



**ACCELYA**

Complexity Simplified

## Accelya Kale Solutions Limited

REVENUE ACCOUNTING COST MANAGEMENT  
DECISION SUPPORT MISCELLANEOUS BILLING  
COST MANAGEMENT PASSENGER CARGO  
CARGO AUDIT REVENUE RECOVERY SALES AUDIT  
INTERLINE  
CHANNEL PERFORMANCE SALES PERFORMANCE  
FLIGHT PROFITABILITY BUDGETING & FORECASTING  
ROUTE PROFITABILITY CARGO AUDIT  
REVENUE RECOVERY COST MANAGEMENT  
BUDGETING & FORECASTING AIRMAIL  
CONTRACT MANAGEMENT INTERLINE CARGO  
INTERLINE  
REVENUE RECOVERY SALES PERFORMANCE  
CARGO AUDIT FLIGHT PROFITABILITY  
REVENUE ACCOUNTING SALES AUDIT  
REVENUE RECOVERY COST MANAGEMENT  
ROUTE PROFITABILITY REVENUE RECOVERY  
INTERLINE PASSENGER

29<sup>th</sup> Annual Report 2014-15

## **CORPORATE OFFICE & DEVELOPMENT CENTRE**

### **Thane**

3rd Floor, Modi House,  
Eastern Express Highway,  
Naupada,  
Thane(W) - 400 602, India  
Tel:+ 91-22-6780 8888  
Fax:+ 91-22-6780 8899

## **DEVELOPMENT CENTRE**

### **Pune**

Accelya Enclave, 685/2B & 2C,  
1st Floor, Sharada Arcade,  
Satara Road,  
Pune 411 037, India  
Tel:+ 91-20-6608 3777  
Fax:+ 91-20-2423 1639

## **MPS**

### **Mumbai**

Ackruti Trade Centre, Road No. 7,  
MIDC, Andheri (E),  
Mumbai 400 093, India.  
Tel:+ 91-22-6769 3700  
Fax:+ 91-22-6679 3717

602, Ackruti Centre Point,  
Central Road, MIDC  
Andheri (E),  
Mumbai 400 093, India  
Tel:+ 91-22-6627 9900  
Fax:+ 91-22-6627 9999

### **Pune**

AG-4 and AG-5,  
Ground Floor, Sharada Arcade,  
Satara Road,  
Pune 411 037, India  
Tel:+ 91-20-6608 3777  
Fax:+ 91-20-2423 1639

### **Goa**

Office No. 6 - 10,  
Nucleus,  
Bardez,  
Alto Porvorim, Goa, India  
Tel:+ 91-832-651 1526

## **INTERNATIONAL OFFICES**

### **USA**

2035 Lincoln Highway, Suite 1190  
Edison, NJ 08817  
Tel: +18482600549

### **UK**

Avenue Court, Victoria Avenue,  
Camberley, Surrey, GU15 3HX  
United Kingdom.  
Tel: + 44 12 7640 1201

## Board of Directors

Philippe Lesueur	Chairman
Vipul Jain	Managing Director
K.K. Nohria	Director
Sekhar Natarajan	Director
Nani Javeri	Director
Sangeeta Singh	Director
Neela Bhattacharjee (*)	Director
(*) Appointed as an Additional Director on 5th August, 2015)	

## Auditor

B S R & Co., LLP  
Chartered Accountants

## Company Secretary

Ninad Umranikar

## Bankers

State Bank of India  
ICICI Bank Ltd.  
HDFC Bank Ltd.

## Registered Office

Accelya Enclave, 685/2B & 2C,  
1st Floor, Sharada Arcade,  
Satara Road, Pune - 411 037.  
Tel. No. +91 20 6608 3777  
Fax No. +91 20 2423 1639  
Website : [www.accelyakale.com](http://www.accelyakale.com)  
CIN : L74140PN1986PLC041033

## Registrar and Share Transfer Agent

M/s. Karvy Computershare Private Limited,  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli Financial District,  
Nanakramguda Hyderabad - 500 032  
Phone : +91 - 40 - 67162222  
Fax : +91 - 40 - 23001153  
Toll Free No.: 1800-345-4001

Letter to Shareholders ..... 2

Financials Highlights ..... 3

Directors' Report ..... 4

Management Discussion and Analysis ..... 37

Auditor's Report ..... 42

Financial Statements ..... 46

Consolidated Financial Statements ..... 76

Salient Features of Subsidiaries ..... 109

Shareholder Information ..... 110

AGM Notice ..... 113



Dear Shareholders,

**Our Financial Results:** This year Accelya Kale had its own set of challenges and opportunities. Overall we have been able to maintain our revenues and earnings to last year's levels and continue on our journey of innovation and winning new customers.

