



THE YASH BIRLA GROUP

**2015-2016**

# **29<sup>th</sup> Annual Report**

Melstar Information Technologies Limited



A Software Services Company

# **Business Philosophy**

*"To follow ethical and transparent business practices with all its customers, vendors and employees. Build long-term relationships based on mutual trust and benefits. Development of people and society in all countries where Melstar has its operations."*



## **Vision**

*"Create a World class I.T. Organization in terms of technology and people; providing outsourcing services in developing and supporting e-commerce solutions, software applications and business consulting."*

*"Develop and deploy cutting-edge Products and Solutions catering to Financial Services and Technology Business."*

**SEI: CMM Level - III Assessed**

**ISO-9001 : 2008 Certified**

**Registered and Corporate Office**

Melstar House, G-4, M.I.D.C. Cross Road 'A', Andheri (East), Mumbai - 400 093

Tel . +91(22) 4056 6464 Fax : +91(22) 2831 0520

Email : [info@melstar.com](mailto:info@melstar.com), Visit us at : [www.melstar.com](http://www.melstar.com)

Corporate Identity Number (CIN): L99999MH1986PLC040604

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**BOARD OF DIRECTORS**

- Mr. Ashish Ramesh Mahendrakar Independent & Non-Executive Director (w.e.f. 01.07.2015)
- Mr. Vijaykumar Himatlal Modi Independent & Non-Executive Director (w.e.f. 27.09.2016)
- Mrs. Kirti Tripathi Non-Executive Director (w.e.f. 30.03.2015)
  
- Mr. Om Prakesh Jain Independent & Non-Executive Director (upto 15.04.2016)
- Mr. Vedant Birla Non-Executive Director (upto 15.04.2016)
- Mr. Rakesh Kumar Dixit Independent & Non-Executive Director (upto 12.08.2016)
- Mr. Sanjiv Tandon Managing Director (upto 07.09.2016)
- Mr. Yogendra Shah Independent & Non-Executive Director (from 12.08.2016 to 12.09.2016)

**AUDITORS:**

M/S Sarda & Pareek.  
Chartered Accountants  
Mumbai

**BANKERS**

Bank of India

**SHARE REGISTRAR AND  
TRANSFER AGENT:**

M/s. Bigshare Services Private Limited  
E-2/3 Ansa Industrial Estate,  
Saki Vihar Road, Sakinaka,  
Andheri (E), Mumbai-400 072  
Ph: 022-40430200  
Fax: 022-28475207

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**CHIEF FINANCIAL OFFICER**

Mr. Anil S. Korpe

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**BRANCH OFFICE LOCATIONS****BANGALORE**

**Melstar Information Technologies Ltd.**  
335, Connection Point A-Block,  
Mazzanine Floor, HAL-Airport Exit Road,  
Bangalore - 560 017. India  
Phone No. - 080 - 49390400

**CHENNAI**

**Melstar Information Technologies Ltd.**  
2nd Floor, New No. 8,  
Maharaja Surya Rao Road,  
Alwarpet, Chennai - 600 018. India  
Phone No. 044-43487070

**HYDERABAD**

**Melstar Information Technologies Ltd.**  
Imarat Park View  
M.C.H.No: 8-2-120/112/P/9,  
Fourth floor Opposite to K.B.R.Park,  
Located on Main Road- Banjara Hills,  
Road No. 2 Hydrderabad- 500 034.  
Phone No. 9949042216

**PUNE**

**Melstar Information Technologies Ltd.**  
402, Picasso Plaza, 4th Floor,  
Kondhwa Main Road,  
Pune - 411 048. India  
Phone No. 020-49015557

**GURGAON**

**Melstar Information Technologies Ltd.**  
312 R M S, 3rd Floor, Centrum Plaza,  
Golf Course Road, Sector-53,  
Gurgaon - 122 002  
Phone : 0124-4080842/43/44

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**OVERSEAS SUBSIDIARY****Melstar Inc.**

33, Wood Avenue South,  
Suite 600, Iselin,  
New Jersey 08830  
Phone No.: 7327443399  
Fax : 7327443400

