mutual funds | 43 | 7,422 |
| Interest income received | 165 | 13 |
| Net cash from/(used in) investing activities (B) | (2,527) | 1,207 |

Standalone Statement of Cash Flows for the year ended March 31, 2021 (cont'd.)

All amounts in Rs. lakhs unless otherwise stated

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Financing activities | | |
| Repayment of principal portion of lease liabilities | (329) | (334) |
| Finance cost on lease liabilities | (100) | (122) |
| Finance cost paid | - | (5) |
| Dividends paid (including distribution tax and unpaid dividend) | (3) | (315) |
| Net cash used in financing activities (C) | (432) | (776) |
| Net increase/(decrease) in cash and cash equivalents (D)=(A)+(B)+(C) | (906) | 1,046 |
| Cash and cash equivalents at the beginning of the period (E) | 1,331 | 285 |
| Cash and cash equivalents at the end of the year (refer Note 13) (F)=(D)+(E) | 425 | 1,331 |

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

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

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

per Rajeev Kumar
Partner
 Membership Number: 213803

Place: Bengaluru
 Date: May 28, 2021

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

Yusuf Lanewala
Chairman
 DIN - 01770426

Ramachandra M S
Chief Financial Officer

Place: Bengaluru
 Date: May 28, 2021

Anand Balakrishnan
Managing Director and CEO
 DIN - 05311032

Shivarama Adiga S
Company Secretary

Jagdish Malkani
Director
 DIN - 00326173

Notes to Standalone Financial Statements for the year ended March 31, 2021

1. Corporate Information

Mindteck (India) Limited ('Mindteck' or 'the Company'), a public limited company incorporated in the year 1991, is engaged in the business of rendering engineering and IT services to customers across various industry verticals in specific service horizontals. Mindteck's core offerings are in Product Engineering, Application Software, Electronic Design, Testing and Enterprise Business services.

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

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

Mindteck has its registered office in Bengaluru, India and is headquartered in Bengaluru with a branch office in Kolkata and Mumbai. The software development centers in Bengaluru and Kolkata are 100% Export Oriented Units ('EOU') set up under the Software Technology Parks of India (STPI) Scheme of the Government of India.

Mindteck has subsidiaries (including step-down subsidiaries) in the United States of America, Canada, Singapore, Philippines (under closure), Malaysia, Bahrain, United Kingdom, Netherlands (closed w.e.f. January 14, 2020), Germany and India (under closure). Mindteck is listed in India on the Bombay Stock Exchange and National Stock Exchange.

These standalone financial statements for the year ended March 31, 2021 are approved by the Board of Directors on May 28, 2021.

2. Basis of Preparation and significant accounting policies:

2.1. Basis of preparation:

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

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

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

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

2.2. Summary of significant accounting policies

a. Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

b. Significant accounting judgements, estimates and assumptions

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

Also, refer Note 48 of the standalone financial statements.

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

Revenue recognition:

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

Employee stock options plan:

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

Leases:

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

Defined benefit plans (gratuity and other employee benefits):

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the

management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

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

Further details about gratuity obligations are given in Note 40.

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

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

Fair value measurement of financial instruments:

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

Impairment of non-financial assets:

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

Impairment of financial assets:

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

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

c. Fair value measurement

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

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

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

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

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

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

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

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

For assets and liabilities that are 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 four broad categories:

- Debt instruments assets at amortized cost
- Financial assets at fair value through Other Comprehensive Income/(Loss) (“OCI”) (FVTOCI)
- Financial assets at fair value through Profit and Loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income/(loss) (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/(loss) (i.e. fair value through other comprehensive income/(loss)).

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 lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii. Financial liabilities

Initial recognition and measurement

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

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

The 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 no future economic benefits are expected from its use or disposal. 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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f. Depreciation and amortization

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

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

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

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

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

g. Investment property**i. Recognition and measurement:**

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

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

Though the Company measures investment properties using cost-based measurement, the fair value of investment properties are disclosed in the notes (Refer Note 4). Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

ii. Depreciation:

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

The estimated useful life of building classified as an investment property is 58 years. The estimated useful life is different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the asset is likely to be used.

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 arrangement | 10 years |

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. 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.

i. Impairment of non-financial assets

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

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is 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 Company assesses at contract inception whether a contract is/ contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

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

i. Right-of-use assets:

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

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

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

ii. Lease liabilities:

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

During the year, there was an amendment to Ind AS 116 due to COVID related rent concessions. The amendment provides relief to the lessees in treating rent concessions arising as a direct consequence of the COVID-19 pandemic as a lease modification. The amendments are applicable for annual reporting periods beginning on or after the April 01, 2020. The amendment had an impact of Rs. 26 lakhs on the standalone financial statements.

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

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

Company as a lessor:

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

k. Equity investments in subsidiaries

Investments in subsidiaries are classified as non-current investments. The Company has availed the option available in Ind AS 27 to carry its investment in subsidiaries at cost. Impairment 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.

l. Revenue recognition

i. Revenue from contracts with customers:

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

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

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

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

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

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

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

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

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

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

Performance obligations and remaining performance obligations

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

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance

obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

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

ii. Other income:

Dividend income is recognized when the 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.

iii. Service concession arrangement (SCA):

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

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

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

An asset carried under concession arrangements is 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.

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

m. Foreign currencies

i. Initial recognition

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

ii. Conversion

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

iii. Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are 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.

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

n. Taxes

Tax expense comprises of current and deferred tax.

Current income tax:

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

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income/(loss) 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 considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company reflects the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

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 contribution to provident and other funds, gratuity and compensated absences.

Defined contribution plans:

Contributions payable to recognized provident and other funds, which are defined contribution schemes, are charged to the 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/(loss). 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.

Standalone statement of cash flow:

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

u. Cash dividend

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. Final dividends on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

v. Corporate Social Responsibility (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.

2.3. Changes in accounting policies and disclosures**a. Ind AS 116 Leases:**

Refer Note 2.2(j) and Note 37.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

3. Property, plant and equipment

(All amounts in Rs. lakhs, unless otherwise stated)

| Particulars | Computer equipment | Office equipment | Furniture and fixtures | Vehicles | Leasehold improvement | Total |
|---------------------------------------|--------------------|------------------|------------------------|----------|-----------------------|------------|
| Cost | | | | | | |
| As at April 01, 2019 | 177 | 167 | 20 | 3 | 174 | 541 |
| Additions | 139 | 37 | 1 | - | - | 177 |
| Disposals/Adjustments | - | (4) | - | (3) | - | (7) |
| As at March 31, 2020 | 316 | 200 | 21 | - | 174 | 711 |
| Additions | 49 | 4 | - | - | - | 53 |
| Disposals/Adjustments | (2) | (5) | - | - | - | (7) |
| Transfer | 4 | 19 | 1 | - | 4 | 28 |
| As at March 31, 2021 | 367 | 218 | 22 | - | 178 | 785 |
| Accumulated depreciation | | | | | | |
| As at April 01, 2019 | 112 | 82 | 6 | 3 | 57 | 260 |
| Charge for the year | 62 | 35 | 4 | - | 36 | 137 |
| Disposals/Adjustments | - | (3) | - | (3) | - | (6) |
| As at March 31, 2020 | 174 | 114 | 10 | - | 93 | 391 |
| Charge for the year | 86 | 38 | 4 | - | 39 | 167 |
| Disposals/Adjustments | (1) | - | - | - | - | (1) |
| As at March 31, 2021 | 259 | 152 | 14 | - | 132 | 557 |
| Net block as at March 31, 2020 | 142 | 86 | 11 | - | 81 | 320 |
| Net block as at March 31, 2021 | 108 | 66 | 8 | - | 46 | 228 |

4. Investment property

Amount in Rs. lakhs

| Particulars | Building - Asset given under operating lease |
|---------------------------------------|--|
| Cost | |
| As at April 01, 2019 | 73 |
| Additions | - |
| As at March 31, 2020 | 73 |
| Additions | - |
| As at March 31, 2021 | 73 |
| Accumulated depreciation | |
| As at April 01, 2019 | 5 |
| Charge for the year | 1 |
| As at March 31, 2020 | 6 |
| Charge for the year | 2 |
| As at March 31, 2021 | 8 |
| Net block as at March 31, 2020 | 67 |
| Net block as at March 31, 2021 | 65 |

Information regarding income and expenditure of Investment property

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Rental income derived from investment property | 21 | 24 |
| Less: Direct operating expenses from property that generated rental income (including repairs and maintenance) | - | - |
| Less: Direct operating expenses from property that did not generate rental income (including repairs and maintenance) | 1 | 1 |
| Profit arising from investment properties before depreciation and indirect expenses | 20 | 23 |
| Less: Depreciation | (2) | (1) |
| Profit arising from investment property before indirect expenses | 18 | 22 |

Determination of fair values

Description of valuation techniques used and key inputs to valuation on investment properties:

| Particulars | Valuation technique | Significant unobservable inputs | Range (weighted average) | |
|-----------------------|---------------------|--|--------------------------|----------------|
| | | | March 31, 2021 | March 31, 2020 |
| Investment properties | Market Approach | | | |
| | | Area of subject unit (sq. ft.) | 3,001 | 3,001 |
| | | Adopted market rent per sq.ft. per month | 53 | 53 |
| | | Derived unit rate (per sq.ft.) | 10,700 | 10,500 |
| | | Estimated rental value (per sq. ft.) | Rs. 53 - 70 | Rs. 53 - 70 |
| | | Discount rate | 12.00% | 12.00% |

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 and discounted cash flows in arriving at the fair value as at the reporting date. These valuation methods involve certain estimates. The management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The discounted cash flows method involves the estimation of an income stream over a period and discounting the income stream with an expected internal rate of return and terminal

yield. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

Significant increases/(decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher/(lower) fair value of the properties. Significant increases/(decreases) in long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower/ (higher) fair value.

All resulting fair value estimates for investment properties are included in level 3. Refer Note 45.

Reconciliation of fair value

Amount in Rs. lakhs

| Particulars | Amount |
|---|------------|
| Opening balance as at April 01, 2019 | 338 |
| Fair value differences | (23) |
| Closing balance as at March 31, 2020 | 315 |
| Fair value differences | 6 |
| Closing balance as at March 31, 2021 | 321 |

5. Intangible assets

Amount in Rs. lakhs

| Particulars | Computer software | Service concession arrangement# | Total |
|---|-------------------|---------------------------------|--------------|
| Cost | | | |
| As at April 01, 2019 | 109 | 1,002 | 1,111 |
| Additions | 20 | 21 | 41 |
| Disposal/adjustments | - | (56) | (56) |
| Provision for expected losses under service concession arrangement (refer Note 33(b)) | - | (48) | (48) |
| As at March 31, 2020 | 129 | 919 | 1,048 |
| Additions | - | - | - |
| Disposals/Adjustments (refer Note 44) | - | (919) | (919) |
| As at March 31, 2021 | 129 | - | 129 |
| Accumulated amortisation | | | |
| As at April 01, 2019 | 84 | 70 | 154 |
| Charge for the year | 15 | 97 | 112 |
| As at March 31, 2020 | 99 | 167 | 266 |
| Charge for the year | 15 | 38 | 53 |
| Disposal/adjustments (refer Note 44) | - | (205) | (205) |
| As at March 31, 2021 | 114 | - | 114 |
| Net block as at March 31, 2020 | 30 | 752 | 782 |
| Net block as at March 31, 2021 | 15 | - | 15 |

Refer Note 44

6. Investments - Non-current

Amount in Rs. lakhs, unless otherwise stated

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Un-quoted equity instruments, at cost | | |
| Investment in equity instruments- subsidiaries | | |
| 13,000 (March 31, 2020: 13,000) equity shares of USD 1 par value of Mindteck Inc, USA, fully paid, net of impairment provision of Rs. 5,274 lakhs (March 31, 2020: Rs. 5,274 lakhs) | 4,096 | 4,096 |
| 2 (March 31, 2020: 2) equity shares of USD 1 par value of Chendle Holdings Limited, fully paid, net of impairment provision of Rs. 64 lakhs (March 31, 2020: Rs. 64 lakhs) | 1,890 | 1,890 |
| 1,310,500 (March 31, 2020: 1,310,500) equity shares of SGD 1 par value of Mindteck Singapore Pte Ltd., fully paid, net of impairment provision of Rs. 328 lakhs (March 31, 2020: Rs. 328 lakhs) | 524 | 524 |
| 968,408 (March 31, 2020: 968,408) equity shares of GBP 1 par value of Mindteck (UK) Limited, fully paid | 153 | 153 |
| 250,000 (March 31, 2020: 250,000) equity shares of MYR 1 par value of Mindteck Software Malaysia SDN. BHD, fully paid | 33 | 33 |
| 500 (March 31, 2020: 500) equity shares of BHD 100 par value of Mindteck Middle East WLL, Bahrain, fully paid | 18 | 18 |
| 99,999 (March 31, 2020: 99,999) equity shares of Rs. 10 par value of Hitech Parking Solutions Pvt. Ltd., fully paid | 10 | 10 |
| Total | 6,724 | 6,724 |
| Aggregate amount of unquoted investments in subsidiaries | 12,390 | 12,390 |
| Aggregate amount of impairment on investments | (5,666) | (5,666) |

Also, refer Note 33(a) and 43(i).

7. Loans - Non-current assets

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Unsecured, considered good | | |
| Security deposits | 320 | 308 |
| Loan to Mindteck Employee Welfare Trust (refer Note 41) | 233 | 233 |
| Unsecured, Credit Impaired | | |
| Loan to Mindteck Employee Welfare Trust | 168 | 168 |
| Provision for impairment of loan (refer Note 33(c)) | (168) | (168) |
| Security deposits | 51 | 50 |
| Provision for doubtful deposits | (51) | (50) |
| Total | 553 | 541 |

8. Other financial assets - Non-current assets

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Fixed deposits with bank with remaining maturity of more than 12 months* | 14 | 11 |
| Total | 14 | 11 |

*Represents restricted bank balances of Rs. 14 lakhs (March 31, 2020: Rs. 11 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, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Income tax assets (net) - Non-current | 583 | 1,186 |
| Income tax liabilities (net) - Current | 196 | 117 |

Also, refer Note 39 for further details.

10. Other non-current assets

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-----------------|-------------------------|-------------------------|
| Prepaid expense | 13 | 6 |
| Total | 13 | 6 |

11. Investments - Current

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Quoted mutual funds measured at fair value through statement of profit and loss | | |
| NIL (March 31, 2020 - 1,888.70) units in AXIS Treasury Advantage Fund - Growth | - | 43 |
| Total | - | 43 |
| Aggregate book value of quoted investments in mutual funds | - | 43 |
| Aggregate market value of quoted investments in mutual funds | - | 43 |

12. Trade receivables - Current assets

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Unsecured, considered good | | |
| Trade receivables from other than related parties | 987 | 1,013 |
| Trade receivables from related parties (refer Note 41) | 964 | 943 |
| Unsecured, credit impaired | | |
| Trade receivables from other than related parties | 125 | 87 |
| | 2,076 | 2,043 |
| Impairment allowance (allowance for expected credit loss) | | |
| Receivables from other than related parties, credit impaired | (125) | (87) |
| Total | 1,951 | 1,956 |

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, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Cash on hand | 1 | 1 |
| Balances with banks | | |
| in current accounts | 26 | 1,175 |
| in fixed deposits with original maturity for less than 3 months | 398 | 155 |
| | 425 | 1,331 |
| Other bank balances - Current assets | | |
| Balances with banks | | |
| Fixed deposits with remaining maturity less than 12 months | 2,696 | 20 |
| Unpaid dividend account | 10 | 13 |
| | 2,706 | 33 |
| Total | 3,131 | 1,364 |

Cash and cash equivalents as at March 31, 2021 and March 31, 2020 include restricted cash and bank balances of Rs.173 lakhs and Rs. 33 lakhs respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and balances held in unpaid dividend bank accounts.

Changes in liabilities arising from financing activities:

| Particulars | As at April 01, 2020 | Cash flows | New leases/Others (Refer Note 37) | As at March 31, 2021 |
|--|-------------------------|--------------|--------------------------------------|-------------------------|
| Borrowings * | - | - | 2 | 2 |
| Lease liabilities | 1,205 | (429) | (34) | 742 |
| Total liabilities from financing activities | 1,205 | (429) | (32) | 744 |

| Particulars | As at April 01, 2019 | Cash flows | New leases/Others (Refer Note 37) | As at March 31, 2020 |
|--|-------------------------|--------------|--------------------------------------|-------------------------|
| Borrowings * | - | - | - | - |
| Lease liabilities | 1,246 | (455) | 414 | 1,205 |
| Total liabilities from financing activities | 1,246 | (455) | 414 | 1,205 |

*Rounded-off to lakhs

14. Loans - Current assets

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------------|-------------------------|-------------------------|
| Unsecured, considered good | | |
| Security deposits | 21 | 19 |
| Total | 21 | 19 |

15. Other financial assets - Current assets

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Unsecured, credit impaired | | |
| Claimable expenses | 237 | 111 |
| Provision for expected losses under service concession arrangement (refer Note 33(b) and 44) | (237) | (111) |
| Unsecured, considered good | | |
| Claimable expenses | 69 | 11 |
| Recoverable from related parties (refer Note 41) | 152 | 146 |
| Unbilled revenue | 810 | 698 |
| Accrued interest | 20 | 2 |
| Employee advances | 13 | 41 |
| Total | 1,064 | 898 |
| Break up of financial assets carried at amortized cost: | | |
| Security deposits (non-current) (Note 7) | 320 | 308 |
| Advances to related party (non-current) (Note 7) | 233 | 233 |
| Fixed deposits with bank with remaining maturity of more than 12 months (non-current) (Note 8) | 14 | 11 |
| Trade receivables (current) (Note 12) | 1,951 | 1,956 |
| Cash and cash equivalents (current) (Note 13) | 425 | 1,331 |
| Other bank balances (current) (Note 13) | 2,706 | 33 |
| Security deposits (current) (Note 14) | 21 | 19 |
| Claimable expenses (current) (Note 15) | 69 | 11 |
| Recoverable from related parties (current) (Note 15) | 152 | 146 |
| Unbilled revenue (current) (Note 15) | 810 | 698 |
| Accrued interest (current) (Note 15) | 20 | 2 |
| Employee advances (current) (Note 15) | 13 | 41 |
| Total | 6,734 | 4,789 |

16. Other current assets

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Advances recoverable in cash or kind | 15 | 33 |
| Balances with government authorities * | 459 | 455 |
| Less: Provision for doubtful input credit receivable | (251) | (259) |
| Net balance with government authorities | 208 | 196 |
| Prepaid expenses | 111 | 126 |
| Total | 334 | 355 |

* Represents amount of service tax input credit receivable and goods and services tax input credit receivable

17. Equity

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Authorised capital | | |
| Equity shares | | |
| 28,000,000 (March 31, 2020: 28,000,000) equity shares of Rs. 10 each | 2,800 | 2,800 |
| Preference shares | | |
| 500,000 (March 31, 2020: 500,000) cumulative, non-convertible, redeemable preference shares of Rs. 100 each | 500 | 500 |
| Issued, subscribed and paid-up share capital | | |
| 25,621,898 (March 31, 2020: 25,621,898) equity shares of Rs. 10 each | 2,562 | 2,562 |
| | 2,562 | 2,562 |

Notes:**a. Mindteck Employees Welfare Trust ('Trust')**

Issued equity shares includes 416,000 equity shares issued to Trust.

- b. On April 01, 2008, the Company acquired 100% equity in its fellow subsidiary Chendle Holdings Limited, BVI ('Chendle Holdings') including its wholly owned subsidiary Primetech Solutions Inc., USA at an agreed valuation of USD 6,600,000 (approximately Rs 264,664,741) and the purchase consideration was agreed to be settled by a fresh issue of the equity shares of the Company to the shareholders of Chendle Holdings. The issue of equity shares to discharge the purchase consideration has been recorded at a price of Rs 73.54 per equity share, being the

fair value of the equity shares issued as per the valuation carried out by the independent valuer.

Of the total purchase consideration payable, 38,579 equity shares (March 31, 2020: 38,579 equity shares) have been reserved for allotment to certain shareholders of Chendle Holdings, subject to the furnishing of Permanent Account Number ('PAN') and other requirements by these shareholders. The submission of PAN is a pre-requisite to complete the allotment of shares. The Company is in the process of following up with the shareholders of Chendle Holdings to obtain the PAN and upon receiving the PAN, the Company would allot the remaining shares to these shareholders.

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

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|-------------------------|--------------------------|-------------------------|--------------------------|
| | No. of shares | Amount (Rs. in Lakhs) | No. of shares | Amount (Rs. in Lakhs) |
| Outstanding at the beginning of the year | 2,56,21,898 | 2,562 | 2,56,21,898 | 2,562 |
| Changes during the year | - | - | - | - |
| Outstanding at the end of the year | 2,56,21,898 | 2,562 | 2,56,21,898 | 2,562 |

d. Terms/rights attached to equity and preference shares

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

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

the approval of the shareholders in the ensuing Annual General Meeting.

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

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

| Name of the shareholder | As at March 31, 2021 | | As at March 31, 2020 | |
|-------------------------|-------------------------|--------|-------------------------|--------|
| | No. of shares | % | No. of shares | % |
| Embtch Holdings Limited | 16,431,604 | 64.13% | 16,431,604 | 64.13% |

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

| Name of the shareholder | As at March 31, 2021 | | As at March 31, 2020 | |
|-----------------------------|-------------------------|--------|-------------------------|--------|
| | No. of shares | % | No. of shares | % |
| Embtch Holdings Limited | 1,64,31,604 | 64.13% | 1,64,31,604 | 64.13% |
| First Asian Investments S.A | 13,90,569 | 5.43% | 13,90,569 | 5.43% |

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

h. Shares reserved for issue

Terms attached to stock options granted to employees are described in Note 43 on share based payments. Also, refer Note 17(b) above.

18. Other Equity

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Capital reserve | 357 | 357 |
| Securities premium | 10,518 | 10,518 |
| Retained earnings | (554) | (1,429) |
| Other component of equity (Share application money pending allotment) | 28 | 28 |
| Employee stock option reserve account | 147 | 153 |
| Total | 10,496 | 9,627 |

Refer Statement of Changes in Equity for movement.