After neutralizing the one-time revenue impact in FY14, our performance in FY15 has been steady and in line with our expectations. Total revenues for FY15 stood at Rs. 3,085.36 million and net profit after tax was at Rs. 673.97 million. The Company consolidated its position by adding new business from global airlines like Vueling, Hawaiian Airlines and Air Namibia.

Accelya Kale continued the practice of rewarding its shareholders, with dividends. This year, the total dividend is Rs. 36 per share, including Rs. 25 per share recommended as final dividend.

**Innovation:** Last year, we started the journey of entering a new market segment for our solutions – that of Low Cost Carriers (LCC). I am pleased to share that we now have Vueling and GoAir, two well-known low cost carriers as our customers for REVERA and have established a value proposition for these airlines.

Managing cost is priority for airlines. We see good opportunity for Finesse suite of solutions which include FinesseCost™- Cost Management and FinesseFPS™- Flight Profitability solution.

With growing demand for analytics and business intelligence, we are investing in Revenue Analytics. We have also seen excellent traction for our Agent Incentive Solution – IncentivePro™. This solution addresses an underserved area for airlines and will help them manage their channel better.

**Accolades:** I am also delighted to share that Accelya Group was voted as 'Readers Choice Company 2015' by Air Transport News Awards. Accelya got maximum votes across all categories by airline professionals to win this award. Accelya Group also featured amongst 'IAOP 2015 Global Outsourcing 100® List'. These accolades are testament to the value delivered by our Group to our customers and the airline industry.

**Passing on the baton:** Finally, as I step down from my current role as Managing Director & CEO of Accelya Kale, I would like to thank you for all the support you have extended to me over nearly last three decades. We started Kale Consultants in 1986 with a vision of being a world class product company. Today, Accelya Kale is a global leader in financial solutions for the airline industry. With over 60 airlines customers globally, we can take pride that the - "Made in India" label is known across the globe. We have established that creating IPR is not only possible, but can lead to huge shareholder value creation. We have also built a team of very capable, knowledgeable and motivated people with passion for excellence and innovation.

Ms. Neela Bhattacharjee, Executive Vice President who has been my colleague with Accelya Kale for past 15 years will take over as the Managing Director. I am confident that Neela brings the vision and capability we need to take Accelya Kale to greater heights. I would like you to join me in wishing her the very best in her new role.

Yours truly,

Vipul Jain  
CEO & Managing Director

(Amount in ₹ Million)

Financial Year	2014-15	2013-14	2012-13	2011-12	2010-11*
<b>INCOME STATEMENT</b>					
Operating Revenue	2,722.76	2,832.06	2,623.84	1,814.06	1,702.74
Operating EBITDA	1,159.71	1,410.68	1,158.32	537.03	372.23
Profit Before Tax	1,114.74	1,284.93	1,044.72	466.28	135.00
Profit After Tax	757.15	873.27	712.44	314.15	133.26
<b>BALANCE SHEET</b>					
Net Worth	945.59	803.18	762.93	1,059.37	1,297.60
Borrowings	-	-	0.04	0.68	4.30
Net Fixed Assets	290.94	329.62	345.61	287.60	186.73
Cash and Cash Equivalents	52.53	98.58	182.16	200.74	262.29
Current Assets	986.08	951.30	1,085.33	832.37	859.76
Current Liabilities	864.36	964.68	1,103.03	512.68	250.93
Capital Employed	945.59	803.18	762.97	1,060.05	1,301.90
<b>FINANCIAL INDICATORS</b>					
Operating EBITDA Margin	43%	50%	44%	30%	22%
Current Ratio	1.14	0.99	0.98	1.62	3.43
Price Earning Ratio					
Net Worth per share (₹)	63.35	53.81	51.11	67.88	84.85
Dividend per share (₹)	36.00	49.00	70.00	23.50	2.00
Market Price per share	999.50	680.45	454.40	122.10	82.10
Basic Earnings per share (₹)	50.73	58.51	47.73	20.13	8.71

(\*) Pertains to 15 months period.

To,

The Members,

Your Directors are pleased to present the Twenty Ninth report on the business and operations of the Company for the year ended June 30, 2015.

