Mastek™

Annual Report 2018–19

Expect more

Contents

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www.mastek.com

Forward looking statement

This Annual report contains ‘forward-looking statements’, identified by words like ‘plans’, ‘expects’, ‘will’, ‘anticipates’, ‘believes’, ‘intends’, ‘projects’, ‘estimates’ ‘endeavours’ and so on and are based on our current expectations, assumptions, estimates and projections about the Company, our industry, economic conditions in the markets in which we operate, and certain other matters. All statements that address expectations or projections about the future, but not limited to the Company’s strategy for growth, future operations, margins, market position, profitability, liquidity and capital resources, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realised as these statements are subject to known and unknown risks, uncertainties and other factors, which may cause actual results or outcomes to differ materially from those projected in any forward-looking statements. In light of these and other uncertainties, you should not conclude that the results or outcomes referred to in any of the forward-looking statements will be achieved. All forward-looking statements included in this Annual Report are based on information available to us on the date hereof, and we do not undertake to update these forward-looking statements unless required to do so by law. For any further clarification, please contact Mastek Limited.

Expect more

We have proven excellence in engineering innovation solutions and delivery track record spanning over more than three decades. We believe that digital transformation should be defined by customer experience and quality of innovation, and not by the race to develop technology at a low cost. Organisations across the globe put their trust in Mastek because they know we deliver what we promise, and have confidence in the quality of our delivery.

By building a sustainable infrastructure; fine-tuning our processes; hiring the right people; involving the right management team; and increasing the confidence amongst our investors, we have earned the rights of passage to anchor ourselves as a leader in Enterprise Digital Transformations. With our core values in place, we have evolved into a strong and consistent entity, creating value for all our stakeholders. At Mastek, all our stakeholders can EXPECT MORE from us.

To our investors
Expect more as we continue to consistently execute our Vision 2020 strategy.

To our Mastekeers
Expect more as our belief in employee empowerment and core values remain fundamental to any decisions that we make.

To our customers
Expect more game-changing outcomes as we continue to deliver what we promise.

To our society
Expect more as our work continues to transform lives and impact communities.

Our investors trust, we deliver

Nothing ever stands still at Mastek. Our financial year 2018-19 saw us make solid progress against our three year Vision 2020 strategy to reposition Mastek as a major player in the enterprise digital transformation market. We have now delivered 12 consecutive quarters of revenue growth and exceeded the financial objectives we set out for financial year 2018-19. The Vision 2020 strategy, which we introduced in 2017-18 laid out a clear strategy to grow the business. In year one (2017-18) we focused on fixing any underlying issues and ensuring we had a solid platform to grow the business from. 2018-19 saw the focus move to 'grow' as we looked to add new client logos and ramp up revenue and profit growth. We now move into the third year of the strategy which will see us focus on accelerating our growth and solidifying our market reputation.

What we have achieved

By the end of FY 2018–19, we have delivered consistent and predictable financial performance across last 12 quarters. Our geographical revenue spread now includes the UK (73.9%), the US (24.5%) and India (1.6%). We have also solidified our presence in key focus markets including UK central government, financial services and retail. Our growth, across each of these verticals, is testimony to the growing confidence our customers are placing in us.

12th quarter

of consecutive revenue growth

26.4% yearly

revenue growth

What we plan to achieve

With new technological advancements such as Artificial Intelligence (AI), Robotic Process Automation (RPA), Machine learning and the Internet of Things (IoT), we aim to be leading the way in deploying these technologies to solve our customers' business challenges. As we continue to grow, we plan to implement strategies that will further balance our geographical concentration, especially by widening our presence in the US. We will explore inorganic acquisitions which will enhance and build on our core capabilities and will also monetise non-core assets to further invest in our core business. Apart from this, we plan to continue investing in Digital Technologies and monetise our non – core assets to further invest into growing our core business.

Our employees perform, we reward

Guided by our mission to empower every Mastekeer, we have focused on executing our **'Fix, Win and Grow'** gameplay. This has enabled us to align our services with our values, along with the evolving needs of our workforce and our growth goals. The year began on an exciting note for our Mastekeers across the globe, when we all celebrated, in one synchronised event, 36 years of Mastek's inception.

Even though we are an IT company, we are strongly focused on developing our in-house talent. As we continue to invest in high-end technologies, we see the importance of simultaneously investing in our talent, 'configuring' them to live up to the industry's dynamic challenges. At Mastek, we have 2,069 employees across 11 offices located in the UK, the US and India. We expect to see this count doubling over the next 2 years.