Notes:**i. Capital reserve**

The Company has created capital reserve in the earlier years.

ii. Securities premium

Security premium is used to record the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

iii. Employee stock option reserve account

The Company has established various equity settled share based payment plans for certain categories of employees of the Company and subsidiaries. Refer Note 43 for further details on these plans.

iv. Distribution made and proposed

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Cash dividends on equity shares declared and paid | | |
| Final dividend | - | 256 |
| Dividend distribution tax (DDT) | - | 53 |
| Total | - | 309 |

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---------------------------|-------------------------|-------------------------|
| Dividend | | |
| Final dividend | - | - |
| Dividend distribution tax | - | - |
| Total | - | - |

19. Other non-current financial liabilities

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|----------------|-------------------------|-------------------------|
| Rental deposit | 16 | 16 |
| Total | 16 | 16 |

20. Other non-current liabilities

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|------------------------------|-------------------------|-------------------------|
| Deferred lease rental income | 7 | 7 |
| Total | 7 | 7 |

21. Provision - Non-current liabilities

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Provision for gratuity (refer Note 40) | 310 | 265 |
| Provision towards obligation under service concession arrangements (refer Note 44) | - | 630 |
| Total | 310 | 895 |

The table below gives the information about movement in provision towards obligation under service concession arrangements:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| At the beginning of the year | 680 | 771 |
| Reversal due to termination of sites | (670) | (56) |
| Finance costs | 22 | 60 |
| Other adjustments (including claimable expenses) | (32) | (95) |
| At the end of the year | - | 680 |
| Current | - | 50 |
| Non-current | - | 630 |

22. Borrowings - Current liabilities

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Loan repayable on demand from banks (Secured) | | |
| Bank overdraft* | 2 | - |
| Total | 2 | - |

*Rounded-off to lakhs

Note: Bank overdraft carry interest of 10.85 percent per annum, computed on a monthly basis on the actual amount utilized and/or repayable on demand. The bank overdraft is secured by way of first and exclusive charge in all present and future book debts which are lesser than 90 days.

23. Trade payables - Current liabilities

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Dues to micro and small enterprises (refer note below) | 39 | 40 |
| Payable to related parties (refer Note 41) | 252 | 323 |
| Payable to other than related parties | 455 | 442 |
| Total | 746 | 805 |

Terms and conditions of the above financial liabilities

- trade payables are non-interest bearing and are normally settled on 30 - 45 days terms.
- for explanations on the Company's credit risk management, refer to Note 46.

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

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year. | 39 | 40 |
| (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, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Unpaid dividend | 10 | 13 |
| Employee related liabilities | 106 | 43 |
| Total | 116 | 56 |
| Break up of financial liabilities carried at amortized cost: | | |
| Lease liabilities (non-current) (Note 37) | 334 | 793 |
| Rental deposit (non-current) (Note 19) | 16 | 16 |
| Borrowings (current) (Note 22) | 2 | - |
| Trade payables (current) (Note 23) | 746 | 805 |
| Lease liabilities (current) (Note 37) | 408 | 412 |
| Unpaid dividend (current) (Note 24) | 10 | 13 |
| Employee related liabilities (current) (Note 24) | 106 | 43 |
| Total | 1,622 | 2,082 |

25. Provisions - Current liabilities

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Provision for gratuity (refer Note 40) | 68 | 58 |
| Provision for compensated absences | 143 | 115 |
| Provision towards obligation under service concession arrangements (refer Note 44) | - | 50 |
| Total | 211 | 223 |

26. Other current liabilities

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-------------------|-------------------------|-------------------------|
| Unearned income | 147 | 3 |
| Capital creditors | - | 8 |
| Statutory dues | 181 | 118 |
| Total | 328 | 129 |

27. Revenue from contracts with customers

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|------------------|-------------------------|-------------------------|
| Sale of services | 10,398 | 9,231 |
| Total | 10,398 | 9,231 |

a. Disaggregated revenue information

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---------------------------------|-------------------------|-------------------------|
| Revenue by contract type | | |
| Fixed price | 1,057 | 648 |
| Time and material | 9,341 | 8,583 |
| Total | 10,398 | 9,231 |

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Timing of revenue recognition | | |
| Services transferred at a point in time | - | - |
| Services transferred over time | 10,398 | 9,231 |
| Total | 10,398 | 9,231 |

b. Contract balances & performance obligations

| Particulars | Amount in Rs. lakhs | |
|-------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Trade receivables | 1,951 | 1,956 |
| Unbilled revenue | 810 | 698 |
| Unearned income | 147 | 3 |

c. Set out below is the amount of revenue recognised from

| Particulars | Amount in Rs. lakhs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Amounts included in contract liabilities at the beginning of the year | 3 | 40 |

d. Remaining performance obligation

As the duration of the contracts for customer and enterprise platform is less than one year, the Company has opted for practical expedient and decided not to disclose the amount of the remaining performance obligations.

28. Other income

| Particulars | Amount in Rs. lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Finance income (includes interest income on deposits for year ended March 31, 2021: Rs. 126 lakhs; March 31, 2020: Rs. 13 lakhs) | 203 | 34 |
| Rental income | 21 | 24 |
| Fair value gain on mutual fund at fair value through profit or loss | - | 23 |
| Foreign exchange gain, net | - | 60 |
| Gain on sale of investments in mutual funds, net | - | 23 |
| Gain on sale of assets | - | 5 |
| Other non-operating income | 59 | 15 |
| Total | 283 | 184 |

29. Employee benefit expenses

| Particulars | Amount in Rs. lakhs | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Salaries and wages | 6,552 | 6,165 |
| Contribution to provident and other funds | 263 | 249 |
| Gratuity (refer Note 40) | 93 | 77 |
| Share-based payment expense (refer Note 43) | 7 | (19) |
| Staff welfare expenses | 166 | 152 |
| Total | 7,081 | 6,624 |

30. Finance costs

| Particulars | Amount in Rs. lakhs | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Interest expense and bank charges | 8 | 5 |
| Interest expense on lease liabilities (refer Note 37) | 100 | 122 |
| Interest expense on service concession arrangements (refer Note 21) | 22 | 60 |
| Total | 130 | 187 |

31. Depreciation and amortisation expense

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Depreciation of property, plant and equipment | 167 | 137 |
| Depreciation of right-of-use assets (refer Note 37) | 362 | 365 |
| Depreciation of investment property | 2 | 1 |
| Amortisation of intangible assets | 53 | 112 |
| Total | 584 | 615 |

32. Other expenses

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Rent | 4 | 7 |
| Hiring charges | 6 | 65 |
| Directors sitting fees | 48 | 46 |
| Travel expenses | 23 | 231 |
| Foreign exchange loss, net | 3 | - |
| Power and fuel | 98 | 153 |
| Communication expenses | 58 | 63 |
| Professional charges | 356 | 117 |
| Repairs and maintenance | | |
| -Buildings | 1 | 1 |
| -Others | 125 | 142 |
| Project supply and services | 248 | 333 |
| Rates and taxes | 50 | 25 |
| Insurance | 26 | 21 |
| Remuneration to auditors (refer Note 35) | 44 | 42 |
| Membership and subscription | 35 | 45 |
| Printing and stationery | 5 | 17 |
| Recruitment expenses | 60 | 63 |
| Provision for doubtful debts (net) and loss allowance | 38 | 12 |
| Contribution towards corporate social responsibility (refer Note 38) | - | 15 |
| Bad debts written off | 10 | - |
| Provision for doubtful input credit receivable | - | 180 |
| Miscellaneous expenses | 18 | 81 |
| Total | 1,256 | 1,659 |

33. Exceptional Items

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Provision for impairment of investment in subsidiaries | - | (5,666) |
| Provision for expected losses under service concession arrangement | - | (159) |
| Provision for impairment of loan | - | (168) |
| Total | - | (5,993) |

- a. During the year ended March 31, 2020, as a part of impairment evaluation and considering the COVID-19 pandemic, impairment assessments were carried out in respect of investment in subsidiaries and basis valuation carried out by an external valuation expert, an impairment of Rs. 5,666 lakhs towards carrying value of investment in certain subsidiaries was recorded. Also, refer Note 6.
- b. During the year ended March 31, 2020, the management had reassessed recoverability of investment in assets and amounts receivables from Bhopal Municipal Corporation (BMC) as at March 31, 2020 and created provision amounting to Rs. 159 lakhs.
- c. Mindteck Employee Welfare Trust (MEWT) was created to administer the Employee Share Incentive Scheme 2000 for the benefit of its employees. For this purpose, the MEWT had borrowed funds from the Company and subscribed to 416,000 equity shares renounced in its favour by the Company's promoters/directors in the Company's earlier rights issue. During the year ended March 31, 2020, due to significant difference in the purchase price of these shares and average prevailing share price, the Company had made a provision of Rs. 168 lakhs. Also, refer Note 7.

34. Contingent liabilities and commitments

Amount in Rs. lakhs

| (A) Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| (i) Income tax matters: The Company is involved in certain tax disputes pertaining to transfer pricing and other adjustments which are pending at various forums. Management is confident that the Company has a good case to defend and such cases are not tenable and no liability is expected in this regard. | | |
| (a) in relation to AY: 2006-07, AY: 2012-13, AY: 2016-17, AY: 2017-18 and AY 2018-19 | 463 | - |
| (b) in relation to AY: 2006-07, AY: 2010-11 and AY 2016-17 | - | 518 |
| (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. | 249 | 236 |

(B) During the year ended March 31, 2020, the Company had accrued provision for material foreseeable losses for a long term contract with respect to a customer. The Company had assessed the balance revenue amounting to Rs. 72 lakhs and balance costs to be accrued amounting to Rs. 125 lakhs for the commitment period, thereby recording provision amounting to Rs. 53 lakhs included in 'Other expenses'.

35. Auditors' remuneration

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|------------------------------|------------------------------|------------------------------|
| As auditor | | |
| Audit fees | 32 | 32 |
| Tax audit fees | 1 | 1 |
| Other certification services | 5 | 3 |
| Reimbursement of expenses | 6 | 6 |
| Total | 44 | 42 |

36. Earnings/(Loss) per share

Basic earnings/ (loss) per share (EPS) amounts are calculated by dividing the profit/ (loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/ (loss) attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Net profit/(loss) for the year attributable to equity shareholders | 853 | (5,924) |
| Weighted average number of equity shares of Rs 10 each used for calculation of basic earnings per share (A) | 2,56,21,898 | 2,56,21,898 |
| Earnings/(loss) per share, basic (in Rs.) | 3.33 | (23.12) |
| Effect of dilutive potential shares | | |
| - Employee stock options | 939 | 2,985 |
| - Equity shares reserved for issuance | 38,579 | 38,579 |
| Total no. of dilutive potential shares (B) | 39,518 | 41,564 |
| Weighted average number of equity shares outstanding during the year for calculation of diluted earnings per share (A+B) * | 2,56,61,416 | 2,56,63,462 |
| Earnings/(loss) per share, diluted (in Rs.) | 3.32 | (23.12) |

* The above potential shares are anti-dilutive in nature for the year ended March 31, 2020 and accordingly was not considered for the purpose of calculation of diluted EPS.

37. Leases**Company as a lessee**

During the year ended March 31, 2021, the Company has vacated the existing office premises and have accordingly issued a notice to current lessor to this effect. Consequently, in accordance with Ind AS 116 – Leases, the Company has derecognized the amortized value of existing right-of-use asset of Rs. 109 lakhs and lease liability of Rs. 123 lakhs determined till the completion of notice period and vacation of existing premises and has recognized a net gain of Rs. 14 lakhs as 'Other non operating income'.

Effective April 01, 2020, there was an amendment to Ind AS 116 - Leases. The amendment provides relief to the lessees in treating rent concessions arising as a direct consequence of the COVID-19 pandemic as a lease modification. The Company has applied the practical expedient as per Ind AS 116 – Leases. The impact of such rent concession was Rs. 26 lakhs under lease liabilities for the year ended March 31, 2021.

The details of the right-of-use asset held by the Company is as follows:

Amount in Rs. lakhs

| Particulars | Buildings |
|---------------------------------------|--------------|
| Gross carrying value | |
| As at April 1, 2019 | 1,111 |
| Additions during the year | 310 |
| Disposals during the year | - |
| As at March 31, 2020 | 1,421 |
| Additions during the year | 15 |
| Disposals during the year | (183) |
| As at March 31, 2021 | 1,253 |
| Depreciation | |
| Charge for the year | 365 |
| Disposals | - |
| As at March 31, 2020 | 365 |
| Charge for the year | 362 |
| Disposals | (74) |
| As at March 31, 2021 | 653 |
| Net block As at March 31, 2020 | 1,056 |
| Net block As at March 31, 2021 | 600 |

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Balance at the beginning of the year | 1,205 | 1,246 |
| Additions | 15 | 292 |
| Interest on lease liabilities | 100 | 122 |
| Rent concession received during the year | (26) | - |
| Write off on termination of contract | (123) | - |
| Payments | (429) | (455) |
| Balance at the end of the year | 742 | 1,205 |
| Current | 408 | 412 |
| Non-current | 334 | 793 |

The effective interest rate for lease liabilities is 9.65% with maturity between 2022-2024. The maturity analysis of lease liabilities are disclosed in Note 46.

The following are the amounts recognised in profit or loss:

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Other non-operating income | (43) | - |
| Depreciation expense of right-of-use assets | 362 | 365 |
| Interest expense on lease liabilities | 100 | 122 |
| Expense relating to short-term leases (included in other expenses) | 4 | 7 |
| Total | 423 | 494 |

During the year ended March 31, 2021, the Company had total cash outflows for leases of Rs. 429 lakhs (March 31, 2020: Rs. 456 lakhs). The Company also had non-cash additions to right-of-use assets of Rs. 15 lakhs (March 31, 2020: Rs. 310 lakhs) and lease liabilities of Rs. 15 lakhs (March 31, 2020: Rs. 292 lakhs). There are no future cash outflows relating to leases that have not yet commenced.

The maturity analysis of undiscounted lease liabilities are as follows:

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|-------------------|------------------------------|------------------------------|
| Within 5 years | 756 | 1,391 |
| More than 5 years | - | - |
| Total | 756 | 1,391 |

38. Expenditure on corporate social responsibility activities

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021* | Year ended March 31, 2020 |
|---|-------------------------------|------------------------------|
| a. Gross amount required to be spent by the Company during the year | - | 15 |
| b. Amount spent during the year ending on March 31, 2021: | In cash | Yet to be paid in cash |
| i) construction/acquisition of any asset | - | - |
| ii) on the purposes other than (i) above | - | - |
| c. Amount spent during the year ending on March 31, 2020: | In cash | Yet to be paid in cash |
| i) construction/acquisition of any asset | - | - |
| ii) on the purpose other than (i) above | 15 | - |
| | | Total |
| | | 15 |

* As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility ('CSR') committee has been formed by the Company. The primary function of the Committee is to assist the Board of Directors in formulating the CSR policy and review the implementation and progress of the same from time to time. During the year ended March 31, 2021, considering losses incurred in immediately preceding year, the Company does not have the obligation to incur expenses in relation to CSR.

39. Income tax

Income tax expense in the statement of profit and loss consists of:

Amount in Rs. lakhs

| Statement of profit or loss | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Current tax | 467 | 114 |
| Deferred tax charge/(credit) | (125) | (71) |
| Income tax expense related to current year | 342 | 43 |
| Tax relating to earlier years | 202 | - |
| Income tax expense reported in the statement of profit and loss | 544 | 43 |
| Income tax recognised in other comprehensive income/(loss) | | |
| - Tax arising on income and expense recognised in other comprehensive income/(loss) | (3) | 1 |
| Total | (3) | 1 |

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:

| Particulars | Amount in Rs. lakhs | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Profit/(Loss) before tax | 1,397 | (5,881) |
| Enacted income tax rate in India | 25.17% | 25.17% |
| Computed expected tax expense/(credit) | 352 | (1,480) |
| Effect of: | | |
| Tax effect on changes in enacted tax rate to 25.17% | - | 19 |
| Deferred tax asset not recognised due to uncertainty of related future taxable profits | - | 1,426 |
| Non-deductible expenses for tax purpose | 22 | 66 |
| Tax relating to earlier years | 202 | - |
| Others | (32) | 12 |
| Total income tax expense | 544 | 43 |

Deferred tax

Deferred tax relates to the following:

| Particulars | Amount in Rs. lakhs | | | |
|---|-------------------------|-------------------------|--|------------------------------|
| | Balance sheet | | Statement of profit and loss and other comprehensive income/(loss) | |
| | As at March 31, 2021 | As at March 31, 2020 | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Property, plant and equipment and intangible assets | 77 | (130) | 207 | 58 |
| Provision for doubtful debts, loss allowance and deposits | 48 | 45 | 3 | 1 |
| Compensated absences | 36 | 29 | 7 | 3 |
| Gratuity | 95 | 81 | 14 | 13 |
| Others | 180 | 289 | (109) | 37 |
| Net deferred tax assets (net) | 436 | 314 | | |
| Net Deferred tax credit/(charge) | | | 122 | 112 |

40. Employee benefits

A. Gratuity

The Company offers Gratuity benefits to employees, a defined benefit plan, Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables set out the funded status of the gratuity plan and the amount recognized in the Company's financial statements as at and for the year ended March 31, 2021 and March 31, 2020:

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| Change in benefit obligations | | |
| Benefit obligations at the beginning | 326 | 284 |
| Service cost | 65 | 55 |
| Interest expense | 24 | 22 |
| Actuarial loss/(gain) due to change in financial assumptions | 3 | 12 |
| Actuarial loss/(gain) due to experience adjustments | (17) | (11) |
| Benefits paid | (21) | (36) |
| Benefit obligations at the end | 380 | 326 |
| Change in plan assets | | |
| Fair value of plan assets at the beginning | 3 | 39 |
| Contribution | 26 | 2 |
| Interest income | 2 | 4 |
| Administration expenses | (6) | (4) |
| Return on plan assets excluding amounts included in interest income | (2) | (2) |
| Benefits paid | (21) | (36) |
| Fair value of plan assets at the end | 2 | 3 |
| Reconciliation of fair value of assets and defined benefit obligations | | |
| Present value of obligation as at the end of the year | 380 | 326 |
| Fair value of plan assets as at the end of the year | 2 | 3 |
| Amount recognised in the Balance Sheet | 378 | 323 |
| Current | 68 | 58 |
| Non-current | 310 | 265 |
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Expense recognised in profit or loss | | |
| Current service cost | 65 | 55 |
| Interest expense | 24 | 22 |
| Interest income | (2) | (4) |
| Administrative expenses | 6 | 4 |
| | 93 | 77 |
| Remeasurement gain/(loss) recognised in other comprehensive income/(loss) | | |
| Actuarial (loss)/gain due to change in financial assumptions | (3) | (12) |
| Actuarial (loss)/gain due to experience adjustments | 17 | 11 |
| Return on plan assets excluding amounts included in interest income | (2) | (2) |
| | 12 | (3) |

Amount in Rs. lakhs

| Particulars | As at | As at |
|------------------------------|----------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| Five year pay-outs | | |
| Year 1 | 70 | 61 |
| Year 2 | 55 | 47 |
| Year 3 | 58 | 45 |
| Year 4 | 50 | 46 |
| Year 5 | 44 | 40 |
| After 5th Year | 244 | 213 |
| Actuarial assumptions | | |
| Discount rate | 6.30% | 6.40% |
| Salary growth rate | 7.00% | 7.00% |
| Attrition rate | 20.00% | 20.00% |
| Retirement age | 58 years | 58 years |

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Amount in Rs. lakhs

| Particulars | Year ended | | Year ended | |
|----------------------------------|----------------|----------|----------------|----------|
| | March 31, 2021 | | March 31, 2020 | |
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (16) | 17 | (14) | 15 |
| Salary growth rate (1% movement) | 19 | (17) | 16 | (15) |
| Attrition rate (10% movement) | (6) | 6 | (5) | 5 |

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. 68 lakhs (March 31, 2020: Rs. 58 lakhs).

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. 263 lakhs (March 31, 2020: Rs. 248 lakhs).