<b>Financial Results (Standalone)</b>		Rs. in Million	
<b>Particulars</b>	<b>2014-15</b>	<b>2013-14</b>	
<b>Total Revenue</b>			
- Revenue from Services	2,722.76	2,832.06	
- Other Income	148.63	193.49	
<b>Total</b>	<b>2,871.39</b>	<b>3,025.55</b>	
<b>Total Expenditure</b>	1,848.87	1,740.62	
<b>Profit before Tax and Exceptional Items</b>	<b>1,022.52</b>	<b>1,284.93</b>	
Exceptional Items	92.22	-	
<b>Profit Before Tax and After Exceptional Items</b>	<b>1,114.74</b>	<b>1,284.93</b>	
Provision for Tax			
- Current Tax	333.18	387.93	
Deferred Tax Charge			
- Current Tax	24.41	23.73	
<b>Profit After Tax</b>	<b>757.15</b>	<b>873.27</b>	
Profit brought forward from previous year	88.24	137.58	
<b>Profit available for appropriation</b>	<b>845.39</b>	<b>1,010.85</b>	
<b>Appropriations:</b>			
- Transferred to General Reserves	-	89.59	
- Depreciation impact due to change in useful life as per schedule II of Companies Act, 2013	1.02	-	
- Deferred tax on depreciation due to change in useful life as per schedule II of Companies Act, 2013	(0.35)	-	
- Interim Dividend	164.19	403.00	
- Proposed Dividend	373.16	328.38	
- Dividend Distribution Tax	92.40	124.30	
- Dividend Distribution Tax Credit	(15.68)	(22.66)	
- Balance Carried Forward to Balance Sheet	230.65	88.24	

## Dividend

The Company had declared and paid an interim dividend of Rs.11 per equity share during the year.

Your Directors are pleased to recommend a final dividend of Rs.25 per equity share for the financial year ended 30 June, 2015.

## Operating Results

During the year under review, your Company's total revenues have marginally reduced by 5.10% from Rs.3,025.55 million to Rs.2,871.39 million. The total expenditure for the year has increased to Rs.1,848.87 million from Rs.1,740.62 million, an increase of 6.22%.

The Company has posted profit before tax & after exceptional items of Rs.1,114.74 million as against Rs.1,284.93 for the previous year, a decline of Rs.170.19 million.

The profit after tax for the year 2014-15 stood at Rs.757.15 million which was lower by 13.30% compared to Rs.873.27 million for the previous year.

## Business Operations

During the year, the Company added many leading global airlines to its customer list. Some of these included:

- Vueling, the leading airline at Barcelona-El Prat Airport, selected REVERA® to support its evolving business. With this deal, REVERA® has demonstrated that apart from large full service carriers it is also well equipped to serve low cost carriers. REVERA® now serves two low cost airlines adopting hybrid model – Vueling and GoAir.
- Hawaiian Airlines selected REVERA® CRA Cargo Revenue Accounting solutions. With this Accelya Kale will address both Passenger and Cargo Revenue Accounting needs of Hawaiian Airlines.
- Air Namibia selected Accelya Kale's cost management (FinesseCost™) & flight profitability solutions (FinesseFPS™).

Accelya Kale continued its focus on innovation, increased productivity and quality by launching some key solutions during the year.

- The Company launched FinesseFPS™ to provide airlines with accurate and timely information about flight profitability.
- To help airlines achieve agent satisfaction with accurate and timely incentives payout, the Company launched IncentivePro™.
- With growing demand for analytics and business intelligence, Accelya Kale is investing in Revenue Analytics solutions and sees this as a high potential opportunity.

Accelya Group was conferred with some prestigious industry accolades during the year. The Group was acknowledged as 'Readers Choice Company 2015' by Air Transport News Awards for getting maximum votes across all categories by airline professionals and also featured amongst 'IAOP 2015 Global Outsourcing 100® List'. Accelya Kale MD & CEO Mr. Vipul Jain received the 'Asia Pacific Entrepreneurship Award'

for creating a leading software product company in Accelya Kale and his passionate contribution to social sector. These accolades are testament to the value delivered by the Group to its customers and the airline industry.

## Subsidiaries

During the year, with a view to simplify the entity structure in the United Kingdom (UK), Kale Assurance Services Limited (KRAS), the wholly owned subsidiary of the Company in UK, has been voluntarily liquidated. The liquidation has not resulted in any write off of the investment made by the Company in KRAS.

Post liquidation, Zero Octa UK Limited which was the wholly owned subsidiary of KRAS has become direct subsidiary of Accelya Kale.

Pursuant to the provisions of section 129(3) of the Companies Act, 2013 ("the Act"), a statement containing salient features of financial statements of Kale Softech Inc. and Zero Octa UK Limited, in Form AOC-1 is attached to the financial statements.

The Company does not have any subsidiary in India.