As people are at the core of everything we do, our employee development and recruitment process play a very important role. Fuelled by our passion to improve the opportunities available to graduates in the IT sector, we have developed a Digital Learning Centre, which is available to students through our Graduate Development Programme.

To enable our employees to deliver their work directly to customers, we have eliminated management layers through our initiative Mastek 4.0 – resulting in only three layers of management separating our front-line developers from the CEO. The entire company is organised to empower self-managed teams with the ability to set their own goals. Eliminating the traditional supervisory appraisal process, we have instituted a team based self-appraisal system, incentivising the top performing teams.

2,069 employees

across 11 global offices

Won "Best learning strategy of the year" award at the future of L&D summit and awards 2019

- Aim to be an "Employer of Choice"
- Work-from-home policy to keep up with the evolving needs of our workforce
- HR handbook to outline all policies, procedures and benefits
- Flagship program 'Women Empowered by Mastek' to achieve a gender ratio of 60:40 by 2020
- Collaboration with the Hellen Keller Institute to encourage a more diverse workforce
- Won "Best learning strategy of the year" award at the future of L&D summit and awards 2019
- Learn Anytime Anywhere initiative to offer tailor made high-quality online learning material
- Project Enhance workshops to improve presentation skills, learn about UK culture and the art of public speaking
- Leadership Development program to enhance managerial competency and improve leadership capability
- Re-energised MastApp by adding 2 new applications – Insight and Reach
- 'Check-in to Mastek' to acquaint new joiners across geographies with our culture, values and strengths
- Launched Young Mastekeers Guide to acquaint new Mastekeers with our vision and values, learning avenues, clientele, global presence, facilities and Tech Gurus
- Partnered with Gallup to assess employee engagement scientifically with industry benchmarks
- Wellness workshops to encourage the physical, financial, social and emotional wellbeing of Mastekeers

Our customers ask, we serve

As a reliable, dependable agile partner for digital transformation projects, we are trusted by over 200 organisations across the UK, US and India. Our customers, from commercial sector to the public sector, expect us to consistently create, modernise and recover IT projects.

They have full faith in our ability to deliver game-changing outcomes, no matter where, when or how difficult the challenge. We enable them to deliver digital change, provide pragmatic analytics for business priorities, provide robust, scalable and secure applications, bridge the gap between the business and IT, while also having an iterative, agile testing approach to satisfy every customer's need.

With over 1,500 technology certifications; over 1 million people using our technology; and more than 150 enterprises invested in Mastek, we are a modern technology solutions provider aiming to become a leader in Enterprise Digital Transformation.

Going the extra mile for our customers, we have organised several Tekathons that give our employees the opportunity to take on technically challenging assignments. With initiatives such as this, we are resolving our customers' business issues efficiently, while also successfully introducing them to new products and services.

+200 organisations

across the UK, US and India

> "The technical complexity that was delivered by Mastek involved significant customisation of critical systems and was well-executed"
>
> **Leading US based fashion retailer**

+1 million

people using our technology

Our society supports, we give back

At Mastek, we believe that creating value goes beyond servicing our shareholders and customers. It also includes giving back to the society at large. We believe in being sensitive towards important sociological and environmental issues impacting the needs of the community, and encourage Mastekeers to do the same. As an ardent believer in volunteering, we have created an environment that provides abundant opportunities for our employees to engage in. We also support a number of NPOs by adding capabilities and scaling their business through our IT services. The Mastek Foundation considers giving back to the society a fundamental part of the company, and has imbibed three core pillars - **GIVE. ENGAGE. BUILD** - upon which we have built our mission.

Give

An integral part of our sustainability initiatives is the notion of giving back the love and support we receive from society, and we encourage Mastekeers to contribute in the same way. During the year, we supported 10 NPOs through our CSR grants, by supporting projects that are focused on diverse social causes, impacting 5,665 beneficiaries. With the motivation given to the employees, the employee payroll giving programme donated ₹ 13,15,522 in support of projects on health, education, child development and disaster relief, impacting 445 beneficiaries. In collaboration with Samaritan Help Mission through our initiative Inspired 2018, Mastek Foundation has raised ₹ 50,93,000 towards the construction of a school in Bankra, Howrah district of West Bengal. This educational institution will impact 3,000 underprivileged children by providing access to quality education.