41. Related party disclosures**(i) Names of related parties and description of relationship:****A. Enterprises who exercise Control**

Transcompany Ltd., British Virgin Islands (BVI) - Ultimate holding company
Embtech Holdings Ltd., Mauritius - Holding company

B. Enterprises where control exists - Subsidiaries (including step down subsidiaries)

Mindteck, Inc., USA (formerly Infotech Consulting Inc.)
Mindteck Software Malaysia SDN. BHD, Malaysia
Mindteck Middle East Limited WLL, Kingdom of Bahrain
Mindteck (UK) Limited, United Kingdom
Mindteck Singapore Pte. Limited, Singapore
Mindteck Solutions Philippines Inc. (under closure)
Mindteck Netherlands BV, Netherlands (closed w.e.f. January 14, 2020)
Mindteck Germany GmbH, Germany
Chendle Holdings Ltd, BVI
Mindteck Canada, Inc., Canada
Hitech Parking Solutions Private Limited (under closure)

C. Enterprises where control exists - Other than subsidiaries

Mindteck Employees Welfare Trust

D. Enterprises in which relative of an Independent Director is a Partner

CounsePro

E. Key management personnel

| | |
|----------------------|---|
| Meenaz Dhanani | Non-Executive Director |
| Anand Balakrishnan | Managing Director and Chief Executive Officer (Appointed as an Additional Director w.e.f. February 14, 2020 and was elevated to the position of Managing Director & Chief Executive Officer w.e.f. March 01, 2020) Chief Financial Officer (Appointed as an Interim CFO w.e.f. August 13, 2019 and ceased to be Interim CFO w.e.f. March 01, 2020) |
| Sanjeev Kathpalia | Non-Executive Director (Ceased to be Managing Director and Chief Executive Officer w.e.f. March 01, 2020 and continued to remain on the Board as a Non-Executive Director. Subsequently, resigned with effect from March 12, 2020) |
| Jagdish Malkani | Independent Director |
| Guhan Subramaniam | Independent Director |
| Prochie Mukherji | Independent Director |
| Satish Menon | Independent Director |
| Subhash Bhushan Dhar | Independent Director |
| Yusuf Lanewala | Chairman |
| Ramachandra Magadi | Chief Financial Officer (Appointed as the Chief Financial Officer w.e.f. March 01, 2020) |
| Prashanth Idgunji | Chief Financial Officer (Resigned with effect from July 29, 2019) |
| Shivarama Adiga S. | Company Secretary |

(ii) Related party transactions:

Amount in Rs. lakhs

| Particulars | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| a. Income from software and IT-enabled services: | | |
| Mindteck, Inc. | 4,787 | 3,883 |
| Mindteck (UK) Limited | 1,520 | 1,366 |
| Mindteck Singapore Pte. Limited | 345 | 187 |
| Mindteck Middle East Limited WLL | - | 11 |
| Mindteck Software Malaysia SDN. BHD | 101 | 105 |
| Mindteck Germany GmbH | 60 | 95 |
| Total | 6,813 | 5,647 |
| b. Cost of technical sub-contractors: | | |
| Mindteck, Inc. | 43 | 80 |
| Mindteck Singapore Pte. Limited | 13 | 5 |
| Total | 56 | 85 |
| c. Professional charges: | | |
| CoursePro | 26 | 1 |
| Total | 26 | 1 |
| d. Recovery of expenses from: | | |
| Mindteck, Inc. | 89 | 209 |
| Mindteck (UK) Limited | 58 | 76 |
| Mindteck Singapore Pte. Limited | 31 | 37 |
| Mindteck Middle East Limited WLL | 40 | 7 |
| Mindteck Software Malaysia SDN. BHD | 3 | 13 |
| Mindteck Germany GmbH | - | 11 |
| Total | 221 | 353 |
| e. Reimbursement of expenses to: | | |
| Mindteck, Inc. | 201 | 108 |
| Mindteck (UK) Limited | 4 | - |
| Mindteck Singapore Pte. Limited | 69 | 46 |
| Mindteck Germany GmbH | 1 | - |
| Mindteck Software Malaysia SDN. BHD | - | 2 |
| Total | 275 | 156 |
| f. Provision for impairment of investment in subsidiaries: | | |
| Mindteck, Inc. | - | 5,274 |
| Mindteck Singapore Pte. Limited | - | 328 |
| Chendle Holdings Ltd | - | 64 |
| Total | - | 5,666 |
| g. Provision for impairment of loan: | | |
| Mindteck Employees Welfare Trust | - | 168 |
| Total | - | 168 |
| h. 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* | 241 | 276 |
| Share-based payment transactions | 7 | (32) |
| Benefits paid to Non-executive directors/independent directors | 48 | 46 |
| Total | 296 | 290 |

For the year ended March 31, 2020 includes Rs. 12 lakhs paid to Managing Director and Chief Executive Officer which has been approved by the Board vide meeting dated February 14, 2020, subject to shareholder's approval. Such approval was received on August 14, 2020.

* 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.

i. Refer to Note 43(i) 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, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| a. Amounts receivable: | | |
| Mindteck, Inc. | 145 | 407 |
| Mindteck (UK) Limited | 371 | 143 |
| Mindteck Singapore Pte. Limited | 16 | 9 |
| Mindteck Software Malaysia SDN. BHD | (3) | 4 |
| Mindteck Middle East Limited WLL | - | 10 |
| Mindteck Germany GmbH | 436 | 370 |
| Total | 965 | 943 |
| b. Financial assets - loans: | | |
| Mindteck, Inc. | 55 | 64 |
| Mindteck (UK) Limited | 7 | 9 |
| Mindteck Singapore Pte. Limited | 25 | 25 |
| Mindteck Middle East Limited WLL | 20 | 4 |
| Mindteck Germany GmbH | 44 | 44 |
| Total | 151 | 146 |
| c. Unbilled revenue: | | |
| Mindteck, Inc. | 393 | 266 |
| Mindteck (UK) Limited | 9 | 101 |
| Mindteck Singapore Pte. Limited | 64 | 30 |
| Mindteck Software Malaysia SDN. BHD | 11 | 7 |
| Mindteck Germany GmbH | 6 | 6 |
| Total | 483 | 410 |
| d. Amounts payable: | | |
| Mindteck, Inc. | 201 | 305 |
| Mindteck (UK) Limited | 4 | - |
| Mindteck Singapore Pte. Limited | 37 | 16 |
| Mindteck Germany GmbH | 1 | - |
| Mindteck Software Malaysia SDN. BHD | - | 2 |
| Total | 243 | 323 |
| e. Unearned revenue: | | |
| Mindteck, Inc. | 119 | - |
| Total | 119 | - |
| f. Claimable expenses: | | |
| Mindteck Middle East Limited WLL | 1 | - |
| Total | 1 | - |
| g. Loans and advances: | | |
| Mindteck Employees Welfare Trust (refer Note 33(c)) | 233 | 233 |
| Total | 233 | 233 |

42. Segment information

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

43. Employee stock options

As at March 31, 2021, 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. The above Scheme has been replaced by Mindteck Employee Stock Option Scheme 2020.

b. Mindteck Employee Stock Option Scheme 2005 (ESOP 2005)

During the year ended March 31, 2006, the Company introduced the 'Mindteck Employees Option Scheme 2005'

(‘the Option Scheme 2005’) for the benefit of the employees of the Company and its subsidiaries, as approved by the Board of Directors in its meeting held on July 04, 2005 and the shareholders meeting held on July 29, 2005. The Option Scheme 2005 provides for the creation and issue of 500,000 options that would eventually convert into equity shares of Rs 10 each in the hands of the employees. The options are to be granted to the eligible employees at the discretion of and at the exercise price determined by the Compensation Committee of the Board of Directors. The options vest annually in a graded manner over a three year period and are exercisable during a maximum period of 5 years from the date of vesting.

During the year ended March 31, 2021, the Company has not granted any options.

During the year ended March 31, 2020, the Company has granted 50,000 options on August 13, 2019 at an exercise price of Rs. 36.40 per share.

c. Mindteck Employee Stock Option Scheme 2008 (ESOP 2008)

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

During the year ended March 31, 2021 and March 31, 2020, the Company has not granted any options.

d. Mindteck Employee Stock Option Scheme 2014 (ESOP 2014)

During the year ended March 31, 2015, the Company introduced ‘Mindteck Employees Stock Option Scheme 2014’ (‘the Option Scheme 2014’) for the benefit of the employees of the Company and its subsidiaries, as approved by the Board of Directors in its

meeting held on May 29, 2014 and the shareholders meeting held on August 14, 2014. The Option Scheme 2014 provides for the creation and issue of 2,500,000 options that would eventually convert into equity shares of Rs. 10 each in the hands of the employees. The options are to be granted to the eligible employees at the discretion of and at the exercise price determined by the Nomination and Remuneration Committee of the Board of Directors. The options will vest after the expiry of a period of twelve months from the date on which the options are granted. The vesting term and the period over which the options are exercisable is to be decided by the Nomination and Remuneration Committee.

During the year ended March 31, 2021 and March 31, 2020, the Company has not granted any options.

e. Mindteck Employee Stock Option Scheme 2020 (ESOP 2020)

During the year ended March 31, 2021, the Company introduced ‘Mindteck Employees Stock Option Scheme 2020’ (‘the Option Scheme 2020’) for the benefit of its employees administered through the Mindteck Employees Welfare Trust (‘The Trust’) in lieu of Company’s earlier Employee Share Incentive Scheme 2000. 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. The Scheme was approved by the Board of Directors in its meeting held on December 11, 2020 and by the shareholders through postal ballot held on January 17, 2021. The Option Scheme 2020 provides for the issue of 416,000 options that would eventually convert into equity shares of Rs. 10 each in the hands of the employees. The options are to yet 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 option Scheme 2020 shall provide a minimum vesting period of one year from the grant date. The options will vest after as per 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 shall be decided by the Nomination and Remuneration Committee.

During the year ended March 31, 2021, the Company has not granted any options.

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

| Particulars | 2020-21 | | 2019-20 | |
|--|--------------|--|--------------|--|
| | Option (no.) | Weighted average exercise price per stock option (Rs.) | Option (no.) | Weighted average exercise price per stock option (Rs.) |
| Options outstanding at the beginning of the year | | | | |
| ESOP 2005 | 1,39,500 | 56.05 | 1,22,600 | 67.10 |
| ESOP 2008 | 3,29,719 | 77.64 | 6,14,419 | 69.90 |
| ESOP 2014 | 1,00,000 | 34.70 | 6,00,000 | 73.51 |
| Options granted during the year | | | | |
| ESOP 2005 | - | - | 50,000 | 36.40 |
| ESOP 2008 | - | - | - | - |
| ESOP 2014 | - | - | - | - |
| Forfeited, cancelled, surrendered or lapsed during the year | | | | |
| ESOP 2005 | 33,400 | 61.56 | 33,100 | 67.27 |
| ESOP 2008 | 31,268 | 60.09 | 2,84,700 | 60.08 |
| ESOP 2014 | - | - | 5,00,000 | 79.70 |
| Exercised during the year on exercise of employee stock options/restricted shares+ | | | | |
| ESOP 2005 | - | - | - | - |
| ESOP 2008 | - | - | - | - |
| ESOP 2014 | - | - | - | - |
| Options outstanding at the end of the year | | | | |
| ESOP 2005 | 1,06,100 | 54.32 | 1,39,500 | 56.05 |
| ESOP 2008 | 2,98,451 | 79.48 | 3,29,719 | 77.64 |
| ESOP 2014 | 1,00,000 | 34.70 | 1,00,000 | 34.70 |
| Options exercisable at the end of the year | | | | |
| ESOP 2005 | 71,167 | 62.69 | 76,700 | 67.62 |
| ESOP 2008 | 2,98,451 | 79.48 | 3,28,119 | 77.66 |
| ESOP 2014 | 66,667 | 34.70 | 33,333 | 34.70 |

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

| Particulars | Weighted average remaining contractual life (years)* | | Range of exercise prices | | Fair value of options granted during the year | |
|-------------|--|---------|--------------------------|----------------|---|---------|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| | ESOP 2005 | 2.26 | 3.10 | 13.55 - 92.10 | 13.55 - 92.10 | - |
| ESOP 2008 | 1.53 | 2.21 | 43.60 - 130.80 | 43.60 - 130.80 | - | - |
| ESOP 2014 | 4.91 | 5.91 | 34.70 - 34.70 | 34.70 - 34.70 | - | - |

* considering vesting and exercise period

h. Fair value methodology

The following table list the inputs to the models used for the three plans for the year ended March 31, 2021 and March 31, 2020, respectively:

| Particulars | March 31, 2021 | | | March 31, 2020 | | |
|------------------------------|----------------|-----------|-----------|----------------|-----------|-----------|
| | ESOP 2005 | ESOP 2008 | ESOP 2014 | ESOP 2005 | ESOP 2008 | ESOP 2014 |
| Risk-free interest rate | - | - | - | 48.57% | - | - |
| Expected volatility of share | - | - | - | 7.52% | - | - |
| Expected dividend yield | - | - | - | 2.07% | - | - |
| Expected life (years) | - | - | - | 4.50 | - | - |
| Model used | - | - | - | 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. However, no options have been granted during the year ended March 31, 2021.

i. The expense recognised for employee services received during the year is shown in the following table:

| Particulars | Amount in Rs. lakhs | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| Expense arising from equity-settled share-based payment | 7 | (19) |
| Total expense arising from share-based payment | 7 | (19) |

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

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--------------------|-------------------------|-------------------------|
| Mindteck, Inc. USA | - | 5 |
| Total | - | 5 |

Accordingly, Rs. NIL (March 31, 2020: Rs. 5 lakhs) is treated as investments made in subsidiaries. Refer Note 6.

44. Service concession arrangement (SCA)

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

| Particulars | Authorisation agreement signed with Municipal Corporation Bhopal (“MCB”) |
|---|---|
| Nature of the asset recognised under SCA accounting | Intangible assets |
| Carrying value | Rs. NIL (March 31, 2020 : Rs. 752 lakhs) |
| Year when SCA granted | FY 2017-18 |
| Concession period | 10 years |
| Extension of concession period | Not applicable |
| Work in progress - status | Phase 1 completed & Phase 2 partially completed (March 31, 2020 : Phase 1 completed & Phase 2 partially completed) |
| Brief description of concession | The Company has been awarded a contract under Public Private Partnership on July 26, 2017 with Municipal Corporation of Bhopal (MCB) for designing, implementation/ construction, installation, financing, and maintenance of Smart Parking System (SPS). |

b. Intangible asset under SCA

| Particulars | Amount in Rs. lakhs | |
|--|----------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Opening Balance | 752 | 932 |
| Add: | | |
| Cost of supplies including profit margin | - | 21 |
| Less: | | |
| Amortization for the year | 38 | 97 |
| Reversal due to termination of sites | - | 56 |
| Provision for expected losses under service concession arrangement | - | 48 |
| Written off on termination of contract | 714 | - |
| Total | - | 752 |

During the year ended March 31, 2021, the Company terminated the contract with BMC and accordingly, reversed all the assets and liabilities created as per Appendix D of Ind AS 115. Also, refer Note 5, Note 15, Note 21 and Note 33(b).

45. Financial instruments

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

| Particulars | Amount in Rs. lakhs | |
|--|----------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Financial assets - Non-current (measured at amortized cost) | | |
| Security deposits ^ | 320 | 308 |
| Advances to related party # | 233 | 233 |
| Fixed deposits bank with remaining maturity of more than 12 months # | 14 | 11 |
| Financial assets - Current (measured at fair value through profit & loss) | | |
| Investments in mutual funds \$ | - | 43 |
| Financial assets - Current (measured at amortized cost) | | |
| Trade receivables # | 1,951 | 1,956 |
| Cash and cash equivalents # | 425 | 1,331 |
| Other bank balances # | 2,706 | 33 |
| Security deposits ^ | 21 | 19 |
| Advances to related party # | 152 | 146 |
| Claimable expenses # | 69 | 11 |
| Unbilled revenue # | 810 | 698 |
| Accrued interest # | 20 | 2 |
| Employee advances # | 13 | 41 |
| Total assets | 6,734 | 4,832 |
| Financial liabilities - Non-current (measured at amortized cost) | | |
| Lease liabilities ^ | 334 | 793 |
| Rental deposit ^ | 16 | 16 |
| Financial liabilities - Current (measured at amortized cost) | | |
| Bank overdraft * # | 2 | - |
| Trade payables # | 746 | 805 |
| Lease liabilities ^ | 408 | 412 |
| Unpaid dividend # | 10 | 13 |
| Others # | 106 | 43 |
| Total liabilities | 1,622 | 2,082 |

* Rounded-off to lakhs

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

\$ The carrying value of this account is measured at fair value through profit & loss and are classified as level 1 of fair value hierarchy.

Management has assessed these carrying balances approximates their fair value largely due to the short term maturities/liquid nature.

^ These balances are determined by using discounted cash flows using discount rate that reflects the issuer's borrowing rate/ lending rate for the respective financial assets/liabilities as at the end of the reporting period.

46. Financial risk management

The Company has exposure to following risks arising from financial instruments-

- credit risk
- market risk
- interest risk
- liquidity risk

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.

Expected credit loss (ECL) assessment for corporate customers as at March 31, 2021 and March 31, 2020

The Company's credit period generally ranges from 0-90 days. The credit risk exposure of the Company is as follows:

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|--|----------------------|------------------------------|----------------------|------------------------------|
| | Gross amount | Provision and loss allowance | Gross amount | Provision and loss allowance |
| Trade receivables and unbilled revenue | 2,886 | 125 | 2,741 | 87 |
| Total | 2,886 | 125 | 2,741 | 87 |

Amount in Rs. lakhs

Reconciliation of provision for doubtful debts and loss allowance:

| Particulars | Amount |
|---|------------|
| Provision and loss allowance on April 01, 2019 | 75 |
| Changes in provision and loss allowance | 12 |
| Provision and loss allowance on March 31, 2020 | 87 |
| Changes in provision and loss allowance | 38 |
| Provision and loss allowance on March 31, 2021 | 125 |

Amount in Rs. lakhs

(ii) Other financial assets and deposits with banks:

Credit risk on cash and cash equivalent (including bank balances, fixed deposits and margin money with banks) is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

b. 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.

a. 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.

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, 2021 | As at March 31, 2020 |
|---|----------|-------------------------|-------------------------|
| | | Amount in Rs. lakhs | Amount in Rs. lakhs |
| Trade receivables towards services rendered | USD | 331 | 660 |
| | GBP | 368 | 137 |
| | BHD | - | 9 |
| | EUR | 319 | 250 |
| | SGD | 10 | 6 |
| Other current assets | USD | 547 | 407 |
| | EUR | 14 | 14 |
| | SGD | 64 | 30 |
| | MYR | 10 | 7 |
| | GBP | 7 | 104 |
| Trade payables for services availed | USD | 208 | 305 |
| | GBP | 4 | - |
| | MYR | - | 2 |
| | SGD | 31 | 16 |

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 increase or decrease respectively by 0.14% (loss before tax for the year ended March 31, 2020 by 0.14%).

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.

c. 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

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, 2021 | | Year ended March 31, 2020 | |
|-------------|---------------------------|-----------------------------|---------------------------|-----------------------------|
| | Change in interest rate | Effect on profit before tax | Change in interest rate | Effect on profit before tax |
| Borrowings* | +1% | - | +1% | - |
| | -1% | - | -1% | - |

*Rounded-off to lakhs

d. Liquidity risk

Liquidity is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing the liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company 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 cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

Amount in Rs. lakhs

| Particulars | Carrying value | Contractual cash flows | | | |
|------------------------------|----------------|------------------------|-----------|--------------|------------|
| | | Total | On demand | < 1 Yr | >1 Yr |
| March 31, 2021 | | | | | |
| Lease liabilities | 742 | 742 | - | 408 | 334 |
| Rental deposit | 16 | 16 | - | - | 16 |
| Borrowings | 2 | 2 | 2 | - | - |
| Trade payables | 746 | 746 | - | 746 | - |
| Unpaid dividend | 10 | 10 | 10 | - | - |
| Employee related liabilities | 106 | 106 | - | 106 | - |
| | 1,622 | 1,622 | 12 | 1,260 | 350 |
| March 31, 2020 | | | | | |
| Lease Liabilities | 1,205 | 1,205 | - | 412 | 793 |
| Rental Deposits | 16 | 16 | - | - | 16 |
| Borrowings* | - | - | - | - | - |
| Trade payables | 805 | 805 | - | 805 | - |
| Unpaid dividend | 13 | 13 | 13 | - | - |
| Employee related liabilities | 43 | 43 | - | 43 | - |
| | 2,082 | 2,082 | 13 | 1,260 | 809 |

*Rounded-off to lakhs

47. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long-term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the Company is equity based with no financing through borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

48. The Company has considered internal and certain external sources of information including economic forecasts, budgets required to meet performance obligations and likely delays on contractual commitments, upto the date of approval of these standalone financial statements, in determining the possible impact from the COVID-19 pandemic. The Company has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Company expects to fully recover the carrying amount of its assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial results and the Company will continue to closely monitor any material changes to its assessment of economic impact of COVID-19 pandemic.

49. The Company has entered into 'International transactions' with 'Associated Enterprises' which are subject to Transfer Pricing regulations in India. The Company is in the process of carrying out transfer pricing study for the year ended March 31, 2021 in this regard, to comply with the requirements of the Income Tax Act, 1961. During the year ended March 31, 2021, the Company has re-assessed its inter-company transfer pricing arrangements effective from April 01, 2020 considering the benchmarking exercise carried out by the Company. 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.

50. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

As per our report of even date
For S.R. Battliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:
101049W/E300004

per Rajeev Kumar
Partner
Membership Number: 213803

Place: Bengaluru
Date: May 28, 2021

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

Yusuf Lanewala
Chairman
DIN - 01770426

Anand Balakrishnan
Managing Director and CEO
DIN - 05311032

Jagdish Malkani
Director
DIN - 00326173

Ramachandra M S
Chief Financial Officer

Shivarama Adiga S
Company Secretary

Place: Bengaluru
Date: May 28, 2021

Independent Auditor's Report

To the Members of Mindteck (India) Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Mindteck (India) Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31, 2021, the consolidated Statement of Profit and Loss, including Other Comprehensive Income/(Loss), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, their consolidated profit including other comprehensive income/(loss), their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We

are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

| Key audit matters | How our audit addressed the key audit matter |
|--|--|
| Impairment of Goodwill (as described in Note 6 of the consolidated financial statements) | |
| <p>The Group's consolidated financial statements includes Rs. 2,815 lakhs of goodwill, net of impairment. In accordance with Ind AS, these balances are allocated to Cash Generating Unit (CGU) which is tested annually for impairment using discounted cash-flow model of the CGU's recoverable value compared to the carrying value of the assets. A deficit between the recoverable value and the CGU's net assets would result in impairment.</p> <p>For the above impairment testing, basis valuation conducted by an external valuation specialist ('management's expert'), value in use has been determined by forecasting and discounting future cash flows which has been reviewed and approved by Audit Committee / Board of Directors of the Holding Company. Furthermore, the value in use is highly sensitive to changes in some of the inputs used for forecasting the future cash flows. Further, the determination of the recoverable amount of the CGUs involved significant judgment due to inherent uncertainty in the assumptions supporting such recoverability.</p> <p>Accordingly, the impairment of goodwill was determined to be a key audit matter in our audit of the consolidated financial statements.</p> | <p>Our audit procedures included the following, amongst others:</p> <ul style="list-style-type: none"> ▪ We understood the Group's process for identification of indicators for impairment and evaluated its internal controls over its impairment assessment of goodwill. We understood the key assumptions applied by the management such as revenue growth, operating margins, discount rates and terminal growth rates in determining impairment. ▪ We have obtained the valuation assessment and report from the management's expert and assessed the key valuation assumptions and methodologies used by the management's expert in their valuation reports. ▪ We have evaluated the competences, capabilities and objectivity of the management's expert and obtained an understanding of the scope of work and the terms of engagement. ▪ We also assessed the recoverable value by performing sensitivity testing of key assumptions used. ▪ We discussed potential changes in key drivers as compared to previous year / actual performance with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable. ▪ We tested the arithmetical accuracy of the impairment models. ▪ We also assessed the disclosures in the consolidated financial statements in this regard for compliance with disclosure requirements under the accounting standards. |

Contingencies in relation to tax litigations (as described in Note 34 of the consolidated financial statements)

The Group is involved in various legal proceedings and uncertain tax positions relating to taxes. As of March 31, 2021, there is Rs. 463 lakhs disclosed as contingent liability in the consolidated financial statements. In relation to these proceedings, management assesses the impact of the eventual outcome on its consolidated financial statements.