The financial statements of the subsidiary companies shall be available for inspection by any shareholders at the registered office of the Company and of the subsidiary companies concerned. These documents can be requested by any shareholder of the Company. Further, in line with the Listing Agreement and in accordance with the Accounting standard 21 (AS-21), the Consolidated Financial Statements prepared by the Company include financial information of its subsidiaries.

## Board of Directors

Four meetings of the Board of Directors were held during the year, the details of which are given in the Corporate Governance Report. The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

The Independent Directors of your Company have given the declaration of independence to your Company stating that they meet the criteria of independence as mentioned under Section 149 (6) of the Act.

The details of familiarization programme and Annual Board Evaluation process for Directors have been provided under the Corporate Governance Report.

The policy on appointment of directors, key managerial personnel, senior management and other employees and remuneration policy is annexed herewith as Annexure "A".

## Philippe Lesueur

Mr. Philippe Lesueur retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Mr. Lesueur is also the Chairman of Accelya Holding World SLU headquartered in Barcelona, Spain. Mr. Lesueur is well known and highly respected in the airline industry where he has spent more than 30 years. Under his leadership, the business of Accelya has grown from BSP (Billing and Settlement Plan) processing in one country in 1982 to cover more than 108 countries and volumes that exceed 180 million tickets per year.

### Companies in which Mr. Philippe Lesueur is a director

Accelya Holding World S.L.U.	Kale Softech Inc.
Accelya UK Limited	Zero Octa UK Limited
Accelya France SAS	Accelya Portugal Unipessoal, Ltda.
Accelya America, S.A.	Accelya Holding (Luxembourg) S.A.
Accelya Luxembourg S.A.	

Mr. Lesueur does not hold any shares in the Company.

## Vipul Jain

Mr. Vipul Jain has decided to step down as the Managing Director of the Company with effect from 30<sup>th</sup> September, 2015. Mr. Jain has served as Managing Director of the Company for more than 20 years and has been instrumental in the impressive growth of the Company over the years. The Board of Directors places on record its appreciation for the valuable services provided by Mr. Vipul Jain over the years.

The Board is extremely thankful to Mr. Jain for conveying his willingness to advise the Company in the capacity of non-executive director. His contribution in that capacity would help the Company immensely.

Mr. Jain has given a notice pursuant to section 160 of the Act, signifying his intention to propose his candidature as Non-Executive Non-Independent Director of Accelya Kale Solutions Limited in the ensuing Annual General Meeting of the Company. The Board recommends to the members, the passing of the resolution set in the Notice of the Annual General Meeting for appointment of Mr. Vipul Jain as Non-Executive Non-Independent Director.

## Neela Bhattacharjee

Neela Bhattacharjee has been with Accelya Kale for the past 15 years and has been responsible for product strategy, sales and customer relationships.

Under Neela's leadership, the company strengthened its product portfolio and increased revenues from existing and new airline customers. She was instrumental in setting up Accelya Kale's UK operations for European Sales and Support. She also spearheaded the acquisition of Speedwing, a division of British Airways, and Zero Octa.



Neela has not only been instrumental in developing Accelya Kale's business but also shaping the culture of the organization.

Prior to her current assignment at Accelya, Neela was Director and CEO of Softcell Consultants Pvt. Ltd. Neela had also worked at A. F. Ferguson Management Consultants.

Neela holds a degree in Maths and in Computer Science.

Ms. Neela Bhattacharjee was appointed as an additional director by the Board of Directors on 5<sup>th</sup> August, 2015. The term of Ms. Bhattacharjee as an additional director expires at the forthcoming AGM.

It is proposed to appoint Ms. Bhattacharjee as Managing Director. Ms. Neela Bhattacharjee is very capable and competent in handling the affairs of the Company. The Board is confident that under the able leadership of Ms. Neela Bhattacharjee as Managing Director, the Company will scale new heights.

### Particulars of Loans, Guarantees or Investments

The Company has not given any loans or guarantees covered under the provisions of the Act.

Information regarding investments covered under the provisions of section 186 of the Act is detailed in the financial statements.

### Directors' Responsibility Statement

Your Directors state that:

- a. in the preparation of the annual accounts for the year ended 30<sup>th</sup> June, 2015, the applicable accounting standards have been followed and there are no material departures from the same;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30<sup>th</sup> June, 2015 and of the profit of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts have been prepared on a going concern basis;
- e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

- f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### Human Resource

The Board has not granted any stock options during the year under review. During the year the Company also did not have any stock options in force. Therefore the details required to be given under the SEBI (Employee Stock Option Scheme and Stock Purchase Scheme) Guidelines, 1999 are not being given.

During the year, the Company had cordial relations with its employees.

Disclosures with respect to the remuneration of Directors and employees as required under section 197 of the Act and Rule 5(1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as Annexure "B".