<b>CONTENTS</b>	<b>Page Nos.</b>
Notice .....	3
Directors' Report.....	10
Management Discussion and Analysis Report .....	25
Report on Corporate Governance .....	27
Auditors' Certificate on Corporate Governance .....	34
Independent Auditor's Report.....	35
Balance Sheet .....	40
Profit & Loss Statement.....	41
Cash Flow Statement .....	42
Notes forming part of Balance Sheet and Profit and Loss Statement .....	43
Independent Auditor's Report on Consolidated Financial Statements .....	57
Consolidated Balance Sheet .....	62
Consolidated Profit & Loss Statement.....	63
Consolidated Cash Flow Statement .....	64
Notes forming part of Consolidated Balance Sheet and Profit & Loss Statement.....	65
Attendance Slip / Proxy Form .....	83



## Notice

Notice is hereby given that the **29<sup>th</sup> Annual General Meeting** of the members of **Melstar Information Technologies Limited** will be held on **SATURDAY, THE 26<sup>TH</sup> NOVEMBER, 2016 AT 09:00 A.M. at G-4, Melstar House M.I.D.C. Cross Road "A" Andheri (East) Mumbai-400093**, to transact the following businesses:

### ORDINARY BUSINESS:

- To consider and adopt:
  - The audited financial statement of the Company for the financial year ended **March 31, 2016**, the reports of the Board of Directors and Auditors thereon; and
  - The audited consolidated financial statement of the Company for the financial year ended **March 31, 2016**.

### SPECIAL BUSINESS:

- To appoint **M/S Sarda & Pareek** as Statutory Auditor in place of outgoing auditors **M/s Jai Prakash Upadhayay** and in this regard, to consider and if thought fit to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of **Section 139(8)** and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), **M/S SARDA & PAREEK**, Chartered Accountants, Mumbai be and are hereby appointed as Statutory Auditors of the Company in place of the outgoing Statutory Auditors **M/S JAI PRAKASH UPADHAYAY & CO.**, Chartered Accountants, Mumbai "

**"RESOLVED FURTHER THAT M/S. SARDA & PAREEK**, Chartered Accountants, Mumbai be and are hereby appointed as Statutory Auditors of the Company from the upcoming Annual General Meeting and that they shall hold the office of the Statutory Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting and that they shall conduct the Statutory Audit for the period ended **31st March, 2017** on such remuneration as may be fixed by the Board of Directors in consultation with them."

- As An **Ordinary Resolution**: Appointment of **Mr. Sanjiv Tandon** as an Additional Director upto 07.09.2016.

**"RESOLVED THAT** pursuant to **Section 149,152** and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) **Mr. Sanjiv Tandon (DIN 02600973)** who was appointed as an Additional Director pursuant to the provisions of **Section 161(1)** of the Act and who holds office up to the date of **07.09.2016** since he resigned on his own accord and whose appointment for the aforesaid period is hereby confirmed and approved."

- As a **Special Resolution**: Appointment of **Mr. Sanjiv Tandon** as a Managing Director from 01.10.2015 to 07.09.2016.

**"RESOLVED THAT** pursuant to **Section 152, 164, 165, 167, 196, 197, 203** and any other applicable provisions of the Companies Act, 2013 (the Act) and the rules made there under read with **Schedule V** to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including statutory modification (s) or re-enactment thereof for the time being in force) approval of the Company be and is hereby accorded for the appointment of **Mr. Sanjiv Tandon (DIN 02600973)** as Managing Director of the Company for the period **w.e.f 01.10.2015 to 07.09.2016** on the remuneration and perquisites and terms and conditions as set out in the statement annexed to the Notice convening this meeting."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to take such steps and actions and to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to the above resolution."

- As An **Ordinary Resolution**: Appointment of **Mr. Vijaykumar Modi** as an Independent and Non Executive Director.

**"RESOLVED THAT** pursuant to **Section 149,152** and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) read with **Schedule IV** to the Companies Act, 2013, (the Act) **Mr. Vijaykumar Modi** who was appointed as an Additional Director of the Company with effect from **27.09.2016** pursuant to the provisions of **Section 161(1)** of the Act and who holds office up to the date of this Annual General Meeting and has submitted a declaration that he meets the criteria for independence as provided in **Section 149(6)** of the Act and in respect of whom the company has received a notice in writing under **Section 160** of the Act from a member proposing his candidature for the Office of director, be and is hereby appointed as an Independent and Non-Executive Director of the Company and shall hold office for a term of 5 years **w.e.f 27.09.2016**."