10 Non Profit Organisations (NPOs)

supported with CSR grants

Engage

We believe that supporting our society financially is important. We encourage Mastekeers to create a difference in the society by driving the initiatives, apart from making financial contributions. To name a few examples, we organises a blood donation camp, and DaanUtsav – Joy of Giving Week, where 80 Masketeers volunteered. We also collaborated with HARIYALI, a non-profit organisation working towards environmental sustainability, and planted 75 saplings of neem, mango and ficus religiosa in the village of Tetavali, Rabale. With the support of Mastekeers, Team Majesco, Marathoners and Running Enthusiasts, NGOs and Volunteers, the 7th Annual Mastek Foundation Marathon Run was organised to bring peace and social change through running. More than 1,500 people participated in this run.

Build

In alignment with our 'Build' pillar, we initiated a 3 months course 'Project Deep Blue' to involve engineering students to solve social problems through meaningful technical solutions using their coding skills. The last three seasons of Project Deep Blue were tremendous successes, with 250 students participating in the finale, including 67 teams of 1,637 students from 24 engineering colleges across Mumbai and other cities. This competition promotes Deep Thinking, Innovation and an awareness about important Social Issues in young engineering graduates.

At a glance

Who we are

Being in the industry for over 3 decades, Mastek Limited has proved itself to be one of the leading global technology companies, delivering enterprise level digital transformation services and solutions.