The Group discloses contingencies for income tax pending litigations when it is probable that the taxation authority will accept the uncertain tax treatment in accordance with the requirements of Appendix C to Ind AS 12 on 'Uncertainty over Income tax treatment'.

Since the aforesaid estimates require significant judgments by management, based on the available information, including that obtained from its tax advisors, we identified it as a key audit matter area in our audit of the consolidated financial statements.

Our audit procedures included the following:

- We obtained an understanding and assessed the internal control environment relating to the identification, recognition and measurement of provisions for disputes and disclosures of contingent liabilities in relation to taxes.
- We obtained details of completed tax assessments, demands issued by tax authorities, orders/notices received in this regard from the management.
- We held discussions with management to understand their assessment of the quantification and likelihood of significant exposures and the provision required in accordance with the requirements of Appendix C to Ind AS 12 which is supported by assessment reports from management's expert.
- We obtained confirmation from management's expert on ongoing litigations along with risk assessment. We have evaluated the competences, capabilities and objectivity of the management's expert and obtained an understanding of the scope of work and the terms of engagement.
- We involved our tax specialists to obtain and evaluate management's assessment of the likely outcome and potential exposures arising from all significant contingencies and considered the requirements of any provisions and related disclosures.
- We also assessed the disclosures in the consolidated financial statements for compliance with disclosure requirements under the accounting standards.

Other Information

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income/(loss), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies

included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted

in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income/(Loss), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2021 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 with reference to these consolidated financial statements of the Holding Company and its Subsidiary Company incorporated in India, refer to our separate Report in "Annexure" to this report;

- g. In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company and its Subsidiary Company incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 34 to the consolidated financial statements;
 - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts – Refer Note 34 to the consolidated financial statements; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Company incorporated in India during the year ended March 31, 2021.

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

per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 21213803AAAABZ1846

Place: Bengaluru
Date: May 28, 2021

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

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

In conjunction with our audit of the consolidated financial statements of Mindteck (India) Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these consolidated financial statements.

Meaning of Internal Financial Controls With Reference to these Consolidated Financial Statements

A company's internal financial controls with reference to these consolidated 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 with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to these consolidated 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 with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group, which are companies incorporated in India, have in all material respects, adequate internal financial controls with reference to these consolidated financial statements and such internal financial controls with reference to these consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 21213803AAAABZ1846

Place: Bengaluru
Date: May 28, 2021

Consolidated Balance Sheet as at March 31, 2021

All amounts in Rs. lakhs unless otherwise stated

| | Notes | As at March 31, 2021 | As at March 31, 2020 |
|-------------------------------|-------|----------------------|----------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 232 | 332 |
| Investment property | 4 | 65 | 67 |
| Right-of-use assets | 37 | 650 | 1,084 |
| Investment in sub-lease | 37 | - | 35 |
| Intangible assets | 5 | 15 | 782 |
| Goodwill on consolidation | 6 | 2,815 | 2,815 |
| Financial assets | | | |
| Loans | 7 | 341 | 387 |
| Other financial assets | 8 | 14 | 11 |
| Deferred tax assets (net) | 39 | 436 | 314 |
| Income tax assets (net) | 9 | 610 | 1,244 |
| Other non-current assets | 10 | 13 | 6 |
| | | 5,191 | 7,077 |
| Current assets | | | |
| Financial assets | | | |
| Investments | 11 | - | 43 |
| Trade receivables | 12 | 5,036 | 5,704 |
| Cash and cash equivalents | 13 | 5,060 | 2,906 |
| Other bank balances | 13 | 2,706 | 33 |
| Loans | 14 | 42 | 25 |
| Other financial assets | 15 | 2,060 | 2,055 |
| Other current assets | 16 | 568 | 607 |
| | | 15,472 | 11,373 |
| Total assets | | 20,663 | 18,450 |

Consolidated Balance Sheet as at March 31, 2021 (cont'd.)

All amounts in Rs. lakhs unless otherwise stated

| | Notes | As at March 31, 2021 | As at March 31, 2020 |
|--|-------|----------------------|----------------------|
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity share capital | 17 | 2,521 | 2,521 |
| Other equity | 18 | 11,464 | 10,442 |
| Equity attributable to equity holders of the parent | | 13,985 | 12,963 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| <i>Financial liabilities</i> | | | |
| Lease liabilities | 37 | 346 | 793 |
| Other financial liabilities | 19 | 20 | 54 |
| Other non-current liabilities | 20 | 144 | 7 |
| Provisions | 21 | 310 | 895 |
| | | 820 | 1,749 |
| Current liabilities | | | |
| <i>Financial liabilities</i> | | | |
| Borrowings | 22 | 1,808 | - |
| Trade payables | 23 | 1,350 | 1,284 |
| Lease liabilities | 37 | 447 | 483 |
| Other financial liabilities | 24 | 752 | 794 |
| Provisions | 25 | 499 | 515 |
| Income tax liabilities (net) | 9 | 247 | 224 |
| Other current liabilities | 26 | 755 | 438 |
| | | 5,858 | 3,738 |
| Total liabilities | | 6,678 | 5,487 |
| Total equity and liabilities | | 20,663 | 18,450 |
| Corporate information and significant accounting policies | 1 & 2 | | |

The accompanying notes are an integral part of the consolidated financial statements.

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

per Rajeev Kumar
Partner
Membership Number: 213803

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

Yusuf Lanewala
Chairman
DIN - 01770426

Anand Balakrishnan
Managing Director and CEO
DIN - 05311032

Jagdish Malkani
Director
DIN - 00326173

Ramachandra M S
Chief Financial Officer

Shivarama Adiga S
Company Secretary

Place: Bengaluru
Date: May 28, 2021

Place: Bengaluru
Date: May 28, 2021

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

All amounts in Rs. lakhs unless otherwise stated

| | Notes | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|-------|------------------------------|------------------------------|
| INCOME | | | |
| Revenue from operations | 27 | 28,672 | 27,613 |
| Other income | 28 | 455 | 175 |
| Total income | | 29,127 | 27,788 |
| EXPENSES | | | |
| Cost of technical sub-contractors | | 4,911 | 4,171 |
| Employee benefit expenses | 29 | 19,478 | 19,924 |
| Finance costs | 30 | 165 | 226 |
| Depreciation and amortisation expense | 31 | 639 | 704 |
| Other expenses | 32 | 2,321 | 3,069 |
| Total expenses | | 27,514 | 28,094 |
| Profit/(Loss) before tax and exceptional items | | 1,613 | (306) |
| Exceptional items | 33 | | |
| Impairment of goodwill | | - | (5,942) |
| Provision for expected losses under service concession arrangement | | - | (159) |
| Total exceptional items | | - | (6,101) |
| Profit/(Loss) before tax | | 1,613 | (6,407) |
| Tax expense (net): | 39 | | |
| Current tax | | 518 | 172 |
| Tax relating to earlier years | | 134 | (28) |
| Deferred tax charge/(credit) | | (125) | (71) |
| Total tax expense | | 527 | 73 |
| Profit/(Loss) for the year | | 1,086 | (6,480) |
| Other comprehensive income/(loss), net of tax | | | |
| <i>Items that will be reclassified subsequently to profit or loss</i> | | | |
| Net exchange difference on translation of foreign operation | | (80) | 352 |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | |
| Re-measurement gain/(loss) on defined benefit plan | | 12 | (3) |
| Income tax relating to items that will not be reclassified to profit or loss | | (3) | 1 |
| Other comprehensive income/(loss) for the year, (net of tax) | | (71) | 350 |
| Total comprehensive income/(loss) for the year attributable to equity holders of the parent | | 1,015 | (6,130) |
| Earnings/(Loss) per share (equity shares, par value Rs. 10 each) (March 31, 2020: Rs. 10 each) attributable to equity holders of the parent | 36 | | |
| Basic (in Rs.) | | 4.31 | (25.71) |
| Diluted (in Rs.) | | 4.23 | (25.71) |

Corporate information and significant accounting policies

1 & 2

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

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

per Rajeev Kumar
Partner
Membership Number: 213803

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

Yusuf Lanewala
Chairman
DIN - 01770426

Anand Balakrishnan
Managing Director and CEO
DIN - 05311032

Jagdish Malkani
Director
DIN - 00326173

Ramachandra M S
Chief Financial Officer

Shivarama Adiga S
Company Secretary

Place: Bengaluru
Date: May 28, 2021

Place: Bengaluru
Date: May 28, 2021

Consolidated Statement of Changes in Equity for the year ended March 31, 2021**A. Equity share capital**

All amounts in Rs. lakhs unless otherwise stated

| Particulars | Number | Amount |
|--|--------------------|--------------|
| Balance as at April 01, 2019 | 2,52,05,898 | 2,521 |
| Changes in equity share capital during the year: 2019-20 | - | - |
| Balance as at March 31, 2020 | 2,52,05,898 | 2,521 |
| Changes in equity share capital during the year: 2020-21 | - | - |
| Balance as at March 31, 2021 | 2,52,05,898 | 2,521 |

B. Other equity

All amounts in Rs. lakhs unless otherwise stated

| Particulars | 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 as at April 01, 2019 | 28 | 798 | 10,156 | 4,746 | 334 | 960 | 17,022 |
| Less: Loss for the year | - | - | - | (6,480) | - | - | (6,480) |
| Less: Changes in remeasurement of defined benefit plan through other comprehensive income/(loss), net of taxes | - | - | - | (2) | - | - | (2) |
| Less: Effect of adoption of Ind AS-116 Leases (refer Note 37) | - | - | - | (131) | - | - | (131) |
| Add: Exchange difference on translating the financial statement of foreign operations | - | - | - | - | - | 352 | 352 |
| Less: Cash dividend | - | - | - | (252) | - | - | (252) |
| Less: Dividend distribution tax | - | - | - | (53) | - | - | (53) |
| Add/(less): Transfer to retained earnings upon expiry or lapse of employee stock options after vesting | - | - | - | 167 | (167) | - | - |
| Less: Employee share-based expense (refer Note 43) | - | - | - | - | (14) | - | (14) |
| Balance as at March 31, 2020 | 28 | 798 | 10,156 | (2,005) | 153 | 1,312 | 10,442 |
| Add: Profit for the year | - | - | - | 1,086 | - | - | 1,086 |
| Add: Changes in remeasurement of defined benefit plan through other comprehensive income/(loss), net of taxes | - | - | - | 9 | - | - | 9 |
| Less: Exchange difference on translating the financial statement of a foreign operations | - | - | - | - | - | (80) | (80) |
| Add/(Less): Transfer to retained earnings upon expiry or lapse of employee stock options after vesting | - | - | - | 13 | (13) | - | - |
| Add: Employee share-based expense (refer Note 43) | - | - | - | - | 7 | - | 7 |
| Balance as at March 31, 2021 | 28 | 798 | 10,156 | (897) | 147 | 1,232 | 11,464 |

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

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

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number:

101049W/E300004

per Rajeev Kumar

Partner

Membership Number: 213803

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

Chairman

DIN - 01770426

Anand Balakrishnan

Managing Director and CEO

DIN - 05311032

Jagdish Malkani

Director

DIN - 00326173

Ramachandra M S

Chief Financial Officer

Shivarama Adiga S

Company Secretary

Place: Bengaluru

Date: May 28, 2021

Place: Bengaluru

Date: May 28, 2021

Consolidated Statement of Cash Flows for the year ended March 31, 2021

All amounts in Rs. lakhs unless otherwise stated

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| Operating activities | | |
| Profit/(Loss) before tax | 1,613 | (6,407) |
| Adjustments to reconcile profit/(loss) before tax to net cash flows: | | |
| Depreciation and amortization expense | 639 | 704 |
| Impairment of goodwill (Refer Note 33(a)) | - | 5,942 |
| Provision for expected losses under service concession arrangement (Refer Note 33(b)) | - | 159 |
| Finance costs | 125 | 226 |
| Interest income | (207) | (35) |
| Unrealised exchange differences | (28) | (40) |
| Gain on sale of assets | - | (5) |
| Provision for doubtful deposits | 1 | - |
| Provision for doubtful debts (net) (including unbilled revenue) and loss allowance | 88 | (102) |
| Provision for doubtful input credit receivable | - | 180 |
| Share based payment expenses | 7 | - |
| Impact due to termination of service concession arrangement | (5) | - |
| Fair value gain on mutual fund at fair value through profit or loss | - | (23) |
| Gain on sale of mutual funds (net) | - | (23) |
| Other non-operating income | (49) | (9) |
| Changes in operating assets and liabilities | | |
| (Increase)/Decrease in trade receivables | 568 | 1,910 |
| (Increase)/Decrease in loans and advances and other assets | 47 | (141) |
| Increase/(Decrease) in liabilities and provisions | 567 | (484) |
| Net cash from operating activities before taxes | 3,366 | 1,852 |
| Income taxes paid (net of refunds) | 5 | (336) |
| Net cash from operating activities (A) | 3,371 | 1,516 |

Consolidated Statement of Cash Flows for the year ended March 31, 2021 (cont'd.)

All amounts in Rs. lakhs unless otherwise stated

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Investing activities | | |
| Purchase of property, plant and equipment, intangible assets and capital work in progress | (65) | (241) |
| Proceeds from sale of assets | 5 | 6 |
| Proceeds from sublease property | - | 15 |
| Movement in fixed deposits and other bank balances (net) | (2,679) | 87 |
| Investment in mutual funds | - | (6,068) |
| Proceeds from sale of mutual funds | 43 | 7,422 |
| Interest income received | 167 | 13 |
| Net cash from/(used in) investing activities (B) | (2,529) | 1,234 |
| Financing activities | | |
| Proceeds from short term borrowings (net) | 1,828 | - |
| Repayment of principal portion of lease liabilities | (409) | (452) |
| Finance cost on lease liabilities | (103) | (127) |
| Finance cost paid | - | (40) |
| Dividends paid (including distribution tax and unpaid dividend) | (3) | (311) |
| Net cash from/(used in) financing activities (C) | 1,313 | (930) |
| Net increase in cash and cash equivalents (D)=(A)+(B)+(C) | 2,155 | 1,820 |
| Cash and cash equivalents at the beginning of the period (E) | 2,906 | 1,016 |
| Effect of exchange difference on translation of foreign currency cash and cash equivalents (F) | (3) | 70 |
| Cash and cash equivalents at the end of the year (refer Note 13) (G)=(D)+(E)+(F) | 5,058 | 2,906 |

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

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

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number:

101049W/E300004

per Rajeev Kumar

Partner

Membership Number: 213803

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

Chairman

DIN - 01770426

Anand Balakrishnan

Managing Director and CEO

DIN - 05311032

Jagdish Malkani

Director

DIN - 00326173

Ramachandra M S

Chief Financial Officer

Shivarama Adiga S

Company Secretary

Place: Bengaluru

Date: May 28, 2021

Place: Bengaluru

Date: May 28, 2021

Notes to Consolidated Financial Statements for the year ended March 31, 2021

1. Corporate Information

Mindteck (India) Limited ('Mindteck' or 'the Company' or 'parent') with its subsidiaries, set out below, collectively, referred to as 'the Group', is a public limited company incorporated in 1991, a provider of complete range of Information Technology ('IT') services to a wide range of Fortune 500 companies, multinationals and small and medium enterprises worldwide. The Company renders engineering and IT services to customers spanning across various industry verticals in specific service horizontals. Mindteck's core offerings are in Product Engineering, Application Software, Electronic Design, Testing, IT Infrastructure & Managed Services, R&D Services, Energy Management Software Solutions and Enterprise Business services.

The Group's clientele constitutes varied industry verticals, including Public Sector (Government), High Technology (such as Semiconductor, Data Storage, Cloud Services), Smart Energy and Product Engineering

(such as Life Sciences and Analytical Instruments, Industrial Systems, Medical Systems).

The Company has its registered office in Bengaluru, India and the Group has two global delivery centers located in India (Bengaluru and Kolkata) and has sixteen offices across India, the United States, Canada, United Kingdom, Germany, Bahrain, Singapore, Philippines (under closure), Netherlands (closed w.e.f. January 14, 2020) and Malaysia.

Mindteck has subsidiaries (including step-down subsidiaries) in the United States of America, Canada, Singapore, Philippines (under closure), Netherlands (closed w.e.f. January 14, 2020), Malaysia, Bahrain, United Kingdom, Germany and India (under closure). 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, 2021 & March 31, 2020 |
|---|---|--|
| 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') (closed w.e.f. January 14, 2020) | 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 WLL, 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 - under closure) | A subsidiary of Mindteck Singapore Pte Ltd. from March 08, 2016, incorporated under the laws of Philippines | 99.99 |
| Hitech Parking Solutions Private Limited (under closure) | A subsidiary of Mindteck (India) Limited from March 14, 2018, incorporated under Companies Act, 2013. | 99.99 |
| Mindteck Canada, Inc. | A subsidiary of Mindteck, Inc. USA from January 10, 2018 incorporated under Canadian law. | 100 |

*Including shares held through Chendle Holdings Limited.

The Group had created an Employee Welfare Trust for providing share-based payments to its employees. The balances of the trust have been appropriately consolidated in the Company's consolidated financial statements.

These consolidated financial statements for the year ended March 31, 2021 comprise financial statements of Mindteck Limited and its subsidiaries (collectively hereafter referred to as "the Group").

These consolidated financial statements for the year ended March 31, 2021 are approved by the Board of Directors on May 28, 2021.

2. Basis of Preparation and Significant accounting policies:**2.1. Basis of preparation**

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

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

- Certain financial assets and liabilities 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.

Also, refer Note 49 of the consolidated financial statements.

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

Revenue recognition:

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

Employee stock options plan:

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

Leases:

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying

asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts Refer Note 37.

Defined benefit plans (gratuity and other employee benefits):

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

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

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

Further details about gratuity obligations are given in Note 40.

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

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

Fair value measurement of financial instruments:

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

Impairment of non-financial assets:

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

Impairment of financial assets:

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

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

c. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as disclosed in Note 1. Control exists when the parent has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group 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/(loss) ('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 four broad categories:

- Debt instruments assets at amortized cost
- Financial assets at fair value through Other Comprehensive Income/(Loss) ('FVTOCI')
- Financial assets at fair value through profit and loss ('FVTPL')
- Equity instruments measured at fair value through other comprehensive income/(loss) ('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/(loss) (i.e. fair value through other comprehensive income/(loss)).

Debt instruments at amortized cost:

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

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

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

Financial assets at fair value through OCI ('FVTOCI'):

A financial asset that meets the following two conditions is measured at fair value through OCI unless the asset is designated at fair value through profit and loss under fair value option.

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

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

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

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

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

Derecognition:

When the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; it evaluates

if and to what extent it has retained the risks and rewards of ownership.

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

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

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

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

Impairment of financial assets:

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

ii. Financial liabilities:

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss or at amortized cost, as appropriate.

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

The Group's financial liabilities include trade payables, lease obligations, and other payables.

Subsequent measurement

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

Financial liabilities at amortized cost

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statement of profit

and loss when the liabilities are derecognized as well as through the EIR amortization process.

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

Derecognition:

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

iii. Offsetting of financial instruments:

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

iv. Reclassification of financial assets:

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

f. Property, plant and equipment

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

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

Property, plant and equipment are eliminated from financial statements, either on disposal or when no future economic benefits are expected from its use or disposal. 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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. Depreciation and amortization

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

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

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

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

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

h. Investment property

i. Recognition and measurement:

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

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

Though the Group measures investment properties using cost-based measurement, the fair value of investment

properties are disclosed in the notes (Refer Note 4). Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

ii. Depreciation:

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

The estimated useful life of building classified as an investment property is 58 years. The estimated useful life is different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the asset is likely to be used.

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 arrangement | 10 years |

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. 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.

j. Impairment of non-financial assets

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

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

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

k. Leases

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

Group as a lessee:

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

(i) Right-of-use assets:

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

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

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

(ii) Lease liabilities:

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

During the year, there was an amendment to Ind AS 116 due to COVID related rent concessions. The amendment provides relief to the lessees in treating rent concessions arising as a direct consequence of the COVID-19 pandemic as a lease modification. The amendments are applicable for annual reporting periods beginning on or after the April 01, 2020. The amendment had an impact of Rs. 32 lakhs on the consolidated financial statements.

(iii) Short-term leases and leases of low-value assets:

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

Group as a lessor:

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

l. Business combination and goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous

interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, Goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually as at March 31 or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in the consolidated statement of profit and loss. An impairment loss recognized is not reversed in subsequent periods.

m. Revenue recognition

i. Revenue from contracts with customers:

The Group derives its revenues from software service.

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

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

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

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

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

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

In case of multiple element arrangements for sale of

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

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

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

Performance obligations and remaining performance obligations

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

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

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

ii. Other income:

Dividend income is recognized when the Group's right to receive dividend is established by the reporting date. The right to receive dividend is generally established when shareholders approve the dividend.

Interest income is recognized as it accrues in the consolidated statement of profit and loss using effective interest rate method.

iii. Service concession arrangement (SCA):

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

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

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

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

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

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

n. Foreign currency translation and transactions:

Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian currency ('Rs.'), which is the Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates

of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in the consolidated statement of profit and loss.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. The statement of profit and loss have been translated using average exchange rates. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the consolidated statement of profit and loss.

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

o. Taxes

Tax expense comprises of current and deferred tax.

Current income tax:

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

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income/(loss) 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 considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company reflects the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

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

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

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

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

q. Earnings per share

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

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

r. Employee stock compensation cost

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

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

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black Scholes valuation model. That cost is recognized in employee benefits expense, together with a corresponding increase in Stock Option Outstanding reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized

for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired (net of forfeitures) and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee 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 other funds, gratuity and compensated absences.