- As a **Special Resolution**: Consent of the company u/s 180(1)(c) of the Companies Act, 2013.

**"RESOLVED THAT**, pursuant to the provisions of **Sections 180(1)(c)** and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as **'the Board'** which term shall be deemed to include any committee thereof) for borrowing, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed by the Board shall not at any time exceed **Rs. 200 crores** or the aggregate of the paid up capital and free reserves of the Company, whichever is higher."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution."

Registered Office:  
Melstar House, G-4, MIDC,  
Cross Road 'A', Andheri (East),  
Mumbai-400 093

By Order of the Board of Directors  
For **MELSTAR INFORMATION TECHNOLOGIES LIMITED**

Place: Mumbai,  
Date: 29.09.2016

**ANIL KORPE**  
CHIEF FINANCIAL OFFICER

## 29th Annual Report 2015-2016

### Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and the proxy need not be a member of the Company (a copy of the proxy form is attached). The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than Forty-Eight (48) hours before commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In Case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy or any other person or shareholder.
2. An Explanatory Statement pursuant to **Section 102** of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Annual Report and AGM Notice is available at the website of the Company at [www.melstar.com](http://www.melstar.com) in the Investor Info section.
4. The Register of Members and Share Transfer Books of the Company will remain closed from **SATURDAY, THE 19<sup>TH</sup> NOVEMBER, 2016 TO SATURDAY, THE 26<sup>TH</sup> NOVEMBER, 2016** (both days inclusive) for annual closing.
5. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
7. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
8. Members desirous of making nomination as permitted under **Section 72** of the Companies Act, 2013 in respect of the physical shares held by them in the Company, can make nominations in **Form SH-13**, which can be procured from the Registrar and Share Transfer Agent **M/s Bigshare Services Private Limited (RTA)**. The Members holding shares in demat form may contact their respective depository participants for such nominations.
9. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, **M/s. Bigshare Services Private Limited (RTA)**, for consolidation into a single folio.
10. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company **AS ON SATURDAY, THE 19<sup>TH</sup> NOVEMBER, 2016**.
11. M/s P. Sanghani & Co. Chartered Accountant, **Firm Registration No.109096W** are been appointed as the Scrutinizer to scrutinize the remote e-voting and poll process to be carried out at the AGM in a fair and transparent manner.
12. The final results including the poll and remote e-voting results of the AGM of the Company shall be declared within 48 hours from the conclusion of the Annual General Meeting. The final results along with the scrutinizers report shall be placed on the Company's website [www.melstar.com](http://www.melstar.com) immediately after the result is declared by the Chairman.
13. In terms of **Sections 108** of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended, the Company is providing the e-voting facility to its Members holding shares in physical or dematerialized form, as on **THE CUT-OFF DATE**, being **SATURDAY, THE 19<sup>TH</sup> NOVEMBER, 2016**, to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice (the "Remote e-voting"). The remote e-voting commences on **WEDNESDAY, THE 23<sup>RD</sup> NOVEMBER, 2016 (09.00 A.M.) AND ENDS ON FRIDAY THE 25<sup>TH</sup> NOVEMBER, 2016 (5:00 P.M.)**. Detail of the process and manner of Remote e-voting along with the User ID and Password is being sent to all the Members along with the Notice.
14. In terms of the recent amendment to the Companies (Management and Administration) Rules, 2014 with respect to the Voting through electronic means, the Company is also offering the facility for voting by way of physical ballot at the AGM. The Members attending the meeting should note that those who are entitled to vote but have not exercised their right to vote by Remote e-voting, may vote at the AGM through ballot for all businesses specified in the accompanying Notice. The Members who have exercised their right to vote by Remote e-voting may attend the AGM but shall NOT vote at the AGM. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on **THE CUT-OFF DATE** being **SATURDAY, THE 19<sup>TH</sup> NOVEMBER, 2016**.
15. The Notice of the Annual General Meeting along with the **Annual Report 2015-16** is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

### Voting through electronic means

- I. The process and manner for remote e-voting are as under:

- A. **In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :**

- (i) Open email and open PDF file viz; "Melstar Information Technologies Limited e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>



- (iii) Click on Shareholder – Login
- (iv) Insert your user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select “EVEN” of “**Melstar Information Technologies Limited**”.
- (viii) Now you are ready for remote e-voting as “Cast Vote” page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [admin@capsanghani.com](mailto:admin@capsanghani.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:**

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

**EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN**

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xi) above to cast vote.