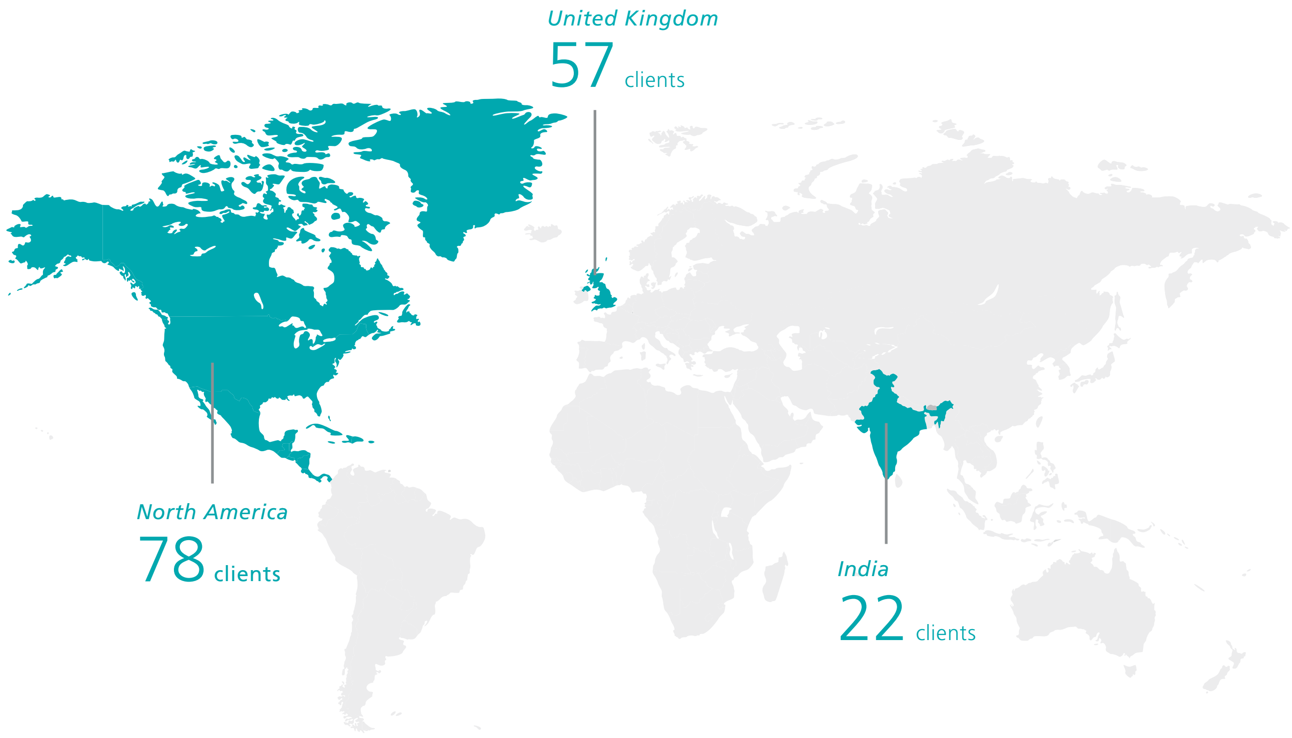
What we do

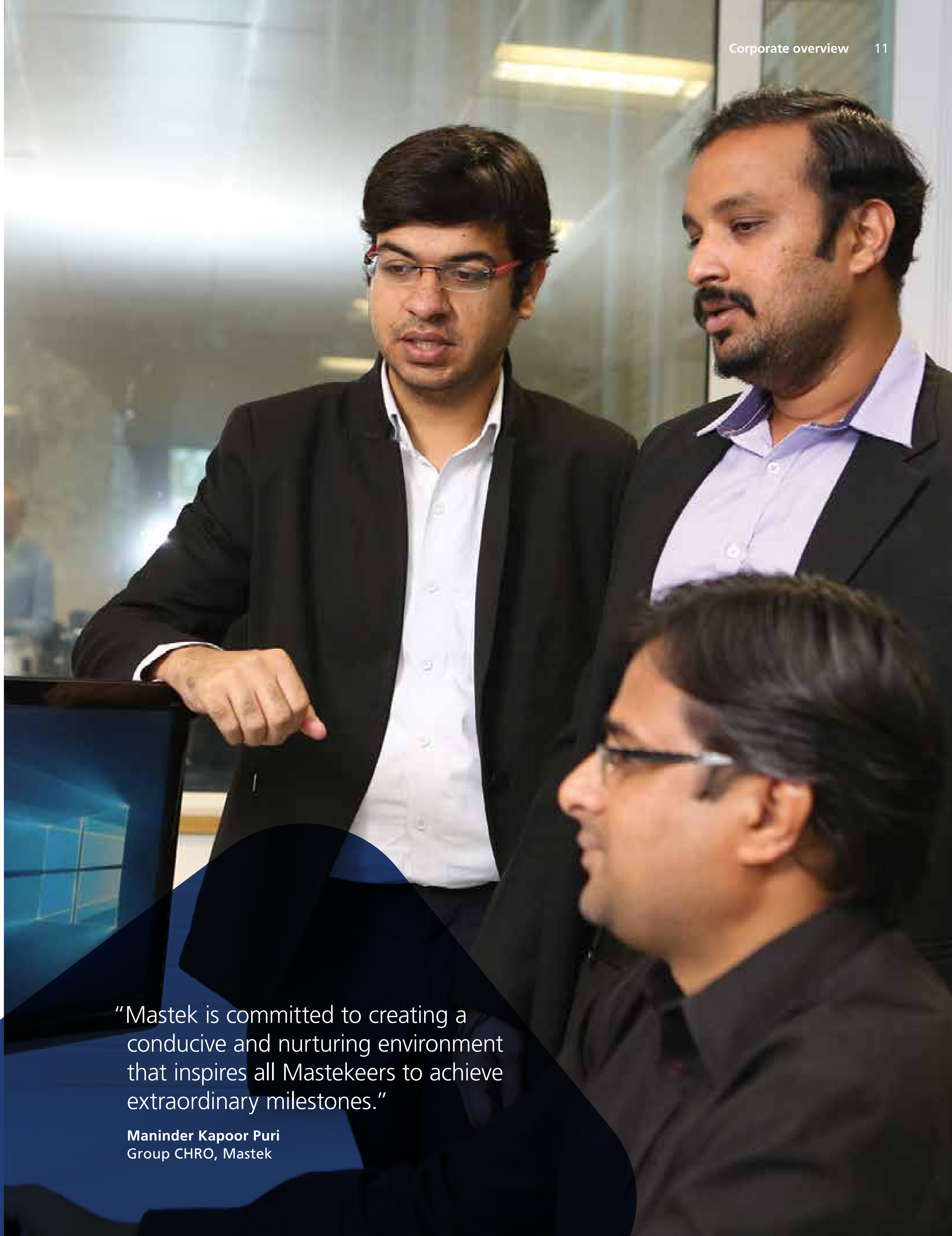
Our customers trust Mastek because we deliver what we promise, no matter how challenging the task. We have catered to over 200 organisations across the UK, US and India. Our customers trust us to deliver innovative technology solutions that make their businesses more efficient, competitive and service orientated. From the commercial sector to the public sector, we create, we modernise and we recover IT projects when they go wrong. We are consistently delivering game-changing results, exceeding our customers' expectations.