Defined contribution plans:

Contributions payable to recognized provident and other

funds, which are defined contribution schemes, are charged to the consolidated statement of profit and loss.

Contributions payable to the recognized provident fund, employee pension and social security schemes in certain

overseas subsidiaries, which are defined contribution schemes are charged to the statement of profit and loss.

Defined benefit plans:

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income/(loss). 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 consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Consolidated statement of cash flow

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

v. Cash dividend

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. Final dividends on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

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

x. Government grants

The Group recognizes Government grants where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Accordingly, the Group has chosen to present grants related to an expense item as other operating income in the consolidated statement of profit and loss.

The Group recognizes Government grants as a loan when loans or similar assistance are provided by governments or related institutions. The loan is measured as per the accounting policy applicable to financial liabilities.

2.3. Changes in accounting policies and disclosures

a. Ind AS 116 Leases:

Refer Note 2.2(j) and Note 37.

3. Property, plant and equipment

Amount in Rs. lakhs

| Particulars | Computer equipment | Office equipment | Furniture and fixtures | Vehicles | Leasehold improvement | Total |
|---------------------------------------|--------------------|------------------|------------------------|----------|-----------------------|------------|
| Cost | | | | | | |
| As at April 01, 2019 | 239 | 173 | 48 | 3 | 173 | 636 |
| Additions | 142 | 38 | 1 | - | - | 181 |
| Disposals/Adjustments | (86) | (5) | (8) | (3) | - | (102) |
| Foreign exchange difference | 19 | 1 | 19 | 1 | - | 40 |
| As at March 31, 2020 | 314 | 207 | 60 | 1 | 173 | 755 |
| Additions | 51 | 5 | - | - | - | 56 |
| Disposals/Adjustments | (68) | (7) | (1) | - | (24) | (100) |
| Transfer | 4 | 19 | 1 | - | 4 | 28 |
| Foreign exchange difference | 1 | - | (3) | - | - | (2) |
| As at March 31, 2021 | 302 | 224 | 57 | 1 | 153 | 737 |
| Accumulated depreciation | | | | | | |
| As at April 01, 2019 | 166 | 86 | 24 | 3 | 56 | 335 |
| Charge for the year | 67 | 37 | 9 | - | 36 | 149 |
| Disposals/Adjustments | (85) | (4) | (8) | (3) | - | (100) |
| Foreign exchange difference | 19 | 1 | 18 | 1 | - | 39 |
| As at March 31, 2020 | 167 | 120 | 43 | 1 | 92 | 423 |
| Charge for the year | 92 | 39 | 5 | - | 42 | 178 |
| Disposals/Adjustments | (67) | (3) | (1) | - | (24) | (95) |
| Foreign exchange difference | 1 | - | (2) | - | - | (1) |
| As at March 31, 2021 | 193 | 156 | 45 | 1 | 110 | 505 |
| Net block as at March 31, 2020 | 147 | 87 | 17 | - | 81 | 332 |
| Net block as at March 31, 2021 | 109 | 68 | 12 | - | 43 | 232 |

4. Investment property

Amount in Rs. lakhs

| Particulars | Building - Asset given under operating lease |
|---------------------------------------|--|
| Cost | |
| As at April 01, 2019 | 73 |
| Additions | - |
| As at March 31, 2020 | 73 |
| Additions | - |
| As at March 31, 2021 | 73 |
| Accumulated depreciation | |
| As at April 01, 2019 | 5 |
| Charge for the year | 1 |
| As at March 31, 2020 | 6 |
| Charge for the year | 2 |
| As at March 31, 2021 | 8 |
| Net block as at March 31, 2020 | 67 |
| Net block as at March 31, 2021 | 65 |

Information regarding income and expenditure of Investment property

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Rental income derived from investment property | 21 | 24 |
| Less: Direct operating expenses from property that generated rental income (including repairs and maintenance) | - | - |
| Less: Direct operating expenses from property that did not generate rental income (including repairs and maintenance) | 1 | 1 |
| Profit arising from investment properties before depreciation and indirect expenses | 20 | 23 |
| Less: Depreciation | (2) | (1) |
| Profit arising from investment property before indirect expenses | 18 | 22 |

Determination of fair values

Description of valuation techniques used and key inputs to valuation on investment properties:

| Particulars | Valuation technique | Significant unobservable inputs | Range (weighted average) | |
|-----------------------|---------------------|--|--------------------------|----------------|
| | | | March 31, 2021 | March 31, 2020 |
| Investment properties | Market Approach | | | |
| | | Area of subject unit (sq. ft.) | 3,001 | 3,001 |
| | | Adopted market rent per sq.ft. per month | 53 | 53 |
| | | Derived unit rate (per sq.ft.) | 10,700 | 10,500 |
| | | Estimated rental value (per sq. ft.) | Rs. 53-70 | Rs. 53-70 |
| | | Discount rate | 12.00% | 12.00% |

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 and discounted cash flows in arriving at the fair value as at the reporting date. These valuation methods involve certain estimates. The management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The discounted cash flows method involves the estimation of an income stream over a period and discounting the income stream with an expected internal rate of

return and terminal yield. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

Significant increases/(decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher/(lower) fair value of the properties. Significant increases/(decreases) in long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower/ (higher) fair value.

All resulting fair value estimates for investment properties are included in level 3. Refer Note 45.

Reconciliation of fair value

Amount in Rs. lakhs

| Particulars | Amount |
|---|------------|
| Opening balance as at April 1, 2019 | 338 |
| Fair value differences | (23) |
| Closing balance as at March 31, 2020 | 315 |
| Fair value differences | 6 |
| Closing balance as at March 31, 2021 | 321 |

5. Intangible assets

Amount in Rs. lakhs

| Particulars | Computer software | Service concession arrangement# | Goodwill (acquisition of Business)* | Total |
|---|-------------------|---------------------------------|-------------------------------------|--------------|
| Cost | | | | |
| As at April 01, 2019 | 97 | 1,002 | 273 | 1,372 |
| Additions | 20 | 21 | - | 41 |
| Disposals/Adjustments | - | (56) | - | (56) |
| Impairment of goodwill (refer Note 33(a)) | - | - | (281) | (281) |
| Provision for expected losses under service concession arrangement (refer Note 33(b)) | - | (48) | - | (48) |
| Foreign exchange difference | 2 | - | 8 | 10 |
| As at March 31, 2020 | 119 | 919 | - | 1,038 |
| Additions | - | - | - | - |
| Disposals/Adjustments (refer Note 44) | - | (919) | - | (919) |
| Foreign exchange difference | 1 | - | - | 1 |
| As at March 31, 2021 | 120 | - | - | 120 |
| Accumulated amortisation | | | | |
| As at April 01, 2019 | 73 | 70 | - | 143 |
| Charge for the year | 15 | 97 | - | 112 |
| Foreign exchange difference | 1 | - | - | 1 |
| As at March 31, 2020 | 89 | 167 | - | 256 |
| Charge for the year | 15 | 38 | - | 53 |
| Disposal/adjustments (refer Note 44) | - | (205) | - | (205) |
| Foreign exchange difference | 1 | - | - | 1 |
| As at March 31, 2021 | 105 | - | - | 105 |
| Net block as at March 31, 2020 | 30 | 752 | - | 782 |
| Net block as at March 31, 2021 | 15 | - | - | 15 |

Refer Note 44

* Also refer Note 6

6. Goodwill on consolidation

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| Following is the movement of carrying value of goodwill: | | |
| Balance at the beginning of the year | 2,815 | 8,481 |
| Add/(less): Impairment during the year (refer Note 33(a)) | - | (5,666) |
| Balance at the end of the year | 2,815 | 2,815 |

Below is the Cash Generating Unit ('CGU') wise break-up of Goodwill:

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|----------------------------------|----------------------|----------------------|
| Mindteck, Inc., USA | 2,447 | 2,447 |
| Mindteck Singapore Pte. Ltd | 25 | 25 |
| Mindteck UK Limited | 259 | 259 |
| Mindteck Middle East Limited WLL | 84 | 84 |
| Total Goodwill | 2,815 | 2,815 |

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:

| Particulars | Amount in Rs. lakhs | |
|------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Growth rate | 2% to 23% | 1% to 11% |
| Operating margin | 7% to 10% | 6% to 10% |
| Discount rate | 14% to 23% | 12% to 25% |

The above discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of the CGU. These estimates are likely to differ from future actual results of operations and cash flows. Management believes that any reasonable possible changes in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the CGU.

Based on the above testing, provision for impairment amounting to Rs. NIL (March 31, 2020 : Rs. 5,947 lakhs (including impairment of goodwill on acquisition of business in Singapore amounting to Rs. NIL (March 31, 2020 : Rs. 281 lakhs)) was recorded as at March 31, 2021.

7. Loans - Non-current assets

Amount in Rs. lakhs

| Particulars | Amount in Rs. lakhs | |
|-----------------------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Unsecured, considered good | | |
| Security deposits | 341 | 387 |
| Unsecured, credit impaired | | |
| Security deposits | 51 | 50 |
| Provision for doubtful deposits | (51) | (50) |
| Total | 341 | 387 |

8. Other financial assets - Non-current assets

Amount in Rs. lakhs

| Particulars | Amount in Rs. lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Fixed deposits with bank with remaining maturity of more than 12 months* | 14 | 11 |
| Total | 14 | 11 |

*Represents restricted bank balances of Rs. 14 lakhs (March 31, 2020: Rs. 11 lakhs). The restrictions are primarily on account of bank balances held as margin money deposits against guarantees.

9. Taxes

Amount in Rs. lakhs

| Particulars | Amount in Rs. lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Income tax assets (net) - Non-current | 610 | 1,244 |
| Income tax liabilities (net) - Current | 247 | 224 |

Also, refer Note 39 for further details.

10. Other non-current assets

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-----------------|-------------------------|-------------------------|
| Prepaid expense | 13 | 6 |
| Total | 13 | 6 |

11. Investments - Current assets

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Quoted mutual funds measured at fair value through statement of profit and loss | | |
| NIL (March 31, 2020 - 1,888.70) units in AXIS Treasury Advantage Fund - Growth | - | 43 |
| Total | - | 43 |
| Aggregate book value of quoted investments in mutual funds | - | 43 |
| Aggregate market value of quoted investments in mutual funds | - | 43 |

12. Trade receivables - Current assets

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Unsecured, considered good | | |
| Trade receivables from other than related parties | 5,036 | 5,704 |
| Unsecured, credit impaired | | |
| Trade receivables from other than related parties | 325 | 270 |
| | 5,361 | 5,974 |
| Impairment allowance (allowance for expected credit loss) | | |
| Receivables from other than related parties, credit impaired | (325) | (270) |
| Total | 5,036 | 5,704 |

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, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Cash on hand | 2 | 4 |
| Balances with banks | | |
| - in current accounts | 4,659 | 2,742 |
| - in fixed deposits with original maturity for less than 3 months | 399 | 160 |
| | 5,060 | 2,906 |
| Other bank balances | | |
| Balances with banks | | |
| - Fixed deposits with remaining maturity less than 12 months | 2,696 | 20 |
| - unpaid dividend account | 10 | 13 |
| | 2,706 | 33 |
| Total | 7,766 | 2,939 |

Cash and cash equivalents* as at March 31, 2021 and March 31, 2020 include restricted cash and bank balances of Rs. 173 lakhs and Rs. 33 lakhs respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and balances held in unpaid dividend bank accounts.

* Considered for the purpose of the statement of cash flows, cash and cash equivalents.

Changes in liabilities arising from financing activities:

| Particulars | As at April 01, 2020 | Cash flows | New leases/Others (Refer Note 37) | As at March 31, 2021 |
|--|-------------------------|--------------|--------------------------------------|-------------------------|
| Borrowings * | - | - | 1,808 | 1,808 |
| Lease liabilities | 1,276 | (512) | 29 | 793 |
| Total liabilities from financing activities | 1,276 | (512) | 1,837 | 2,601 |

*Rounded-off to lakhs

Changes in liabilities arising from financing activities:

| Particulars | As at April 01, 2019 | Cash flows | New leases/Others (Refer Note 37) | As at March 31, 2020 |
|--|-------------------------|--------------|--------------------------------------|-------------------------|
| Borrowings * | - | - | - | - |
| Lease liabilities | 1,393 | (570) | 453 | 1,276 |
| Total liabilities from financing activities | 1,393 | (570) | 453 | 1,276 |

*Rounded-off to lakhs

14. Loans - Current assets

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------------|-------------------------|-------------------------|
| Unsecured, considered good | | |
| Security deposits | 42 | 25 |
| Total | 42 | 25 |

15. Other financial assets - Current assets

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Unsecured, credit impaired | | |
| Claimable expenses | 237 | 111 |
| Provision for expected losses under service concession arrangement (refer Note 33(b) and 44) | (237) | (111) |
| | - | - |
| Unsecured, considered good | | |
| Claimable expenses | 59 | 8 |
| Unbilled revenue | 1,957 | 1,963 |
| Accrued interest | 20 | 2 |
| Employee advances | 24 | 82 |
| Total | 2,060 | 2,055 |
| Break up of financial assets carried at amortised cost: | | |
| Security deposits (non-current) (Note 7) | 341 | 387 |
| Fixed deposits with bank with remaining maturity of more than 12 months (non-current) (Note 8) | 14 | 11 |
| Trade receivables (current) (Note 12) | 5,036 | 5,704 |
| Cash and cash equivalents (current) (Note 13) | 5,060 | 2,906 |
| Other bank balances (current) (Note 13) | 2,706 | 33 |
| Security deposits (current) (Note 14) | 42 | 25 |
| Claimable expenses (current) (Note 15) | 59 | 8 |
| Unbilled revenue (current) (Note 15) | 1,957 | 1,963 |
| Accrued interest (current) (Note 15) | 20 | 2 |
| Employee advances (current) (Note 15) | 24 | 82 |
| Total | 15,259 | 11,121 |

16. Other current assets

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Advances recoverable in cash or kind | 35 | 48 |
| Balances with government authorities* | 465 | 477 |
| Less: Provision for doubtful input credit receivable | (251) | (259) |
| Net balance with government authorities | 214 | 218 |
| Prepaid expenses | 319 | 341 |
| Total | 568 | 607 |

* Represents amount of service tax input credit receivable and goods and service tax input credit receivable.

17. Equity

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Authorised capital | | |
| Equity shares | | |
| 28,000,000 (March 31, 2020: 28,000,000) equity shares of Rs. 10 each | 2,800 | 2,800 |
| Preference shares | | |
| 500,000 (March 31, 2020: 500,000) cumulative, non-convertible, redeemable preference shares of Rs. 100 each | 500 | 500 |
| Issued, subscribed and paid-up share capital | | |
| 25,621,898 (March 31, 2020: 25,621,898) equity shares of Rs. 10 each | 2,562 | 2,562 |
| Less: 416,000 (March 31, 2020: 416,000) equity shares of Rs. 10 each fully paid-up held by the Mindteck Employees Welfare Trust | 41 | 41 |
| Total | 2,521 | 2,521 |

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, 2020: 38,579 equity shares) have been reserved for allotment to certain shareholders of Chendle Holdings, subject to the furnishing of Permanent Account Number ('PAN') and other requirements by these shareholders. The submission of PAN is a pre-requisite to complete the allotment of shares. The Company is in the process of following up with the shareholders of Chendle Holdings to obtain the PAN and upon receiving the PAN, the Company would allot the remaining shares to these shareholders.

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

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|-------------------------|--------------------------|-------------------------|--------------------------|
| | No. of shares | Amount (Rs. in Lakhs) | No. of shares | Amount (Rs. in Lakhs) |
| Outstanding at the beginning of the year | 2,52,05,898 | 2,521 | 2,52,05,898 | 2,521 |
| Changes during the year | - | - | - | - |
| Outstanding at the end of the year | 2,52,05,898 | 2,521 | 2,52,05,898 | 2,521 |

d. Terms/rights attached to equity and preference shares

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

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

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

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

| Name of the shareholder | As at March 31, 2021 | | As at March 31, 2020 | |
|--------------------------|-------------------------|--------|-------------------------|--------|
| | No. of shares | % | No. of shares | % |
| Embtech Holdings Limited | 16,431,604 | 64.13% | 16,431,604 | 64.13% |

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

| Name of the shareholder | As at March 31, 2021 | | As at March 31, 2020 | |
|-----------------------------|-------------------------|--------|-------------------------|--------|
| | No. of shares | % | No. of shares | % |
| Embtech Holdings Limited | 16,431,604 | 64.13% | 16,431,604 | 64.13% |
| First Asian Investments S.A | 1,390,569 | 5.43% | 1,390,569 | 5.43% |

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

h. Shares reserved for issue

Terms attached to stock options granted to employees are described in Note 43 on share based payments. Also, refer Note 17(b) above.

18. Other Equity

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Capital reserve | 798 | 798 |
| Securities premium | 10,156 | 10,156 |
| Retained earnings | (897) | (2,005) |
| Other component of equity (Share application money pending allotment) | 28 | 28 |
| Employee stock options reserve | 147 | 153 |
| Foreign currency translation reserve | 1,232 | 1,312 |
| Total | 11,464 | 10,442 |

Refer Statement of Changes in Equity for movement.

Notes:

i. Capital reserve

The Company has created capital reserve in the earlier years.

ii. Securities premium

Security premium is used to record the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

iii. Employee stock option reserve account

The Company has established various equity settled share based payment plans for certain categories of employees of the Company and subsidiaries. Refer Note 43 for further details on these plans.

iv. Distribution made and proposed

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Cash dividends on equity shares declared and paid | | |
| Final dividend | - | 252 |
| Tax on dividend distribution | - | 52 |
| Total | - | 304 |

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---------------------------------|-------------------------|-------------------------|
| Dividend proposed | | |
| Final dividend | - | - |
| Dividend distribution tax (DDT) | - | - |
| Total | - | - |

19. Other non-current financial liabilities

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|----------------|-------------------------|-------------------------|
| Rental deposit | 20 | 54 |
| Total | 20 | 54 |

20. Other non-current liabilities

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|------------------------------|-------------------------|-------------------------|
| Deferred lease rental income | 7 | 7 |
| Statutory dues | 137 | - |
| Total | 144 | 7 |

21. Provision - Non-current liabilities

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Provision for gratuity (refer Note 40) | 310 | 265 |
| Provision towards obligation under service concession arrangements (refer Note 44) | - | 630 |
| Total | 310 | 895 |

The table below gives the information about movement in provision towards obligation under service concession arrangements:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| At the beginning of the year | 680 | 771 |
| Reversal due to termination of sites | (670) | (56) |
| Finance costs | 22 | 60 |
| Other adjustments (including claimable expenses) | (32) | (95) |
| At the end of the year | - | 680 |
| Current | - | 50 |
| Non-current | - | 630 |

22. Borrowings - Current liabilities

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Loan repayable on demand from banks (Secured) | | |
| Bank overdraft* | 2 | - |
| Paycheck Protection Program (PPP) Loan # | 1,806 | - |
| Total | 1,808 | - |

*Rounded-off to lakhs

Note: Bank overdraft carry interest of 10.85 percent per annum, computed on a monthly basis on the actual amount utilized and / or repayable on demand. The bank overdraft is secured by way of first and exclusive charge in all present and future book debts which are lesser than 90 days.

The US Federal government in the wake of COVID-19 pandemic has provided support to business through Paycheck Protection Program (PPP). Mindteck, Inc. have obtained a benefit under this scheme for Rs. 1,806 lakhs during April 2020. This loan is eligible for forgiveness on fulfillment of certain conditions. Pending approval of the forgiveness application, the benefit is reflected as borrowings and in the event the application is not approved, the benefit needs to be refunded along with interest @ 1% p.a. Mindteck, Inc. has applied for forgiveness and application is pending with Small Business Administration, United States government agency for review and approval (SBA).

23. Trade payables - Current liabilities

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Dues to micro and small enterprises (refer Note below) | 39 | 40 |
| Others | 1,311 | 1,244 |
| Total | 1,350 | 1,284 |

Terms and conditions of the above financial liabilities

- trade payables are non-interest bearing and are normally settled on 30-45 day terms.
- for explanations on the Company's credit risk management, refer to Note 46.

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

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year. | 39 | 40 |
| (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. | - | - |

24. Other financial liabilities - Current

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Unpaid dividend | 10 | 13 |
| Employee related liabilities | 742 | 781 |
| Total | 752 | 794 |
| Break up of financial liabilities carried at amortised cost: | | |
| Lease liabilities (non-current) (Note 37) | 346 | 793 |
| Rental deposit (non-current) (Note 19) | 20 | 54 |
| Borrowings (current) (Note 22) | 1,808 | - |
| Trade and other payables (current) (Note 23) | 1,350 | 1,284 |
| Lease liabilities (current) (Note 37) | 447 | 483 |
| Unpaid dividend (current) (Note 24) | 10 | 13 |
| Employee related liabilities (current) (Note 24) | 742 | 781 |
| Total | 4,723 | 3,408 |

25. Provisions - Current liabilities

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Provision for gratuity (refer Note 40) | 68 | 58 |
| Provision for compensated absences | 431 | 407 |
| Provision towards obligation under service concession arrangements (refer Note 44) | - | 50 |
| Total | 499 | 515 |

26. Other current liabilities

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-------------------|-------------------------|-------------------------|
| Unearned income | 188 | 15 |
| Capital creditors | - | 8 |
| Statutory dues | 567 | 415 |
| Total | 755 | 438 |

27. Revenue from contracts with customers

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|------------------|------------------------------|------------------------------|
| Sale of services | 28,672 | 27,613 |
| Total | 28,672 | 27,613 |

a. Disaggregated revenue information

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---------------------------------|-------------------------|-------------------------|
| Revenue by contract type | | |
| Fixed price | 1,213 | 692 |
| Time and material | 27,459 | 26,921 |
| Total | 28,672 | 27,613 |

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Timing of revenue recognition | | |
| Services transferred at a point in time | - | - |
| Services transferred over time | 28,672 | 27,613 |
| Total | 28,672 | 27,613 |

b. Contract balances & performance obligations

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-------------------|-------------------------|-------------------------|
| Trade receivables | 5,036 | 5,704 |
| Unbilled revenue | 1,957 | 1,963 |
| Unearned income | 188 | 15 |

c. Set out below is the amount of revenue recognised from

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Amounts included in contract liabilities at the beginning of the year | 15 | 54 |

d. Remaining performance obligation

As the duration of the contracts for customer and enterprise platform is less than one year, the Company has opted for practical expedient and decided not to disclose the amount of the remaining performance obligations.