- II. In case of any queries, you may refer the Frequently Asked Question (FAQs) for Members and remote e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.:1800-222-990.
- III. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile of the folio which may be used for sending future communication(s).
- V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on **THE CUT-OFF DATE i.e. SATURDAY, THE 19<sup>TH</sup> NOVEMBER, 2016**.
- VI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of **THE CUT-OFF DATE i.e. SATURDAY, THE 19<sup>TH</sup> NOVEMBER, 2016**, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pradnya@bigshareonline.com](mailto:pradnya@bigshareonline.com).  
  
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.  
  
A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- VIII. **M/s P. Sanghani & Co. Chartered Accountant, FIRM REGISTRATION NO. 109096W**, has been appointed as the Scrutinizer to scrutinize the remote e-voting and poll process to be carried out at the AGM in a fair and transparent manner.
- IX. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “remote e-voting” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- X. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XI. The Results declared along with the report of the Scrutinizer shall be place on the website of the Company [www.melstar.com](http://www.melstar.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Bombay Stock Exchange Limited and National Stock Exchange of India.
- XII. There will be one e-vote for every Client ID No. / Registered Folio No. irrespective of the number of joint holders.



## 29th Annual Report 2015-2016

**Explanatory Statement Pursuant to Section 102 (1) of the Companies Act, 2013 (“the Act”)** The following Statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice.

### Item 2:

The Company has received notice of resignation of **M/S JAI PRAKASH UPADHAYAY & CO.**, Chartered Accountants, Mumbai, who have resigned as Statutory Auditor of the Company. Further company has received Consent letter from **M/S SARDA & PAREEK**, Chartered Accountants, Mumbai, to act as Statutory Auditors of the Company. The Board of Directors of the Company has pursuant to Section 139(8) of Companies Act, 2013 appointed **M/S SARDA & PAREEK**, Chartered Accountants, Mumbai, as Statutory Auditors of the Company to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company.

As per terms of provisions of **Section 139(8)** of the Companies Act, 2013 appointment of Statutory Auditors is required to be approved by the members of the Company in a General Meeting. Accordingly, it is proposed for the members of the Company to take note and approve the appointment of **M/S SARDA & PAREEK**, Chartered Accountants, Mumbai, to act as Statutory Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting and that they shall conduct the Statutory Audit for the period ended **31st March, 2017** on such remuneration as may be fixed by the Board of Directors in consultation with them.

The above Auditors are not disqualified from being appointed as Statutory Auditors of the Company in terms of Section 141 of the Act.

The Board recommends the passing of the resolution set forth in Item 2 of the accompanying Notice as Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in this resolution.

### Item 3 & 4:

The Board of Directors had Pursuant to **Section 152, 164, 165, 167, 196, 197, 203**, of Companies Act, 2013 appointed **Mr. Sanjiv Tandon (DIN 02600973)** as Managing Director of the Company from **01.10.2015 to 07.09.2016**

Name of the director	Date of birth	Qualifications	Date of appointment	Expertise in specific functional area	List of other directorship Excluding foreign companies private companies section 8 of the Companies Act, 2013	Chairman / member of the Board of other companies in which director	Company's shares held
Mr. Sanjiv Tandon	03.04.1964	Engineer	01.10.2015	B.Tech from IIT Delhi and M.tech from IIT Kanpur with rich experience in the Corporate World in IT & BPO Operations, Software development & maintenance, Business Development, Product Development and Consulting in various industries and businesses.	No	No	No

The Board of Directors of the Company in their meeting held on **08.10.2015** appointed **Mr. Sanjiv Tandon** as an Additional Director pursuant to the provisions of **Section 161** of the Companies Act, 2013 and **Article 139** of Articles of Association of the Company.