Our values

At Mastek we believe that our people are at the core of our inspirational growth agenda. We encourage every Mastekeer to follow our set of defined ethical values – PACTS (Passionate, Accountable, Collaborative, Transparent and Sustainable).

Our market presence





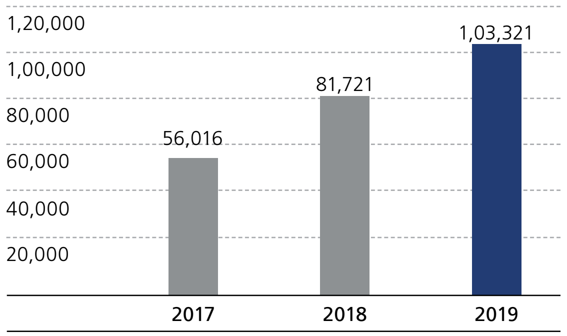
"Mastek is committed to creating a conducive and nurturing environment that inspires all Mastekeers to achieve extraordinary milestones."

Maninder Kapoor Puri
Group CHRO, Mastek

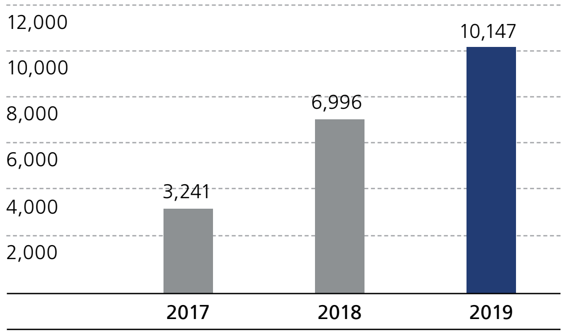
Key performance highlights

Profit and loss metrics (consolidated)

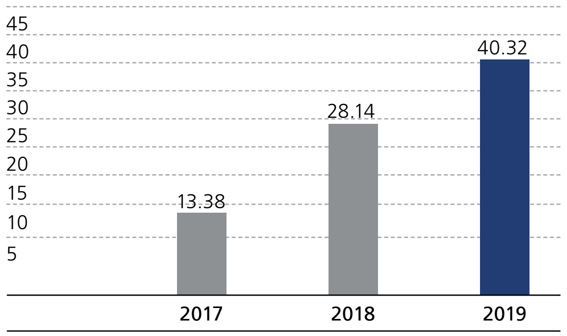
Revenue from operations (₹ in lakhs)



Profit after tax (₹ in lakhs)

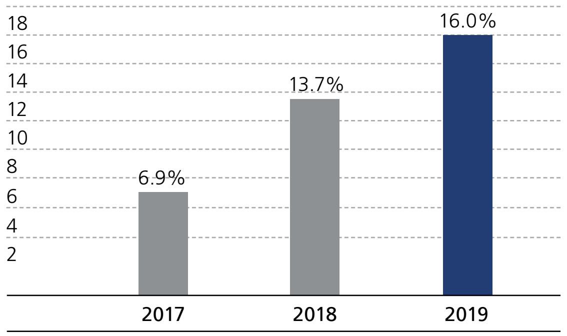


Earning per share – diluted (₹)

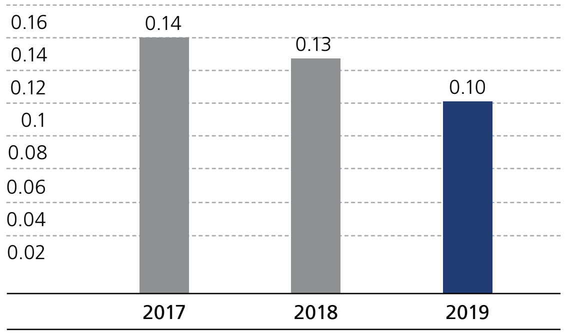


Balance sheet metrics (consolidated)

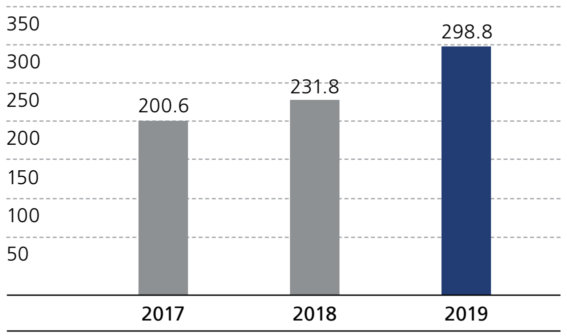
Return on networth (%)