28. Other income

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Finance income (includes interest income on deposits for year ended March 31, 2021: Rs. 126 lakhs; March 31, 2020: Rs. 13 lakhs) | 207 | 35 |
| Rental income | 21 | 29 |
| Fair value gain on mutual fund at fair value through profit or loss | - | 23 |
| Foreign exchange gain, net | - | 33 |
| Gain on sale of investments in mutual funds, net | - | 23 |
| Gain on sale of assets | - | 5 |
| Other non-operating income | 227 | 27 |
| Total | 455 | 175 |

29. Employee benefit expense

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Salaries and wages | 17,789 | 18,175 |
| Contribution to provident and other funds | 929 | 997 |
| Gratuity (refer Note 40) | 93 | 77 |
| Share-based payment expense (refer Note 43) | 7 | (14) |
| Staff welfare expenses | 660 | 689 |
| Total | 19,478 | 19,924 |

30. Finance costs

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Interest expense and bank charges | 40 | 39 |
| Interest expense on lease liabilities (refer Note 37) | 103 | 127 |
| Interest expense on service concession arrangements (refer Note 21) | 22 | 60 |
| Total | 165 | 226 |

31. Depreciation and amortisation expense

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Depreciation of property, plant and equipment | 178 | 149 |
| Depreciation of right-of-use assets (refer Note 37) | 406 | 442 |
| Depreciation of investment property | 2 | 1 |
| Amortisation of intangible assets | 53 | 112 |
| Total | 639 | 704 |

32. Other expenses

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Rent | 77 | 94 |
| Hiring charges | 7 | 66 |
| Directors sitting fees | 48 | 46 |
| Travel expenses | 207 | 568 |
| Foreign exchange loss, net | 31 | - |
| Power and fuel | 100 | 157 |
| Communication expenses | 119 | 143 |
| Professional charges | 627 | 572 |
| Repairs and maintenance | | |
| - Buildings | 1 | 1 |
| - Others | 137 | 157 |
| Project supply and services | 334 | 390 |
| Rates and taxes | 58 | 53 |
| Insurance | 53 | 49 |
| Remuneration to auditors (refer Note 35) | 51 | 49 |
| Membership and subscription | 218 | 293 |
| Printing and stationery | (2) | 25 |
| Recruitment expenses | 139 | 144 |
| Provision for doubtful debts (net) (including unbilled revenue) and loss allowance | 88 | (102) |
| Contribution towards corporate social responsibility (refer Note 38) | - | 15 |
| Bad debts written off | 10 | 27 |
| Provision for doubtful input credit receivable | - | 180 |
| Miscellaneous expenses | 18 | 142 |
| Total | 2,321 | 3,069 |

33. Exceptional Items

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Impairment of goodwill | - | (5,942) |
| Provision for expected losses under service concession arrangement | - | (159) |
| Total | - | (6,101) |

- a. During the year ended March 31, 2020, as a part of impairment evaluation and considering the COVID-19 pandemic, impairment assessments were carried out in respect of carrying value of goodwill and basis valuation carried out by an external valuation expert, an impairment of Rs. 5,942 lakhs towards carrying value of goodwill was recorded. Also, refer Note 5 and Note 6.
- b. During the year ended March 31, 2020, the management had reassessed recoverability of investment in assets and amounts receivables from Bhopal Municipal Corporation (BMC) as at March 31, 2020 and created provision amounting to Rs. 159 lakhs.

34. Contingent liabilities and commitments

Amount in Rs. lakhs

| (A) Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| (i) Income tax matters: The Company is involved in certain tax disputes pertaining to transfer pricing and other adjustments which are pending at various forums. Management is confident that the Company has a good case to defend and such cases are not tenable and no liability is expected in this regard. | | |
| - in relation to AY: 2006-07, AY: 2012-13, AY: 2016-17, AY: 2017-18 and AY 2018-19 | 463 | - |
| - in relation to AY: 2006-07, AY: 2010-11 and AY 2016-17 | - | 518 |
| (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. | 249 | 236 |

- (B) During the year ended March 31, 2020, the Company had accrued provision for material foreseeable losses for a long term contract with respect to a customer. The Company had assessed the balance revenue amounting to Rs. 72 lakhs and balance costs to be accrued amounting to Rs. 125 lakhs for the commitment period, thereby recording provision amounting to Rs. 53 lakhs included in 'Other expenses'.

35. Auditors' remuneration

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|------------------------------|-------------------------|-------------------------|
| As auditor | | |
| Audit fees | 39 | 39 |
| Tax audit fees | 1 | 1 |
| Other certification services | 5 | 3 |
| Reimbursement of expenses | 6 | 6 |
| Total | 51 | 49 |

36. Earnings/(Loss) per share

Basic earnings/ (loss) per share (EPS) amounts are calculated by dividing the profit/ (loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/ (loss) attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Net profit/(loss) for the year attributable to equity shareholders | 1,086 | (6,480) |
| Weighted average number of equity shares of Rs 10 each used for calculation of basic earnings per share (A) | 2,52,05,898 | 2,52,05,898 |
| Earnings/(loss) per share, basic (in Rs.) | 4.31 | (25.71) |
| Effect of dilutive potential shares | | |
| - Employee stock options | 939 | 2,985 |
| - Equity shares reserved for issuance | 38,579 | 38,579 |
| - Equity shares held by Mindteck Employees Welfare Trust (reduced for calculation of basic earnings per share) | 4,16,000 | 4,16,000 |
| Total no. of dilutive potential shares (B) | 4,55,518 | 4,57,564 |
| Weighted average number of equity shares outstanding during the year for calculation of diluted earnings per share (A+B) * # | 2,56,61,416 | 2,56,63,462 |
| Earnings/(loss) per share, diluted (in Rs.) | 4.23 | (25.71) |

*The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the year.

The above potential shares are anti-dilutive in nature for the year ended March 31, 2020 and accordingly was not considered for the purpose of calculation of diluted EPS.

37. Leases**Group as a lessee**

During the year ended March 31, 2021, the Group has vacated the existing office premises and have accordingly issued a notice to current lessor to this effect. Consequently, in accordance with Ind AS 116 – Leases, the Group has derecognized the amortized value of existing right-of-use asset of Rs. 108 lakhs and lease liability of Rs. 123 lakhs determined till the completion of notice period and vacation of existing premises and has recognized a net gain of Rs. 15 lakhs as 'Other non operating income'.

Effective April 01, 2020, there was an amendment to Ind AS 116 - Leases. The amendment provides relief to the lessees in treating rent concessions arising as a direct consequence of the COVID-19 pandemic as a lease modification. The Company has applied the

practical expedient as per Ind AS 116 – Leases. The impact of such rent concession was Rs. 32 lakhs under lease liabilities for the year ended March 31, 2021.

The Group has entered into new lease agreements and recognized a lease liability measured at the present value of the remaining lease payments amounting to Rs. 65 lakhs. The right-of-use asset is recognized by discounting using the lessee's incremental borrowing rate amounting to Rs. 65 lakhs. The average incremental borrowing rate of 6.75% has been applied to lease liabilities recognised in the balance sheet at the date of commencement of lease.

The details of the right-of-use asset held by the Company is as follows:

Amount in Rs. lakhs

| Particulars | Buildings |
|---------------------------------------|--------------|
| Gross carrying value | |
| As at April 1, 2019 | 1,232 |
| Additions during the year | 310 |
| Disposals during the year | (47) |
| Exchange differences | 31 |
| As at March 31, 2020 | 1,526 |
| Additions during the year | 80 |
| Disposals during the year | (270) |
| Exchange differences | 1 |
| As at March 31, 2021 | 1,337 |
| Depreciation | |
| Charge for the year | 442 |
| Disposals | - |
| Exchange differences | - |
| As at March 31, 2020 | 442 |
| Charge for the year | 406 |
| Disposals | (162) |
| Exchange differences | 1 |
| As at March 31, 2021 | 687 |
| Net block As at March 31, 2020 | 1,084 |
| Net block As at March 31, 2021 | 650 |

The details of the investments in sub-lease held by the Group is as follows:

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--------------------------------------|------------------------------|------------------------------|
| Gross carrying value | | |
| Balance at the beginning of the year | 35 | - |
| Additions during the year | - | 49 |
| Finance income | 1 | (15) |
| Received during the year | (35) | - |
| Exchange differences | (1) | 1 |
| Balance at the end of the year | - | 35 |

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Balance at the beginning of the year | 1,276 | 1,393 |
| Additions | 80 | 292 |
| Interest on lease liabilities | 103 | 127 |
| Payments | (512) | (570) |
| Write-back on termination of contract | (123) | - |
| Rent concession received during the year | (32) | - |
| Exchange differences | 1 | 34 |
| Balance at the end of the year | 793 | 1,276 |
| Current | 447 | 483 |
| Non-current | 346 | 793 |

The maturity analysis of lease liabilities are disclosed in Note 46.

The effective interest rate for lease liabilities is 9.65% for India, 4.67% for USA, 4.73% for Middle East, 8.50% for Malaysia and 5.25% for Singapore with maturity between 2022-2024.

The following are the amounts recognised in profit or loss:

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Other non-operating income | (49) | - |
| Finance income on investment in sub-lease | (1) | (15) |
| Depreciation expense of right-of-use assets | 406 | 442 |
| Interest expense on lease liabilities | 103 | 127 |
| Expense relating to short-term leases (included in other expenses) | 77 | 94 |
| Total | 536 | 648 |

During the year ended March 31, 2021, the Group had total cash outflows for leases of Rs. 512 lakhs (March 31, 2020: Rs. 579 lakhs). The Group also had non-cash additions to right-of-use assets of Rs. 80 lakhs (March 31, 2020: Rs. 310 lakhs) and lease liabilities of Rs. 80 lakhs (March 31, 2020: Rs. 292 lakhs). There are no future cash outflows relating to leases that have not yet commenced.

The maturity analysis of undiscounted lease liabilities are as follows:

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|-------------------|------------------------------|------------------------------|
| Within 5 years | 806 | 1,463 |
| More than 5 years | - | - |
| Total | 806 | 1,463 |

38. Expenditure on corporate social responsibility activities

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021* | Year ended March 31, 2020 |
|---|-------------------------------|------------------------------|
| a. Gross amount required to be spent by the Group during the year | - | 15 |
| b. Amount spent during the year ending on March 31, 2021: | In Cash | Yet to be paid in cash |
| | | Total |
| i) construction acquisition of any asset | - | - |
| ii) on the purpose other than (i) above | - | - |
| c. Amount spent during the year ending on March 31, 2020: | In Cash | Yet to be paid in cash |
| | | Total |
| i) construction acquisition of any asset | - | - |
| ii) on the purpose other than (i) above | 15 | - |
| | | 15 |

*As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility ("CSR") committee has been formed by the Company. The primary function of the Committee is to assist the Board of Directors in formulating the CSR policy and review the implementation and progress of the same from time to time. During the year ended March 31, 2021, considering losses incurred immediately preceding year, the Group does not have the obligation to incur expenses in relation to CSR.

39. Income tax

Income tax expense in the statement of profit and loss consists of:

Amount in Rs. lakhs

| Statement of profit or loss | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Current tax | 518 | 172 |
| Deferred tax charge/(credit) | (125) | (71) |
| Income tax expense related to current year | 393 | 101 |
| Tax relating to earlier years | 134 | (28) |
| Income tax expense reported in the statement of profit or loss | 527 | 73 |
| Income tax recognised in other comprehensive income/(loss) | | |
| Tax arising on income and expense recognised in other comprehensive income/(loss) | (3) | 1 |
| Total | (3) | 1 |

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:

| Particulars | Amount in Rs. lakhs | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Profit/(loss) before tax | 1,613 | (6,407) |
| Enacted income tax rate in India | 25.17% | 25.17% |
| Computed expected tax expense/(credit) | 406 | (1,613) |
| Impact due to: | | |
| Tax effect on changes in enacted tax rate to 25.17% | - | 19 |
| Deferred tax asset not recognised due to uncertainty of related future taxable profits | - | 1,426 |
| Non-deductible expenses for tax purpose | 34 | 24 |
| Tax relating to earlier years | 134 | (28) |
| Impact due to differential overseas effective tax rates | (15) | 228 |
| Others | (32) | 17 |
| Total income tax expense | 527 | 73 |

Deferred tax

Deferred tax relates to the following:

| Particulars | Balance sheet | | Statement of profit and loss and other comprehensive income/(loss) | |
|---|-------------------------|-------------------------|--|------------------------------|
| | As at March 31, 2021 | As at March 31, 2020 | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Property, plant and equipment and intangible assets | 77 | (130) | 207 | 58 |
| Provision for doubtful debts, loss allowance and deposits | 48 | 45 | 3 | 1 |
| Compensated absences | 36 | 29 | 7 | 3 |
| Gratuity | 95 | 81 | 14 | 12 |
| Others | 180 | 289 | (109) | 38 |
| Net deferred tax assets (net) | 436 | 314 | | |
| Net deferred tax credit/(charge) | | | 122 | 112 |

40. Employee benefits**A. Gratuity**

The Company offers Gratuity benefits to employees, a defined benefit plan, Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables set out the funded status of the gratuity plan and the amount recognized in the Company's financial statements as at and for the year ended March 31, 2021 and March 31, 2020:

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|---------------------------------|---------------------------------|
| Change in benefit obligations | | |
| Benefit obligations at the beginning | 326 | 284 |
| Service cost | 65 | 55 |
| Interest expense | 24 | 22 |
| Actuarial loss/(gain) due to change in financial assumptions | 3 | 12 |
| Actuarial loss/(gain) due to experience adjustments | (17) | (11) |
| Benefits paid | (21) | (36) |
| Benefit obligations at the end | 380 | 326 |
| Change in plan assets | | |
| Fair value of plan assets at the beginning | 3 | 39 |
| Contribution | 26 | 2 |
| Interest income | 2 | 4 |
| Administration expenses | (6) | (4) |
| Return on plan assets excluding amounts included in interest income | (2) | (2) |
| Benefits paid | (21) | (36) |
| Fair value of plan assets at the end | 2 | 3 |
| Reconciliation of fair value of assets and defined benefit obligations | | |
| Present value of obligation as at the end of the year | 380 | 326 |
| Fair value of plan assets as at the end of the year | 2 | 3 |
| Amount recognised in the Balance Sheet | 378 | 323 |
| Current | 68 | 58 |
| Non-current | 310 | 265 |
| Expense recognised in profit or loss | | |
| Current service cost | 65 | 55 |
| Interest expense | 24 | 22 |
| Interest income | (2) | (4) |
| Administrative expenses | 6 | 4 |
| | 93 | 77 |
| Remeasurement gain/(loss) recognised in other comprehensive income/(loss) | | |
| Actuarial gain/(loss) due to change in financial assumptions | (3) | (12) |
| Actuarial gain/(loss) due to experience adjustments | 17 | 11 |
| Return on plan assets excluding amounts included in interest income | (2) | (2) |
| | 12 | (3) |

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|------------------------------|-------------------------|-------------------------|
| Five year pay-outs | | |
| Year 1 | 70 | 61 |
| Year 2 | 55 | 47 |
| Year 3 | 58 | 45 |
| Year 4 | 50 | 46 |
| Year 5 | 44 | 40 |
| After 5th Year | 244 | 213 |
| Actuarial assumptions | | |
| Discount rate | 6.30% | 6.40% |
| Salary growth rate | 7.00% | 7.00% |
| Attrition rate | 20.00% | 20.00% |
| Retirement age | 58 years | 58 years |

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | | Year ended March 31, 2020 | |
|----------------------------------|------------------------------|----------|------------------------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (16) | 17 | (14) | 15 |
| Salary growth rate (1% movement) | 19 | (17) | 16 | (15) |
| Attrition rate (10% movement) | (6) | 6 | (5) | 5 |

The Group's Gratuity Fund is managed by Life Insurance Corporation of India (LIC). The plan assets under the fund are deposited under approved securities.

The expected rate of return on assets is based on the expectation of the average long term rate of return on investment of the fund, during the estimated term of obligation.

The expected contribution in next year is Rs. 68 lakhs (March 31, 2020: Rs. 58 lakhs).

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. 263 lakhs (March 31, 2020: Rs. 248 lakhs).

41. Related party disclosures**(i) Names of related parties and description of relationship:****A. Enterprises who exercise Control**

Transcompany Ltd., British Virgin Islands (BVI) - Ultimate holding company
Embtech Holdings Ltd., Mauritius - Holding company

B. Enterprises in which relative of an Independent Director is a Partner

CounsePro

C. Key management personnel

| | |
|----------------------|---|
| Meenaz Dhanani | Non-Executive Director |
| Anand Balakrishnan | Managing Director and Chief Executive Officer (Appointed as an Additional Director w.e.f. February 14, 2020 and was elevated to the position of Managing Director & Chief Executive Officer w.e.f. March 01, 2020) Chief Financial Officer (Appointed as an Interim CFO w.e.f. August 13, 2019 and ceased to be Interim CFO w.e.f. March 01, 2020) |
| Sanjeev Kathpalia | Non-Executive Director (Ceased to be Managing Director and Chief Executive Officer w.e.f. March 01, 2020 and continued to remain on the Board as a Non-Executive Director. Subsequently, resigned with effect from March 12, 2020) |
| Jagdish Malkani | Independent Director |
| Guhan Subramaniam | Independent Director |
| Prochie Mukherji | Independent Director |
| Satish Menon | Independent Director |
| Subhash Bhushan Dhar | Independent Director |
| Yusuf Lanewala | Chairman |
| Ramachandra Magadi | Chief Financial Officer (Appointed as the Chief Financial Officer w.e.f. March 01, 2020) |
| Prashanth Idgunji | Chief Financial Officer (Resigned with effect from July 29, 2019) |
| Shivarama Adiga S. | Company Secretary |

(ii) Related party transactions:

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| a. Professional charges: | | |
| CounsePro | 26 | 1 |
| Total | 26 | 1 |
| b. Transactions with the key management persons for the year ended are as follows: | | |
| Compensation of key management personnel of the Group # | | |
| Short-term employee benefits * | 385 | 412 |
| Share-based payment transactions | 7 | (27) |
| Benefits paid to non-executive directors/independent directors | 48 | 46 |
| Total | 440 | 431 |

For the year ended March 31, 2020 includes Rs. 12 lakhs paid to Managing Director and Chief Executive Officer which has been approved by the Board vide meeting dated February 14, 2020, subject to shareholder's approval. Such approval was received on August 14, 2020.

* The remuneration to the key managerial personnel does not include the provision/ accruals made on best estimate basis as they are determined for the Group as a whole.

42. Segment information**A. Description of segments and principal activities**

The Mindteck Group's operations predominantly relate to providing software services to external customers and providing IT-enabled services to subsidiaries within the Group.

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

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker also evaluates the Group performance and allocates resources based on an analysis of various performance indicators by geographical areas. Accordingly, information has been presented in respect of such geographical segments.

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

B. Geographical Segments

Amount in Rs. lakhs

| Revenue | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--------------------------|------------------------------|------------------------------|
| United States of America | 15,659 | 15,779 |
| India | 3,584 | 3,582 |
| Rest of the world | 9,429 | 8,252 |
| Total | 28,672 | 27,613 |

Revenue from one customer amounted to more than 10% of the total revenue of the Group amounting to Rs. 3,477 lakhs for the year ended March 31, 2021 (March 31, 2020 : Rs. 3,227 lakhs).

Amount in Rs. lakhs

| Carrying amount of segment assets | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| United States of America | 6,561 | 5,093 |
| India | 7,177 | 7,195 |
| Rest of the world | 4,110 | 3,347 |
| Unallocated Corporate asset - Goodwill on consolidation | 2,815 | 2,815 |
| Total | 20,663 | 18,450 |

Amount in Rs. lakhs

| Cost to acquire tangible and intangible fixed assets | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| United States of America | 1 | 2 |
| India | 53 | 218 |
| Rest of the world | 2 | 2 |
| Total | 56 | 222 |

43. Employee stock options

As at March 31, 2021, 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. The above Scheme has been replaced by Mindteck Employee Stock Option Scheme 2020.

b. Mindteck Employees Stock Option Scheme 2005 (ESOP 2005)

During the year ended March 31, 2006, the Company introduced the 'Mindteck Employees Option Scheme 2005' ('the Option Scheme 2005') for the benefit of the employees of the Group, as approved by the Board of Directors in its meeting held on July 4, 2005 and the shareholders meeting held on July 29, 2005. The Option Scheme 2005 provides for the creation and issue of 500,000 options that would eventually convert into equity shares of Rs 10 each in the hands of the employees. The options are to be granted to the eligible employees at the discretion of and at the exercise price determined by the Compensation Committee of the Board of Directors. The options vest annually in a graded manner over a three year period and are exercisable during a maximum period of 5 years from the date of vesting.

During the year ended March 31, 2021, the Company has not granted any options

During the year ended March 31, 2020, the Company has granted 50,000 options on August 13, 2019 at an exercise price of Rs. 36.40 per share.

c. Mindteck Employees Stock Option Scheme 2008 (ESOP 2008)

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

options are granted. The vesting term and the period over which the options are exercisable is to be decided by the Nomination & Remuneration Committee.