**Mr. Sanjiv Tandon** resigned on his own accord on **07.09.2016**.

Further, in the Board Meeting held on **08.10.2015** and as per the resolution passed by the Nomination and Remuneration Committee in their meeting held on **08.10.2015**, **Mr. Sanjiv Tandon** was appointed as Managing Director of the Company, with effect from **01.10.2015**, subject to the approval of shareholders.

The terms and condition of the appointment letter are as under:

**Mr. Sanjiv Tandon: Managing Director:**

**Period : 01.10.2015 to 07.09.2016**

As Managing Director, **Mr. Sanjiv Tandon** was responsible for the company's business affair as entrusted to him subject to the direction, supervision and control of Board of Directors.





I. **Remuneration: MR. SANJIV TANDON** was entitled to consolidated Remuneration as stated below:

Particulars	01.10.2015 to 07.09.2016
	Rupees
Salary	2,246,667
Perks and Incentive: House Rent Allowance together with utilities there for such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property taxes, Reimbursement of Medical Expenses incurred for self and family and medical/accident insurance. Personal Accident Insurance in accordance with the rules specified by the Company. Leave Travel concession for self and family once in a year in accordance with the rules of the Company. Fees of clubs/annual membership fees and/or admission/ entrance fees	2,953,939
Provision for Car with driver for business of the Company and Telephone/ Cell phone Managing Director	
Company's contribution Provident fund @ 12%	269,600
Total	5,470,206

**Valuation of perquisites:** The perquisites were evaluated as per the Income Tax Rules wherever applicable. In the absence of such rules perquisites were evaluated at actual costs.

**Minimum Remuneration:** Notwithstanding anything herein contained, where in the event of loss or inadequacy of profits in financial year during the tenure (01.10.2015 to 07.09.2016) of **Mr. Sanjiv Tandon** as Managing Director of the Company, the remuneration as stated above was paid was minimum remuneration pursuant to **Section 196 & 197** read with Schedule V and any other applicable provisions of the Companies Act, 2013 as amended from time to time.

II. **Conveyance:** Free use of Company's car for the work of the Company along with driver, insurance, petrol, cost of repairs, overhauling, maintenance and garage rent.

**Communication Facilities:** The Company bore the expenses of all the provisions of Telephone / Cell phone given to Managing Director.

III. **Leave:** The Managing Director was eligible for leave as per Rules of the Company and encashment of leave at the end of tenure.

The Company's contribution to the Provident Fund (or other benefits permissible in lieu thereof) was as per the Rules of the Company and the same was not to be included in computation of the ceiling on perquisites to the extent these either singly or put together were not taxable under the Income Tax Act, 1961.

Gratuity payable in accordance with the gratuity Scheme of the Company provided that it does not exceed one half month's salary for each completed year of continuous service.

**Note:** For the purpose of perquisites stated above, family means the spouse, the dependent children and the dependent parents of the appointee.

**Interest:** **Mr. Sanjiv Tandon** was concerned and interested in the above matter. No other director of the Company is concerned or interested in the above matter.

The Board recommends the resolution as set out in **Item No. 3 and 4** of the Notice for Members' approval.

**Additional General Information:**

Additional Information as required in accordance with the provisions of Schedule V is given hereunder –

- Nature of industry – Software consultancy, development and related services
- Date of commencement commercial production – The Company was incorporated on 12<sup>th</sup> August 1986 as a private company and is in operation since then. However, the present activities were commenced in the year 1997.
- Financial performance of last 5 years based on given indicators - As per the audited financial results for the year ended **31.03.2016**:

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Revenues	31,17,97,630	23,36,73,303	19,33,05,859	22,03,49,391	54,51,20,003
Net (Loss)/ Profit after Tax	20,08,691	(1,65,42,800)	(2,40,63,647)	(1,44,84,393)	1,46,17,030
Paid up Share capital	14,28,31,390	14,28,31,390	14,28,31,390	14,28,31,390	14,28,31,390
Net Worth	7,95,79,484	7,78,68,648	9,72,33,917	12,21,21,900	13,66,34,757

d) Net foreign exchange earnings of the company during the past five years –

Year	Inflow (Rs.)	Outflow (Rs.)
2011-12	1,13,06,940	98,93,848
2012-13	21,967,169	20,871,420
2013-14	10,636,585	1,03,50,044
2014-15	39,85,777	1,049,258
2015-16	22,47,880	3,84,915

e) Background Details:

**Mr. Sanjiv Tandon** aged 52 years is B Tech from IIT Delhi and M tech from IIT Kanpur rich experience in the Corporate World in IT & BPO Operations, Software development & maintenance, Business Development, Product Development and Consulting in various industries and businesses.