Debt equity ratio

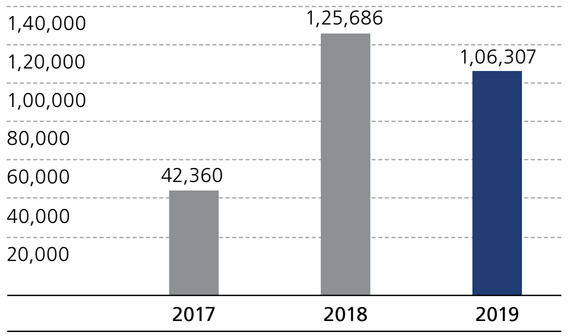


Book value per share (₹)

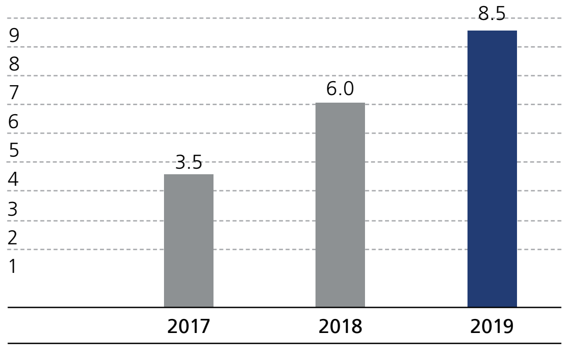


Shareholders metrics

Market capitaisation (₹ in lakhs)



Dividend per share (₹)

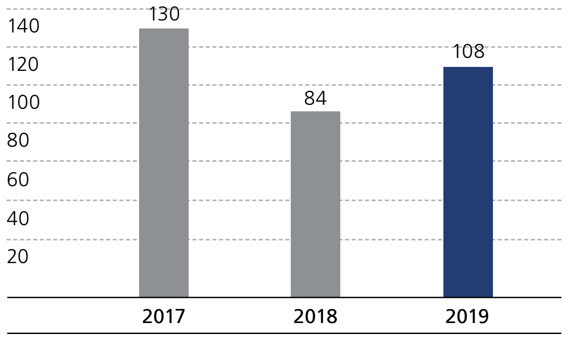


94.7%

CAGR growth in profit after tax (3 years)

Social metrics (consolidated)

CSR spending (₹ in lakhs)



Note: Mastek spends 2% of the Group Profits on CSR initiatives voluntarily

25.2%

CAGR growth in revenue (3 years)

Vision 2020 and core values

Vision 2020

Before the onset of Vision 2020, our customers considered us to be a reliable vendor with the ability to garner a promising industry position based on the services we provided. However, with the changing landscape of the IT industry, we envisioned the potential of building Mastek into a leader for enabling Enterprise Digital Transformations.

Under the three phases - **Fix, Win and Grow,** Vision 2020 aims to bring vitality to the daily operations of enterprises through the Digital Transformation across 6 service verticals. To fulfil this, we have strategically grown our talent base and added hundreds of skilled Mastekeers to our family. The business impact created over the first two years of a three year strategy has helped us bolster our customers' confidence, and thus their loyalty. We are now on a veritable path of being a highly recognised, respected and sought after global tech company.

Core Values

Mastek is committed to helping individuals and institutions become the best that they can be. To strengthen the foundation of our engagement with all our stakeholders, we have defined a set of ethical values called PACTS (Passionate, Accountable, Collaborative, Transparent and Sustainable). More importantly, they serve as a framework for the behaviour of current and future generations of Mastekeers.

Passionate
Our drive, motivation and purpose as Mastekeers is to deliver exceptional outcomes for our customers.

Accountable
Mastekeers recognise we are all ambassadors, empowered to excel under Mastek 4.0 and measured by our performance.

Collaborative
Teamwork drives our success through consistent behaviour, action and recognition.

Transparent
How we deliver, through open and honest behaviour is as important as what we deliver, which is our promise.

Sustainable
Proud of our heritage, reputation and track record, we are driven to continually improve the future for all stakeholders in society.

Our clients

For 37 years, we have worked closely with marquee global clients in their transformation journey. More than 200 organisations trust Mastek because we deliver on our promises, no matter where, when or how difficult the challenge. Our insightful and empowering solutions have impacted the lives of millions across the world, in diverse sectors ranging from retail, financial services and healthcare, to public-sector businesses.

