

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, ETX 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.

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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.

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

VALUE RESEARCH PREMIUM

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	<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.
	Mr. Yusuf Lanewala – Member	
	Mr. Subhash Bhushan Dhar – Member	
	Ms. Prochie Mukherji – Member	

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)