During the year ended March 31, 2021 and March 31, 2020, the Company has not granted any options.

d. Mindteck Employees Stock Option Scheme 2014 (ESOP 2014)

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

During the year ended March 31, 2021 and March 31, 2020, the Company has not granted any options.

e. Mindteck Employee Stock Option Scheme 2020 (ESOP 2020)

During the year ended March 31, 2021, the Company introduced 'Mindteck Employees Stock Option Scheme 2020' ('the Option Scheme 2020') for the benefit of its employees administered through the Mindteck Employees Welfare Trust ('The Trust') in lieu of Company's earlier Employee Share Incentive Scheme 2000. 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. The Scheme was approved by the Board of Directors in its meeting held on December 11, 2020 and by the shareholders through postal ballot held on January 17, 2021. The Option Scheme 2020 provides for the issue of 416,000 options that would eventually convert into equity shares of Rs. 10 each in the hands of the employees. The options are to yet 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 option Scheme 2020 shall provide a minimum vesting period of one year from the grant date. The options will vest after as per 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 shall be decided by the Nomination and Remuneration Committee.

During the year ended March 31, 2021, the Company has not granted any options.

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

| Particulars | 2020-21 | | 2019-20 | |
|--|--------------|--|--------------|--|
| | 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 | 1,39,500 | 56.05 | 1,22,600 | 67.10 |
| ESOP 2008 | 3,29,719 | 77.64 | 6,14,419 | 69.90 |
| ESOP 2014 | 1,00,000 | 34.70 | 6,00,000 | 73.51 |
| Options granted during the year | | | | |
| ESOP 2005 | - | - | 50,000 | 36.40 |
| ESOP 2008 | - | - | - | - |
| ESOP 2014 | - | - | - | - |
| Forfeited, cancelled, surrendered or lapsed during the year | | | | |
| ESOP 2005 | 33,400 | 61.56 | 33,100 | 67.27 |
| ESOP 2008 | 31,268 | 60.09 | 2,84,700 | 60.08 |
| ESOP 2014 | - | - | 5,00,000 | 79.70 |
| Exercised during the year on exercise of employee stock options/restricted shares+ | | | | |
| ESOP 2005 | - | - | - | - |
| ESOP 2008 | - | - | - | - |
| ESOP 2014 | - | - | - | - |
| Options outstanding at the end of the year | | | | |
| ESOP 2005 | 1,06,100 | 54.32 | 1,39,500 | 56.05 |
| ESOP 2008 | 2,98,451 | 79.48 | 3,29,719 | 77.64 |
| ESOP 2014 | 1,00,000 | 34.70 | 1,00,000 | 34.70 |
| Options exercisable at the end of the year | | | | |
| ESOP 2005 | 71,167 | 62.69 | 76,700 | 67.62 |
| ESOP 2008 | 2,98,451 | 79.48 | 3,28,119 | 77.66 |
| ESOP 2014 | 66,667 | 34.70 | 33,333 | 34.70 |

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

| Particulars | Weighted average remaining contractual life (years)* | | Range of exercise prices | | Fair value of options granted during the year | |
|-------------|--|---------|--------------------------|----------------|---|---------|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| ESOP 2005 | 2.26 | 3.10 | 13.55 - 92.10 | 13.55 - 92.10 | - | 14.88 |
| ESOP 2008 | 1.53 | 2.21 | 43.60 - 130.80 | 43.60 - 130.80 | - | - |
| ESOP 2014 | 4.91 | 5.91 | 34.70 - 34.70 | 34.70 - 34.70 | - | - |

* considering vesting and exercise period

h. Fair value methodology

The following table list the inputs to the models used for the three plans for the year ended March 31, 2021 and March 31, 2020, respectively::

| Particulars | March 31, 2021 | | | March 31, 2020 | | |
|------------------------------|----------------|-----------|-----------|----------------|-----------|-----------|
| | ESOP 2005 | ESOP 2008 | ESOP 2014 | ESOP 2005 | ESOP 2008 | ESOP 2014 |
| Expected volatility of share | - | - | - | 48.57% | - | - |
| Risk-free interest rate | - | - | - | 7.52% | - | - |
| Expected dividend yield | - | - | - | 2.07% | - | - |
| Expected life (years) | - | - | - | 4.50 | - | - |
| Model used | - | - | - | 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. However, no options have been granted during the year ended March 31, 2021.

i. The expense recognised for employee services received during the year is shown in the following table:

| Particulars | Amount in Rs. lakhs | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| Expense arising from equity-settled share-based payment | 7 | (14) |
| Total expense arising from share-based payment | 7 | (14) |

44. Service concession arrangement (SCA)

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

| Particulars | Authorisation agreement signed with Bhopal Municipal Corporation (BMC) |
|---|---|
| Nature of the asset recognised under SCA accounting | Intangible assets |
| Carrying value | Rs. NIL (March 31, 2020 : Rs. 752 lakhs) |
| Year when SCA granted | FY 2017-18 |
| Concession period | 10 years |
| Extension of concession period | Not applicable |
| Work in progress - status | Phase 1 completed & Phase 2 partially completed (March 31, 2020: Phase 1 completed & Phase 2 partially completed) |
| Brief description of concession | The Company has been awarded a contract under Public Private Partnership on July 26, 2017 with Bhopal Municipal Corporation (BMC) for designing, implementation/construction, installation, financing, and maintenance of Smart Parking System (SPS). |

b. Intangible asset under SCA

| Particulars | Amount in Rs. lakhs | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Opening Balance | 752 | 932 |
| Add: | | |
| Cost of supplies including profit margin | - | 21 |
| Provision towards obligation under service concession arrangements | - | - |
| Less: | | |
| Amortization for the year | 38 | 97 |
| Reversal due to termination of sites | - | 56 |
| Provision for expected losses under service concession arrangement | - | 48 |
| Written off on termination of contract | 714 | - |
| Total | - | 752 |

During the year ended March 31, 2021, the Company terminated the contract with BMC and accordingly, reversed all the assets and liabilities created as per Appendix D of Ind AS 115. Also, refer Note 5, Note 15, Note 21 and Note 33(b).

45. Financial instruments

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

| Particulars | Amount in Rs. lakhs | |
|--|----------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Financial assets - Non-current (measured at amortized cost) | | |
| Security deposits ^ | 341 | 387 |
| Fixed deposits bank with remaining maturity of more than 12 months # | 14 | 11 |
| Financial assets - Current (measured at fair value through profit & loss) | | |
| Investments in mutual funds \$ | - | 43 |
| Financial assets - Current (measured at amortized cost) | | |
| Trade receivables # | 5,036 | 5,704 |
| Cash and cash equivalents # | 5,060 | 2,906 |
| Other bank balances # | 2,706 | 33 |
| Security deposits ^ | 42 | 25 |
| Claimable expenses # | 59 | 8 |
| Unbilled revenue # | 1,957 | 1,963 |
| Accrued interest # | 20 | 2 |
| Employee advances # | 24 | 82 |
| Total assets | 15,259 | 11,164 |
| Financial liabilities - Non-current (measured at amortized cost) | | |
| Lease liabilities ^ | 346 | 793 |
| Rental deposit ^ | 20 | 54 |
| Financial liabilities - Current (measured at amortized cost) | | |
| Bank overdraft * # | 2 | - |
| PPP Loan *# | 1,806 | - |
| Trade payables # | 1,350 | 1,284 |
| Lease liabilities ^ | 447 | 483 |
| Unpaid dividend # | 10 | 13 |
| Others # | 742 | 781 |
| Total liabilities | 4,723 | 3,408 |

*Rounded-off to lakhs

Fair value hierarchy

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

\$ The carrying value of this account is measured at fair value through profit & loss and are classified as level 1 of fair value hierarchy.

Management has assessed these carrying balances approximates their fair value largely due to the short term maturities/liquid nature.

^ These balances are determined by using discounted cash flows using discount rate that reflects the issuer's borrowing rate/lending rate for the respective financial assets/liabilities as at the end of the reporting period.

46. Financial risk management

The Group has exposure to following risks arising from financial instruments-

- credit risk
- market risk
- interest risk
- liquidity risk

a. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Company's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relations to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Expected credit loss (ECL) assessment for corporate customers as at March 31, 2021 and March 31, 2020

The Company's credit period generally ranges from 0-90 days. The credit risk exposure of the Company is as follows:

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|--|----------------------|------------------------------|----------------------|------------------------------|
| | Gross amount | Provision and loss allowance | Gross amount | Provision and loss allowance |
| Trade receivables and unbilled revenue | 7,318 | 325 | 7,937 | 270 |
| Total | 7,318 | 325 | 7,937 | 270 |

Amount in Rs. lakhs

Reconciliation of provision for doubtful debts and loss allowance:

| Particulars | Amount |
|---|------------|
| Provision and loss allowance on April 01, 2019 | 361 |
| Changes in provision and loss allowance | (91) |
| Provision and loss allowance on March 31, 2020 | 270 |
| Changes in provision and loss allowance | 55 |
| Provision and loss allowance on March 31, 2021 | 325 |

Amount in Rs. lakhs

ii) Other financial assets and deposits with banks:

Credit risk on cash and cash equivalent (including bank balances, fixed deposits and margin money with banks) is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

c. Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Group's income and its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

b. Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and unbilled revenue) from its financing activities including deposits with banks and financial institutions.

i) Trade and other receivables:

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in United States Dollars ('USD')). The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities. The Group also has exposures to Great Britain Pound ('GBP') and Singapore Dollar ('SGD').

Unhedged foreign currency exposure

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

| Particulars | Currency | As at | As at |
|---|----------|----------------|----------------|
| | | March 31, 2021 | March 31, 2020 |
| | | Amount | Amount |
| | | in Rs. lakhs | in Rs. lakhs |
| Trade receivables towards services rendered | USD | 85 | 138 |
| | QAR | - | 1 |
| Other current assets | USD | 18 | 15 |
| | CHF | - | 12 |
| | QAR | - | 1 |
| Trade payables for services availed | USD | 14 | 33 |
| | QAR | 8 | - |

Sensitivity analysis

Every 1% increase or decrease of the respective foreign currencies compared to functional currency of the Group would cause the profit before tax in proportion to revenue to increase or decrease respectively by NIL % (profit before tax for the year ended March 31, 2020 by 0.01%).

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market

interest rates relates primarily to its short term borrowings in nature of working capital loans, which carry floating interest rates. Accordingly, the Group's risk of changes in interest rates relates primarily to the Group's debt obligations with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on entity's loss before tax due to change in the interest rate/ fair value of financial liabilities are as disclosed below:

Amount in Rs. lakhs

| Particulars | Year ended March 31, 2021 | | Year ended March 31, 2020 | |
|-------------|---------------------------|-----------------------------|---------------------------|-----------------------------|
| | Change in interest rate | Effect on profit before tax | Change in interest rate | Effect on profit before tax |
| Borrowings* | +1% | - | +1% | - |
| | -1% | - | -1% | - |

*Rounded-off to lakhs

d. Liquidity risk

Liquidity is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing the liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group believes that the cash and cash equivalents is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

Exposure to liquidity risk

The table below details the Group's remaining contractual maturity for its financial liabilities. The contractual cash flows reflect the cash

flows of financial liabilities based on the earliest date on which the Group can be required to pay.

Amount in Rs. lakhs

| Particulars | Carrying value | Contractual cash flows | | | |
|------------------------------|----------------|------------------------|--------------|--------------|------------|
| | | Total | On demand | < 1 Yr | >1 Yr |
| March 31, 2021 | | | | | |
| Lease liabilities | 793 | 793 | - | 447 | 346 |
| Rental deposit | 20 | 20 | - | - | 20 |
| Borrowings | 1,808 | 1,808 | 1,808 | - | - |
| Trade payables | 1,350 | 1,350 | - | 1,350 | - |
| Unpaid dividend | 10 | 10 | 10 | - | - |
| Employee related liabilities | 742 | 742 | - | 742 | - |
| | 4,723 | 4,723 | 1,818 | 2,539 | 366 |
| March 31, 2020 | | | | | |
| Lease liabilities | 1,276 | 1,276 | - | 483 | 793 |
| Rental deposit | 54 | 54 | - | - | 54 |
| Borrowings * | - | - | - | - | - |
| Trade payables | 1,284 | 1,284 | - | 1,284 | - |
| Unpaid dividend | 13 | 13 | 13 | - | - |
| Employee related liabilities | 781 | 781 | - | 781 | - |
| | 3,408 | 3,408 | 13 | 2,548 | 847 |

* Rounded-off to lakhs.

47. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long-term and other strategic investment plans. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to

shareholders or issue new shares. The current capital structure of the Group is equity based with no financing through borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

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:

| Particulars | Amount in Rs. lakhs | | | |
|--|----------------------|-------------|----------------------|-------------|
| | As at March 31, 2021 | | As at March 31, 2020 | |
| | Amount | % of total | Amount | % of total |
| Parent | | | | |
| Mindteck (India) Limited | 7,675 | 55% | 6,870 | 53% |
| Foreign entities | | | | |
| Mindteck, Inc. | 3,520 | 25% | 3,753 | 29% |
| Mindteck Singapore Pte Ltd. | 891 | 6% | 780 | 6% |
| Mindteck Software Malaysia SDN. BHD | 741 | 5% | 729 | 6% |
| Mindteck UK Limited | 519 | 4% | 358 | 3% |
| Mindteck Middle East Ltd WLL, Kingdom of Bahrain | 211 | 2% | 179 | 1% |
| Mindteck Solutions Philippines Inc. | - | 0% | - | 0% |
| Mindteck Canada, Inc. | 214 | 2% | 126 | 1% |
| Mindteck Netherlands BV | - | 0% | - | 0% |
| Mindteck Germany GmbH | 166 | 1% | 120 | 1% |
| Indian entities | | | | |
| Mindteck Employee Welfare Trust | 38 | 0% | 38 | 0% |
| Hitech Parking Solutions Private Ltd. | 10 | 0% | 10 | 0% |
| Total | 13,985 | 100% | 12,963 | 100% |
| Adjustments arising out of consolidation | - | 0% | - | 0% |
| Total | 13,985 | 100% | 12,963 | 100% |

B. Contribution of profit/(loss) in the consolidated financial statements:

| Particulars | Amount in Rs. lakhs | | | |
|--|----------------------|-------------|----------------------|-------------|
| | As at March 31, 2021 | | As at March 31, 2020 | |
| | Amount | % of total | Amount | % of total |
| Parent | | | | |
| Mindteck (India) Limited | 853 | 79% | (5,924) | 92% |
| Foreign entities | | | | |
| Mindteck, Inc. | 66 | 6% | (528) | 8% |
| Mindteck Singapore Pte Ltd. | 70 | 6% | (169) | 3% |
| Mindteck Software Malaysia SDN. BHD | 11 | 1% | 100 | -2% |
| Mindteck UK Limited | (8) | -1% | (46) | 1% |
| Mindteck Middle East Ltd WLL, Kingdom of Bahrain | 80 | 7% | 48 | -1% |
| Mindteck Solutions Philippines Inc. | (8) | -1% | (8) | 0% |
| Mindteck Canada, Inc. | 53 | 5% | (41) | 1% |
| Mindteck Netherlands BV | 7 | 1% | - | 0% |
| Mindteck Germany GmbH | (38) | -3% | (84) | 1% |
| Indian entities | | | | |
| Mindteck Employee Welfare Trust | - | 0% | 4 | 0% |
| Hitech Parking Solutions Private Ltd. | - | 0% | - | 0% |
| Total | 1,086 | 100% | (6,648) | 103% |
| Adjustments arising out of consolidation | - | 0% | 168 | -3% |
| Total | 1,086 | 100% | (6,480) | 100% |

C. Share in other comprehensive income/(loss):

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|--|----------------------|-------------|----------------------|-------------|
| | Amount | % of total | Amount | % of total |
| Parent | | | | |
| Mindteck (India) Limited | 9 | -13% | (2) | -1% |
| Foreign entities | | | | |
| Mindteck, Inc. | (117) | 164% | 324 | 93% |
| Mindteck Singapore Pte Ltd. | 23 | -32% | 30 | 9% |
| Mindteck Software Malaysia SDN. BHD | 6 | -8% | 24 | 7% |
| Mindteck UK Limited | 12 | -17% | 9 | 3% |
| Mindteck Middle East Ltd WLL, Kingdom of Bahrain | 1 | -1% | (9) | -3% |
| Mindteck Solutions Philippines Inc. | - | 0% | 1 | 0% |
| Mindteck Canada, Inc. | 13 | -18% | 4 | 1% |
| Mindteck Netherlands BV | - | 0% | (2) | -1% |
| Mindteck Germany GmbH | (18) | 25% | (29) | -8% |
| Indian entities | | | | |
| Mindteck Employee Welfare Trust | - | 0% | - | 0% |
| Hitech Parking Solutions Private Ltd. | - | 0% | - | 0% |
| Total | (71) | 100% | 350 | 100% |
| Adjustments arising out of consolidation | - | 0% | - | 0% |
| Total | (71) | 100% | 350 | 100% |

D. Share in total comprehensive income/(loss):

Amount in Rs. lakhs

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|--|----------------------|-------------|----------------------|-------------|
| | Amount | % of total | Amount | % of total |
| Parent | | | | |
| Mindteck (India) Limited | 862 | 85% | (5,926) | 97% |
| Foreign entities | | | | |
| Mindteck, Inc. | (51) | -5% | (204) | 3% |
| Mindteck Singapore Pte Ltd. | 93 | 9% | (139) | 2% |
| Mindteck Software Malaysia SDN. BHD | 17 | 2% | 124 | -2% |
| Mindteck UK Limited | 4 | 0% | (37) | 1% |
| Mindteck Middle East Ltd WLL, Kingdom of Bahrain | 81 | 8% | 39 | -1% |
| Mindteck Solutions Philippines Inc. | (8) | -1% | (7) | 0% |
| Mindteck Canada, Inc. | 66 | 7% | (37) | 1% |
| Mindteck Netherlands BV | 7 | 1% | (2) | 0% |
| Mindteck Germany GmbH | (56) | -6% | (113) | 2% |
| Indian entities | | | | |
| Mindteck Employee Welfare Trust | - | 0% | 4 | 0% |
| Hitech Parking Solutions Private Ltd. | - | 0% | - | 0% |
| Total | 1,015 | 100% | (6,298) | 103% |
| Adjustments arising out of consolidation | - | 0% | 168 | -3% |
| Total | 1,015 | 100% | (6,130) | 100% |

49. The Group has considered internal and certain external sources of information including economic forecasts, budgets required to meet performance obligations and likely delays on contractual commitments, upto the date of approval of these consolidated financial statements, in determining the possible impact from the COVID-19 pandemic. The Group has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Group expects to fully recover the carrying amount of its assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these consolidated financial results and the Group will continue to closely monitor any material changes to its assessment of economic impact of COVID- 19 pandemic.

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, 2021 in this regard, to comply with the requirements of the Income Tax Act, 1961. During the year ended March 31, 2021, the Company

has re-assessed its inter-company transfer pricing arrangements effective from April 01, 2020 considering the benchmarking exercise carried out by the Company. 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.

51. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number:

101049W/E300004

per Rajeev Kumar

Partner

Membership Number: 213803

Place: Bengaluru

Date: May 28, 2021

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

Yusuf Lanewala

Chairman

DIN - 01770426

Ramachandra M S

Chief Financial Officer

Place: Bengaluru

Date: May 28, 2021

Anand Balakrishnan

Managing Director and CEO

DIN - 05311032

Shivarama Adiga S

Company Secretary

Jagdish Malkani

Director

DIN - 00326173

Notice of the Annual General Meeting

(CIN: L30007KA1991PLC039702)

NOTICE is hereby given that the **THIRTIETH ANNUAL GENERAL MEETING** of the Members of Mindteck (India) Limited will be held on Friday, August 13, 2021, at 12:00 Noon through Video Conferencing (VC)/Other Audio Visual Means (OAVM), to transact the following business:

AS ORDINARY BUSINESS:

1. Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements, including the Consolidated Financial Statements of the Company, for the financial year ended March 31, 2021, together with the Board's Report and Auditor's Report thereon.

2. Re-Appointment of Mr. Meenaz Dhanani who Retires by Rotation

To appoint a Director in place of Mr. Meenaz Dhanani [DIN: 06705048], who retires by rotation and being eligible, offers himself for re-appointment.

AS SPECIAL BUSINESS:

3. Re-appointment of Mr. Guhan Subramaniam as an Independent Director

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

"RESOLVED THAT pursuant to Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and Rules made thereunder, read with Schedule IV to the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof for the time being in force and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Guhan Subramaniam (DIN: 00131687), who was appointed as an Independent Director by the Members of the Company on August 11, 2016 at their Annual General Meeting for a term of five (5) years with effect from May 20, 2016 up to May 19, 2021, 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 being eligible for re-appointment, as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors, be and is hereby re-appointed as an Independent Director for the second term of five (5) years from May 20, 2021 up to May 19, 2026 and 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 authorised to take such steps, actions and do things, deeds, matters, including the filing of necessary forms with the Ministry of Corporate Affairs and intimate the Stock Exchanges, as may be required, so as to give proper effect to this Resolution."

Registered Office

A. M. R. Tech Park
Block-1, 3rd Floor
#664, 23/24
Hosur Main Road
Bommanahalli
Bengaluru-560068 India
May 28, 2021

BY ORDER OF THE BOARD

for Mindteck (India) Limited
Shivarama Adiga S.
Vice President
Legal and Company Secretary

NOTES:

- In light of the prevailing COVID-19 pandemic and the requirement of social distancing, the Ministry of Corporate Affairs ("MCA") vide Circular No. 02/2021 dated January 13, 2021 in continuation to its earlier Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 (collectively referred to as "MCA Circulars") has authorised all the Companies whose Annual General Meetings (AGM) are due to be held in the year 2021, to conduct their AGMs through VC/OAVM and Securities and Exchange Board of India (SEBI) vide its Circular dated January 15, 2021, has also authorised the Company to hold the AGM through VC/OAVM. In compliance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred as SEBI (LODR) Regulations] and above MCA Circulars, the AGM of the Company will be held through VC/OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM only.
- Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business, is annexed hereto.
- Pursuant to MCA Circulars, the facility to appoint proxy to attend and cast votes for the Members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (LODR) Regulations 2015, as amended from time to time, and as per the above MCA Circulars, the Company is providing the facility of remote e-voting to its Members in respect of all the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as an authorised e-voting agency. The facility of casting votes by a Member using remote e-voting, as well as the e-voting system on the date of the AGM, will be directly provided by CDSL.
- Members may join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility for participating at the AGM through VC/OAVM will be made available to 1000 Members on a first come, first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without any restriction on account of the first come, first serve basis.