> "Mastek adds value to our business. They are our key IT partner, now and in the longer term."
>
> **Simon Carter**
> IT Director, Together

> "I have always found them to be both flexible and responsive to our needs. They are always available to listen to what we want and that makes a big difference."
>
> **David Guest**
> Chief Technology Officer, Specsavers

together.
Manheim
RGBARRY
NHS Digital
NHS Improvement
Dixons Carphone
European Bank for Reconstruction and Development
B. A. Robinson Co. Ltd.
Home Office
Specsavers
US. FOODS
International Personal Finance

> "Mastek has helped us build a cloud-first foundation."
>
> **Craig Brown**
> IT Director – Applications and Integration, EBRD

Milestones

> "Under the leadership of our Group CEO John Owen and his Vision 2020, we have systematically transformed Mastek from a traditional IT services company, into a global leader in Enterprise Digital Transformation."
>
> **Sudhakar Ram**
> Vice chairman and managing director

1982

- Incorporated on 14 May, 1982 as Management and Software Technology Private Limited, designing and delivering computer software by Indian Institute of Management students.
- First project went live: a decision-support system to generate an optimised production plan for Vicks Vaporub in India.

1992

- Name changed to Mastek. Mastek acquired Carter Cast Systems, a UK IT company, in order to establish a UK footprint in Theale.
- Listed on the Mumbai Stock Exchange and the National Stock Exchange of India.
- US subsidiary founded: MajescoMastek.

2000

- First IT Solutions company worldwide to be assessed at P–CMM Level 3.

2003

- Engaged by BT Global Services to work on the UK National Health Service programme (SPINE). Over 130 SPINE projects delivered over next decade.

2007

- MajescoMastek acquired Vector Insurance Services, a technology solutions provider and third-party administrator, focusing on the North American life and annuity insurance industry.

2008

- MajescoMastek acquired Systems Tank Group (STG), an IP-based enterprise solutions provider to the North American property and casualty (P&C) insurance industry.

2010

- MajescoMastek acquired SEG Software LLC, a provider of policy administrator systems covering individual and group life, health and annuity insurance products.

2014

- MajescoMastek demerged from Mastek, consolidating all of its insurance business internationally under the new brand, Majesco.

2015

- Mastek acquired UK-based consultancy firm, IndigoBlue, specialising in Agile planning, delivery and governance.

2016

- Mastek acquired TAISTech, a US-based digital commerce company.

2017

- Vision 2020 delivers results with revenue up by 46% YoY, headcount by >30% and shareholder return by >80%.

2018

- Multiple industry awards won: European Software Testing Award (Best Test Automation Award; Functional); two DevOps Industry Awards (Best Overall DevOps Project – Public Sector; DevOps Manager of the Year.

Awards and recognition

March 2019

'The 10 Best Performing IT Leaders to Watch in 2019' – John Owen

A cover story, recognising John's leadership skills, was ran by the Insights Success magazine.

The CFO100 2019 Roll of Honour

For the 3rd year in a row, our Group CFO - Abhishek Singh, was recognised for his contributions to Financial Planning and Cost Management.

February 2019

Mastek L&D team won the award for "Best Learning Strategy of the Year"

This award was presented at the 3rd Edition of the "Future of L&D Summit and Awards 2019."

Mastek has been consistently recognised for its outstanding delivery and leadership team across the geographies in various industry forums.

November 2018

Mastek won European Software Testing Awards

Mastek along with Specsavers (our customer) won the Best Test Automation Project – Functional category at the European Software Testing Awards.

Mastek was recognised by Gartner in its "Leading IT Service Provider Offering RPA Services" section.

Mastek was recognised for its commitment to deliver quality services to its customers and for having a sustainable go-to-market strategy and skills in the area.

October 2018

IndigoBlue won two DevOps Industry Awards

IndigoBlue and its clients won two DevOps Industry Awards:

- Best Overall DevOps Project – Public Sector
- DevOps Manager of the Year

August 2018

Mastek CEO, John Owen won the Finance Monthly CEO Award 2018

Finance Monthly awarded John, the CEO, Award for his outstanding contribution in driving Mastek's growth agenda over the past 12 months.

Mastek is proud to have been identified as one of the 25 leading IT service providers of RPA and C&SI services by Gartner in their recent Competitive Landscape report.

July 2018

Mastek won Outstanding Contribution - IT at CNBC-AWAAZ CEO Awards

Ashank Desai (Mastek co - founder) received the award from Chief Minister of Chattisgarh, Shri Raman Singh in Raipur.