Details of employee remuneration as required under provisions of section 197 of the Act and Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company during working hours before 21 days of the Annual General Meeting and shall be made available to any shareholder on request.

### Policies

During the year, your Company formulated Policy on Related Party Transactions, CSR Policy and Whistle Blower Policy in terms of the legal requirements. These policies are available on the website of the Company at <http://www.accelyakale.com/investor-relations/policies/>

### Related Party Transactions

All contracts / transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

No material Related Party Transactions, i.e. transaction or transactions with a related party exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC 2 is not applicable.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions for transactions which are of repetitive nature and entered in the ordinary course of business and are at arm's length. All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Act and Listing Agreement.



## Corporate Social Responsibility (CSR)

In accordance with the requirements of section 135 of the Act, your Company has constituted a Corporate Social Responsibility Committee. The composition and terms of reference of the Corporate Social Responsibility Committee is provided in the Corporate Governance Report.

Annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as Annexure "C".

## Vigil Mechanism

The Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide a framework to promote responsible and secure whistle blowing process. It protects employees wishing to raise a concern about serious irregularities within the Company or its employees. Protected disclosures can be made by a whistle blower through an email or by a phone call to the Ombudsperson appointed under the Policy.

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees. During the year, one complaint with allegations of sexual harassment was filed with the Company and the same was investigated and resolved.

## Risk Management

Pursuant to the requirement of clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Company has a robust Risk Management framework to identify, evaluate and mitigate risks. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The risk framework defines the risk management approach across the enterprise at various levels.

## Auditors

### Statutory Auditors

B S R & Co. LLP were appointed as Statutory Auditors of your Company at the last Annual General Meeting held on 25<sup>th</sup> September, 2014 for a term of two years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has

been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

## Secretarial Auditor

Pursuant to the provisions of section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed S. Anantha & Co., Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as "Annexure D".

## Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith as Annexure "E".

## Corporate Governance

A report on Corporate Governance is set out separately, which forms part of this report.

## Fixed Deposits

During the year your Company has not accepted fixed deposits from the public.

## Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are annexed hereto as Annexure "F".

## Acknowledgment

Your directors extend their gratitude to all investors, clients, vendors, banks, financial institutions, regulatory and governmental authorities and stock exchanges for their continued support during the year. The directors place on record their appreciation of contribution made by the employees at all levels for their dedicated and committed efforts during the year.

## For and on behalf of the Board of Directors

**Philippe Lesueur**  
Chairman  
DIN : 03327819

**Vipul Jain**  
Managing Director  
DIN : 00142518

Place : Mumbai  
Date : 5 August, 2015

## Annexure 'A'

### PART A

#### Policy on Appointment of Directors, Key Managerial Personnel, Senior Management & Other Employees and Remuneration Policy

##### 1. Term of Appointment of Directors

###### A. Maximum Tenure of Independent Directors

- i) An independent director shall hold office for a term up to five consecutive years on the Board of the Company and shall be eligible for reappointment for another term of up to five consecutive years on passing of a special resolution by the Company.

Provided that a person who has already served as an independent director for five years or more in the Company as on 1<sup>st</sup> October, 2014 shall be eligible for appointment, on completion of his present term, for one more term of up to five years only.

Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence mentioned in (5) below.

- ii) An independent director who completes his above mentioned term shall be eligible for appointment as independent director in the Company only after the expiration of three years of ceasing to be an independent director in the Company.

###### B. Term of Other Directors

Not less than two-thirds of the total number of directors of the Company shall be persons whose period of office is liable to determination by retirement of directors by rotation and be appointed by the Company in general meeting.

For the purpose of determining directors liable to retire by rotation, "total number of directors" shall not include independent directors on the Board of the Company.

##### 2. Appointment of Key Managerial Personnel and Persons in Senior Management

The Committee shall appoint Key Managerial Personnel and persons in Senior Management and shall approve the terms and conditions of their appointment including their remuneration. The Committee shall strive to appoint a person best suited for the job in terms of talent, qualification and experience required for the position.

Senior Management shall mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Board of Directors and includes functional heads.

##### 3. Criteria for Determining Qualifications of Directors

For a person to qualify as a director he shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, human resource, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

##### 4. Positive Attributes

###### a) Integrity

A director, Key Managerial Personnel and a person in Senior Management shall be a person of integrity and shall uphold highest standards of probity.

###### b) Commitment

A director, Key Managerial Personnel and a person in Senior Management shall devote sufficient time and attention to his professional obligations for informed and balanced decision making.

###### c) Compatibility

A director should be able to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.