6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
 7. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Register shall remain closed from July 31, 2021 to August 13, 2021 (both days inclusive) for the purpose of AGM.
 8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 and the relevant documents referred to in the Notice will be available electronically for inspection by the Members from August 10, 2021, 9:00 a.m. onwards, till the conclusion of the AGM. Members may log into the CDSL website (www.evotingindia.com) with their respective credentials and inspect the above referred documents and registers which will be made available under the Company's EVSN.
 9. Members holding shares in dematerialised mode are requested to intimate any changes pertaining to their name, address, email IDs, bank details, Electronic Clearing Services (ECS) or (NECS) compliant bank account numbers, mandates, nominations, Power of Attorney, etc., to their respective Depository Participant (DP). Changes intimated to the DP will be automatically reflected in the Company's records that will help the Company and its Registrar and Share Transfer Agent (RTA) to provide efficient and better services to Members. Members holding shares in physical mode are requested to intimate such changes to the RTA, Universal Capital Securities Private Limited at C 101, 247 Park, LBS Road, Vikhroli West, Mumbai – 400083, Contact No.: 022-2820 7203/04/05, Fax No.: 022-2820 7207, Email ID: gamare@unisec.in. For Members holding shares in physical mode, the formats to update your Electronic Clearing Services (ECS) and email IDs are made available as part of the Annual Report.
 10. AS PER SEBI CIRCULAR NO. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 DATED APRIL 20, 2018, ANY MEMBERS STILL HOLDING THEIR SHARES IN PHYSICAL MODE ARE REQUESTED TO SUBMIT THE PARTICULARS OF THEIR PAN NUMBER AND BANK ACCOUNT, i.e. BANK ACCOUNT NUMBER, NAME OF THE BANK, ADDRESS OF THE BRANCH, IFSC, MICR CODE OF THE BRANCH AND TYPE OF ACCOUNT, TO THE COMPANY'S RTA AT UNIVERSAL CAPITAL SECURITIES PRIVATE LIMITED AT C 101, 247 PARK, LBS ROAD, VIKHROLI WEST, MUMBAI – 400083, CONTACT NO.: 022-2820 7203/04/05, FAX NO.: 022-2820 7207, EMAIL ID: gamare@unisec.in, IN RESPECT OF WHICH SEPARATE COMMUNICATIONS HAVE ALREADY BEEN SENT TO SUCH SHAREHOLDERS BY THE COMPANY IN LINE WITH SEBI REQUIREMENTS.
 11. AS PER REGULATION 40 OF SEBI (LODR) REGULATIONS, AS AMENDED FROM TIME TO TIME, SECURITIES OF LISTED COMPANIES CAN BE TRANSFERRED ONLY IN DEMATERIALIZED MODE WITH EFFECT FROM APRIL 01, 2019, EXCEPT IN CASE OF REQUEST RECEIVED FOR TRANSMISSION OR TRANSPOSITION AND RE-LODGED TRANSFERS OF SECURITIES. FURTHER, SEBI VIDE ITS CIRCULAR NO. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 DATED DECEMBER 02, 2020 HAD FIXED MARCH 31, 2021 AS THE CUT-OFF DATE FOR RE-LODGEMENT OF TRANSFER DEEDS AND THE SHARES THAT ARE RE-LODGED FOR TRANSFER SHALL BE ISSUED IN DEMAT MODE ONLY.
 12. **MEMBERS HOLDING SHARES IN PHYSICAL MODE ARE REQUESTED TO CONVERT THEIR HOLDING TO DEMATERIALIZED MODE TO ELIMINATE ANY KIND OF RISKS ASSOCIATED WITH THE PHYSICAL SHARES AND FOR EASE IN PORTFOLIO MANAGEMENT, SINCE PHYSICAL SHARE TRANSFERS ARE PROHIBITED BY SEBI FROM APRIL 01, 2019.**
 13. MEMBERS ARE REQUESTED TO NOTE THAT, IF THE DIVIDENDS ARE NOT ENCASHED FOR A CONSECUTIVE PERIOD OF SEVEN (7) YEARS FROM THE DATE OF TRANSFER TO THE UNPAID DIVIDEND ACCOUNT OF THE COMPANY, IT SHALL BE TRANSFERRED TO THE INVESTOR EDUCATION AND PROTECTION FUND ("IEPF"). THE SHARES IN RESPECT OF SUCH UNCLAIMED DIVIDENDS, SHALL ALSO BE TRANSFERRED TO THE DEMAT ACCOUNT OF THE IEPF AUTHORITY. IN THIS REGARD, MEMBERS ARE REQUESTED TO CLAIM THEIR DIVIDENDS FROM THE COMPANY. MEMBERS WHOSE UNCLAIMED DIVIDENDS/SHARES ARE ALREADY TRANSFERRED TO IEPF MAY CLAIM THE SAME BY MAKING AN ONLINE APPLICATION TO THE IEPF AUTHORITY THROUGH E-FORM NO. IEPF-5 AVAILABLE ON WWW.IEPF.GOV.IN. MEMBERS ARE REQUESTED TO CLAIM ANY OUTSTANDING DIVIDENDS BY WRITING TO THE COMPANY SECRETARY AT shivarama.adiga@mindteck.com OR TO THE COMPANY'S RTA AT gamare@unisec.in. MEMBERS' ATTENTION IS PARTICULARLY DRAWN TO THE "CORPORATE GOVERNANCE REPORT" OF THE ANNUAL REPORT IN RESPECT OF UNCLAIMED DIVIDENDS ON **PAGE NUMBER 44**.
 14. Pursuant to MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report for FY 2020-21 is sent only through electronic mode to those Members whose email IDs are registered with the Company/Depositories. Members may note that the AGM Notice and Annual Report for FY 2020-21 will also be available on the Company's website at www.mindteck.com and websites of the Stock Exchanges: BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-voting facility and e-voting system during the AGM) at www.evotingindia.com. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with above mentioned Circulars.
 15. Members requiring any information or copies of financials of the Subsidiaries may refer the same on the website of the Company under the Investors Section.
 16. Since the AGM will be held through VC/OAVM, the Route Map, Proxy form and Attendance Slip are not annexed to this Notice.
 17. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rules framed thereunder and Regulation 44 of SEBI (LODR) Regulations, Members are provided with the facility to cast their vote electronically through the e-voting services provided by CDSL on all resolutions set forth in this Notice.
- A. Instructions for shareholders voting electronically are as under:**
- (i) The voting period begins on August 10, 2021 (9.00 a.m.) and ends on August 12, 2021 (5.00 p.m.). During this period, shareholders' of the Company, holding shares either in physical mode or in dematerialised mode, as on the cut-off date (record date) of August 06, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date shall not be entitled to vote on the meeting date.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under the Regulation 44 of SEBI LODR Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple E-voting Service Providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to

all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID their demat accounts in order to access e-Voting facility.

Pursuant to aforesaid SEBI Circular, Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in Demat mode is given below:

| Type of Shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in Demat mode with CDSL | <ul style="list-style-type: none"> • Users who have opted for CDSL Easi/Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. • After successful login, the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. • Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in demat mode with NSDL | <ul style="list-style-type: none"> • If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. • If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. • Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during . |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | <ul style="list-style-type: none"> • You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:

| Login type | Helpdesk details |
|--|---|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co . in or call at toll free no.: 1800 1020 990 or 1800 22 44 30. |

(v) Login method for e-Voting and joining virtual meeting for physical shareholders and shareholders other than individual holding shares in demat mode:

- Log on to the e-voting website www.evotingindia.com.
- Click on “Shareholders” module.
- Now, enter your User ID
For CDSL: 16 digits beneficiary ID
For NSDL: 8 Character DP ID followed by 8 Digits Client ID
Members holding shares in Physical mode should enter Folio Number registered with the Company.
- Next, enter the Image Verification as displayed and Click on Login.
- If you are holding shares in Demat mode and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is required to be used.
- If you are a first-time user follow the steps provided below:

For Members holding shares in Demat mode (other than individual) and Physical mode

| | |
|--|--|
| PAN | <ul style="list-style-type: none"> Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) If you have not updated your PAN with the Company/Depository Participant, you are requested to use the sequence number sent by Company/RTA or contact Company/RTA. In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Example: if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | <ul style="list-style-type: none"> Enter the Dividend Bank Details or Date of Birth (in DD/MM/YYYY format) as recorded in your Demat account or in the Company records in order to login. If both the details are not recorded with the Depository or Company please enter the Member ID/Folio number in the Dividend Bank details field as mentioned in instruction (v)(c). |

- (vi) After entering the above details appropriately, click on “SUBMIT” tab.

- If you hold shares in physical mode, you will directly reach the Company selection screen. However, if you hold shares in Demat mode, you will reach ‘Password Creation’ menu wherein you are required to mandatorily enter your login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting on resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- If you hold shares in physical mode, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for Mindteck (India) Limited on which you choose to vote.
- On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- After selecting the resolution, if you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a printout of the votes cast by clicking on “Click here to print” option on the Voting page.
- If a Demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on “Forgot Password”, and enter the details as prompted by the system.
- Facility for Non-Individual Shareholders and Custodians – Remote Voting**
 - Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the ‘Corporates’ module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- f. Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who is authorised to vote, to the Scrutinizer and to the Company at the email address viz; shivarama.adiga@mindteck.com, if they have voted from individual tab and have not uploaded the same in the CDSL e-voting system for scrutinizer's verification.

Process for those Shareholders whose Email/Mobile No. are not Registered with the Company/Depositories:

1. *For Physical shareholders:* please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) by email to **Company/RTA**.
2. *For Demat Shareholders (other than Individuals)* – Please update your email IDs and Mobile No. with your respective Depository Participants (DP).
3. *For Individual Demat shareholders* – Please update your email ID and Mobile No. with your respective Depository Participants (DP) which is mandatory for e-Voting and joining virtual meeting through Depository.

Instructions to Shareholders attending the AGM through VC/OAVM and E-voting during the meeting are as under:

1. The procedure for attending the meeting and e-voting on the day of the AGM is same as per the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend the AGM will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. The above link shall be open 15 minutes before the scheduled AGM time i.e. 11.45 A.M. on Friday, August 13, 2021.
5. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience
6. Further, shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
7. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
8. Shareholders who would like to express their views/ask any questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to the meeting mentioning their name, demat account number/ folio number, email ID, mobile number at shivarama.adiga@mindteck.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance, 7 days prior to meeting mentioning their name, demat account number/folio number, email ID, mobile number at shivarama.adiga@mindteck.com. These queries will be replied by the company suitably by email.

9. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
10. Only those shareholders, who are present at the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
11. **If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.**

In case you have any queries or issues regarding attending AGM and e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Senior Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

B. Other Instructions:

- i. The remote e-voting period commences on August 10, 2021 (9.00 a.m.) and ends on August 12, 2021 (5.00 p.m.). During this period, Members of the Company holding shares either in physical mode or in dematerialised mode, as on August 06, 2021 (**cut-off date**), may cast their vote electronically.
- ii. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on August 06, 2021 (**cut-off date**).
- iii. Those investors who became shareholders of the Company after dispatch of the AGM Notice and holding shares as of August 06, 2021 (cut-off date) may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com or shivarama.adiga@mindteck.com.
- iv. Mr. Gopalakrishnaraj H H., Practicing Company Secretary (Membership No. FCS 5654), has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
- v. The Scrutinizer shall, within a period not exceeding two (2) working days from the conclusion of the AGM, unblock all the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- vi. The results declared, along with the Scrutiniser's Report, shall be placed on the Company's website (www.mindteck.com) and on the website of CDSL (www.evotingindia.com) within two (2) working days of the passing of the Resolutions at the Thirtieth AGM of the Company on August 13, 2021 and shall be communicated to the Stock Exchanges, where the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 3: Re-appointment of Mr. Guhan Subramaniam as an Independent Director.**

Mr. Guhan Subramaniam (DIN: 00131687) was appointed as an Independent Director of the Company from May 20, 2016 to May 19, 2021. Upon completion of his term, he was eligible for re-appointment for a second term of up to five (5) years. Accordingly, the Board has re-appointed Mr. Guhan Subramaniam as an Independent Director of the Company for another term of five (5) years from May 20, 2021 subject to the approval of the Members at the ensuing AGM.

Mr. Guhan Subramaniam has given a declaration to 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) & 25 of SEBI (LODR) Regulations. Further, he has also provided to the Company his consent in writing to act as a Director in Form DIR-2 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules 2014, to the effect that he is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Guhan Subramaniam fulfills the conditions specified in the Companies Act, 2013 and Rules framed thereunder as well as SEBI (LODR) Regulations, for the re-appointment as an Independent Director for a second term of 5 years 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 re-appointment of Mr. Guhan Subramaniam as an Independent Director of the Company for a term of five (5) years from May 20, 2021, is placed before the Shareholders for approval.

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

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Guhan Subramaniam and his relatives, are in any way concerned or interested in the resolution set out at Item No. 3 of the Notice.

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

Information as per Secretarial Standards

| | |
|---|--|
| Name | Mr. Guhan Subramaniam |
| Age | 67 years |
| Date of first appointment on the Board | May 20, 2016 |
| Qualifications | Mr. Guhan Subramaniam received a bachelor's degree in Economics from Nowrosjee Wadia College of the University of Pune (India). He also completed a postgraduate programme in Business Management at the university's Symbiosis Institute of Management. |
| Experience | Over 40 years |
| Remuneration last drawn | No remuneration drawn except sitting fees for attending the Board and Committee Meetings, if any, as approved by the Board and the profit-related Commission as approved by the Board and the Members of the Company from time to time. |
| Shareholding in the Company | NIL |
| Relationship with other Directors/KMP of the Company | NIL |
| Number of Board Meetings attended during the FY 2020-21 | Four (4) Board Meetings |
| Directorships in other Companies (Including Section 8 Company) | Two (2) companies |
| Chairman/Member of the Committee(s) of Board of Directors in other Companies in which he is a Director | NIL |
| Terms and Conditions of Re-appointment | Mr. Guhan Subramaniam was re-appointed as an Independent Director of the Company for a period of five (5) years from May 20, 2021 to May 19, 2026 by the Board, subject to the approval of the shareholders in the ensuing AGM. |
| Remuneration to be paid | Mr. Guhan Subramaniam shall be paid the sitting fees for attending the Board and Committee Meetings, if any, as approved by the Board, the profit-related Commission and any other remuneration that he is eligible for under the Companies Act, 2013, as approved by the Board and/or the Members of the Company from time to time. |
| Performance evaluation report/ summary thereof | The detailed performance evaluation of Mr. Guhan Subramaniam, an Independent Director, was done by the Company on a regular basis, and in the opinion of the Chairman and the Nomination and Remuneration Committee of the Company, the evaluation/rating of the Director exceeds the expectation level. |

Registered Office

A. M. R. Tech Park Block-1, 3rd Floor
#664, 23/24, Hosur Main Road, Bommanahalli
Bengaluru-560068 India
May 28, 2021

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. Meenaz Dhanani | Mr. Guhan Subramaniam |
|--|---|---|
| Appointment/ Re-appointment | Re-appointment of Director liable to retire by rotation | Re-appointment of Independent Director |
| Brief Resume and nature of expertise in specific functional areas | <p>Meenaz Dhanani, a Non-Executive Director of Mindteck (India) Limited, serves as President of Mindteck, Inc. He manages the Company's operations in the US and Canada, and also oversees the region's IT Talent business.</p> <p>Meenaz is a 30-plus year investment banking veteran with deep knowledge and expertise in international credit, trade and project finance, corporate finance, real estate, private equity, and venture capital investments. Prior to joining Mindteck in 2013, Meenaz headed the investment advisory subsidiary of Bahrain-based TAIB Bank where he managed the firm's portfolio of US real estate and technology investments. He holds a B.A. from Bernard M. Baruch College, where he majored in Finance and Investment Analysis.</p> | <p>Guhan Subramaniam is an independent professional consultant who advises select enterprises on growth strategies and capital infusion. Earlier in his career, Guhan Subramaniam was Managing Partner at IL&FS Private Equity, one of the largest private equity fund managers in India.</p> <p>Guhan Subramaniam's experience spans over 40 years in advisory and consulting services, private equity investments and multi-functional, multi-industry operations roles predominantly in information technology and software solutions.</p> <p>He held senior management and leadership positions with leading corporations in India, with a successful career extending across functions such as business planning, strategy, sales, marketing, business development, human resources development and operations. Guhan Subramaniam received a bachelor's degree in Economics from Nowrosjee Wadia College of the University of Pune (India). He also completed a postgraduate programme in Business Management at the university's Symbiosis Institute of Management.</p> |
| List of other Listed Companies in which Directorship is held | NIL | NIL |
| Chairman/Member of the Committee(s) of Board of Directors of other Listed Companies in which he/she is a Director | NIL | NIL |
| Shareholding/Stock Options in the Company | 100,000 Stock Options | NIL |
| Relationship with other Directors/KMP of the Company | NIL | NIL |

ECS MANDATE FORM

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

Dear Sir,

I hereby declare to have the amount of dividend on my equity shares through the Electronic Clearing Service (ECS).
The particulars are as under:

- 1) Folio No. _____
- 2) Name of the 1st Registered Holder _____
- 3) E-mail ID of the 1st Registered Holder _____
- 4) Bank Details _____

- Name of the Bank _____
- Full Address of the Branch _____

- Complete Account Number _____
- Account Type: (Please tick the relevant box for Savings Account or Current Account)

| | |
|--|--|
| <input type="checkbox"/> Savings Account | <input type="checkbox"/> Current Account |
|--|--|

- Nine-Digit Code Number of the Bank and Branch appearing on the MICR Cheque issued by the Bank
(Please attach a cancelled or photocopy of cheque)

| | | | | | | | | |
|--|--|--|--|--|--|--|--|--|
| | | | | | | | | |
|--|--|--|--|--|--|--|--|--|

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I will not hold the Company responsible.

Signature of the first registered holder as per the specimen
signature with the Company

Date: __/__/____

Name: _____

Address: _____

Note:

1. This form is meant for shareholders holding shares in physical mode.
2. Shareholders holding shares in Demat mode should register their ECS particulars with their Depository Participants (DPs).

INFORMATION AT A GLANCE

| Particulars | Details |
|---|--|
| Date and time of AGM | Friday, August 13, 2021 at 12:00 Noon |
| Mode | Video Conferencing (VC) or Other Audio-Visual Means (OAVM) |
| Participation through Video Conferencing | https://www.evotingindia.com |
| Helpline number for VC participation | 1800225533 |
| AGM Transcript* | https://www.mindteck.com/investors |
| Cut-off date for e-voting | Friday, August 06, 2021 |
| Remote E-voting start time and date | Tuesday, August 10, 2021 at 9:00 a.m. |
| Remote E-voting end time and date | Thursday, August 12, 2021 at 5.00 p.m. |
| E-voting website of CDSL | https://www.evotingindia.com |
| Name, address and contact details of e-voting service provider | <p>Contact name: Mr. Rakesh Dalvi, <i>Manager</i></p> <p>Central Depository Services (India) Limited A Wing, 25th Floor, Marathon Futurex Mafatlal Mills Compound, N.M. Joshi Marg Lower Parel (E) Mumbai – 400013, India</p> <p>Contact details: Email ID: helpdesk.evoting@cdslindia.com Contact number: 91 22 23058542/ 1800225533</p> |
| Name, address and contact details of Registrar and Transfer Agent. | <p>Contact name: Mr. Santosh Gamare</p> <p>Universal Capital Securities Private Limited C 101, 247 Park, LBS Road, Vikhroli West, Mumbai – 400083, India</p> <p>Contact details: Email ID: gamare@unisec.in Contact number: 91 22 28207203-05</p> |

*The AGM Transcript will be available for Shareholders' review after 48 hours from the conclusion of the AGM.

Global Locations

INDIA

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

Solitaire Building, 40/A,
2nd Floor, Doddenakundi
Industrial Area Phase 2
KR Puram Hobli, Whitefield
Bengaluru - 560048
Tel: 91 80 4551 1666

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

T-361, 6th Floor
Tower No. 8
Belapur Station Building
CBD Belapur
Navi Mumbai - 400614

SINGAPORE

7B Keppel Road
#05-09 PSA Tanjong
Pagar Complex
Singapore 089055
Tel: 65 6225 4516,
65 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

Suite 451, L3A-2, Level 3A
SPICE Arena 180
Jalan Tun Dr. Awang
11900 Relau
Pulau Pinang, Malaysia
Tel: 604 6158 029

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)
205 Grandview Avenue
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Camp Hill, PA 17011
Tel: 1 717 732 2211
Fax: 1 717 732 2927

California

39899 Balentine Drive
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Newark, CA 94560
Tel: 1 510 490 1905
Fax: 1 717 732 2927

Florida

5150 North Tamiami Trail
Suite 200 Naples
Florida 34103
Tel: 1 239 631 7379

Missouri

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Suite 200
St. Louis, MO 63141

New Jersey

379 Thornall Street
6th Floor
Edison, NJ 08837
Tel: 1 732 828 1792

CANADA

Ontario

2-215 Traders Boulevard East
Mississauga, ON L4Z 3K5

GERMANY

Herriotstrasse 1
60528 Frankfurt am Main
Germany
Tel: 49 (0) 696 7733 488
Fax: 49 (0) 696 7733 200

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

Mindteck is a global engineering and technology solutions company devoted to delivering knowledge that matters to help clients compete, innovate and propel forward along the digital continuum. The company's legacy expertise in embedded systems, enterprise applications and testing are a powerful complement to competencies in data services, such as AI/ML, and cloud, cybersecurity, and IoT. Since its establishment in 1991, Mindteck's clientele has included top-tier Fortune 1000 companies, start-ups, leading universities, and government entities. The company is publicly traded on the BSE Limited (BSE: 517344) and the National Stock Exchange of India Limited (NSE: MINDTECK). Founding Member: 'The Atlas of Economic Complexity' for the Center for International Development (CID) at Harvard University. Appraised at Level 5 of the CMMI Institute's Capability Maturity Model Integration (CMMI)[®]. Development Centres: Kolkata and Bengaluru, India