## 29th Annual Report 2015-2016

f) Job profile and suitability:

**Mr. Sanjiv Tandon** was responsible for the overall conduct and management of business and affairs of the Company. This includes development of domestic and international business providing strategic direction to business units of the Company. Review of software services being rendered and prevailing competition, enhancement of efficiencies and rationalization of the cost. This coupled with his strong resource management capability and knowledge of software industry made him fully suitable for the position.

g) Remuneration Proposed:

**MR. SANJIV TANDON** was entitled to Remuneration as stated below.

Particulars	01.10.2015 to 07.09.2016
Salary + Perks + Company's contribution Provident fund @ 12% + Gratuity.	5,470,206

h) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

Taking into consideration the size of the Company, the profile of the appointee, the responsibility shouldered by him and the industry benchmarks, the proposed remuneration was reasonable and fairly competitive with the remuneration packages paid by other companies to similar senior level appointees.

The minimum remuneration proposed as above has been approved by the Remuneration Committee and Board of Directors in their meeting held on **08.10.2015**.

i) Disclosure on pecuniary relationships:

**Mr. Sanjiv Tandon** did not have any other pecuniary relationship with the Company and its managerial personnel, directly or indirectly. In the event of loss or inadequate profits, **Mr. Sanjiv Tandon** was entitled to receive remuneration as indicated in the Explanatory Statement pursuant to **Section 102** of the Companies Act, 2013. The approval for his appointment as Managing Director was sought by way of a Special Resolution as required under Schedule V to the Act. The terms of appointment of **Mr. Sanjiv Tandon** as set forth in this notice, may be treated as the abstract under **Section 190** of the Companies Act, 2013.

j) Reason for inadequacy of profits steps taken or proposed to be taken for improvement:

The increase in sales and profit after tax is on account of extending the market coverage by adding new line of business, new customers, strengthening current business engagements with existing customers, addition in business/ service offerings such as Application Management System (AMS), Full Time Employment (FTE) and the cost reduction measures undertaken during the year.

The Company is focusing on its core competencies and using sometimes-outsourced technology service providers to help improve productivity, develop new products, reduce business risks and manage the operations more effectively. The Company has also inducted a new line of business i.e. Infrastructure Projects.

k) Expected increase in revenues and profits in measurable terms:

In the competitive environment, it is difficult to estimate revenues /profits in measurable terms. However, the management has framed strategies and developed execution plans to improve profitability by checking the losses. Curtailing costs and other operational expenses, maximizing use of existing offshore infrastructure facilities, expansion of client base, etc will continue to receive aggressive attention and the management is confident of reasonable increase in revenues and profits during the coming years.

l) **Disclosure:** **Mr. Sanjiv Tandon** did not hold any interest in the capital of the Company. Further **Mr. Sanjiv Tandon** did not have any other direct or indirect interest nor is he related to any other directors or promoters of the Company at any time during the last two years before or on the date of appointment.

**Item 5:**

The Board of Directors has pursuant to **Section 161(1)** of the Companies Act, 2013 appointed **Mr. Vijaykumar Modi** as an Additional Director of the Company with effect from **27.09.2016** who holds office up to the ensuing Annual General Meeting and being eligible offers himself for appointment.

The Company has received a notice in writing from a member along with the deposit of requisite amount under **Section 160** of the Act proposing the candidature of appointment of **Mr. Vijaykumar Modi** for the office of Director of the Company.

**Mr. Vijaykumar Modi** has given a declaration to the Board that he meets the criteria of Independence as provided under **Section 149(6)** of the Act.

The matter regarding appointment of **Mr. Vijaykumar Modi** as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as Independent Director for a term of **5 years w.e.f. 27.09.2016**.

In the opinion of the Board, **Mr. Vijaykumar Modi** fulfils the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of **Section 149** read with Schedule IV of the Act, the appointment of **Mr. Vijaykumar Modi** as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of **Mr. Vijaykumar Modi** shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.