Vice chairman and managing director's message

Sudhakar Ram
Vice chairman and managing director

> "Our delivery performance on digital programs remains the mainstay of Mastek's capability, and we have proven our expertise in being able to deliver by executing large and complex transformational projects."

Dear Shareholders,
It is my privilege to present to you the Annual Report of Mastek for the year ended 31 March, 2019. This year, we have crossed another milestone in our journey, and achieved yet another year of consistent and industry leading performance.

Driving differentiation

When considering recent developments, there is no doubt that the current technological revolution will significantly disrupt companies and industries globally. At the current pace of innovation, employee models and customer expectations are changing rapidly, and organisations must put themselves in a position to take advantage of these opportunities. Keeping this in mind, at Mastek, we have positioned ourselves aggressively and strategically to further differentiate the Company in the new digital world, helping the enterprises who engage with us to disrupt rather than be disrupted. Through Vision 2020, we are delivering solutions that enable organisations to adapt to the evolving technological landscape.

At Mastek, we understand the momentum of digital transformation and the need to provide our clients with a great experience, no matter where or how they interact with us. We recognise the importance of being fully aligned with an enterprise's goals and strategies, and the absolute necessity to move quickly to anticipate and support an end-user's needs. Our delivery performance on digital programs remains the mainstay of Mastek's capability, and we have proven our expertise in being able to deliver by executing large and complex transformational projects.

Delivering on Vision 2020

Our consistent financial and operational performance reflect the successful execution of our growth strategy. Under the leadership of our Group CEO John Owen and his Vision 2020, we have systematically transformed Mastek from a traditional IT services company, into a global leader in Enterprise Digital Transformation. This clarity has brought welcomed stability and enabled us to respond faster to the dynamic and fluid business requirements that drive the digital agenda. With renewed confidence, direction and belief, we have remained steadfast in the quest to achieve our vision and believe in our ability to successfully place ourselves against any competitor in the Enterprise Digital Transformation industry.

On the financial front, we continue to deliver consecutive quarter-on-quarter revenue and profit growth, and our financial performance is now predictable and accretive. Similarly, on the operational front, we have streamlined and integrated all our resources to efficiently implement our strategies. Going ahead, we are in the process of leveraging our balance sheet assets to enable us to support our inorganic growth strategy. Strategically we must continue to diversify our customer base, our revenue base and continue to invest in developing our technical competencies. The market for digital will continue to expand and fragment so Mastek must continue to evolve to allow its natural assets of speed, empowerment and agility to bring better outcomes for our customers.

Opportunities for Mastek

As the demand for digital transformations in major global economies continues to increase, our presence in the UK, US and India enables us to support a strong foothold in these high growth markets. Our two primary markets, the UK and US, witnessed some headwinds during the year. However, even though this slightly dampened our business, we were able to maintain the overall group growth momentum.

With regards to the US market, we are still nascent in this region and are in the process of resetting our business strategy along with the management team. Through this exercise we expect to fuel growth in the US. Our business from the UK market remained predictable despite uncertainties around Brexit. With our diversified, risk optimized business model, we are successfully enhancing our client footprint across sectors. Moreover, amongst our key geographies, we are creating a talent pool of skilled labour through various initiatives such as the UK Graduate Program, the Deep Blue Project in Mumbai colleges, and Charity Hackathons.

Throughout the years, with our high standards of corporate governance, we have empowered an effective, entrepreneurial and prudent management team that has helped drive the long-term success of our Company. Our Board values accountability, fairness, and transparency in our relationships with all stakeholders, and we are committed to inculcating the same ethical culture across the organisation. We also strongly value business sustainability and have actively worked towards incorporating more environmentally favourable practices into our daily operations. We have contributed to society with our small but noticeable steps of reducing our water usage, energy consumption, food waste and e-waste.

Thank you

Every idea we have, every service we develop, and every technological innovation is synchronised towards the goal of enabling digital transformation, without compromising on our core values. Our capabilities, our strategies and our financial strengths have been our guiding force throughout the year. With great leadership and an empowered workforce, I am confident in our ability to execute the next phase of our growth.

I would like to thank our investors, our customers, our people, and our society, who have always trusted and supported us in endeavours dedicated to Mastek's success. Let's all look forward to a FY 2019–20 full of opportunity.

Sudhakar Ram
Vice chairman and managing director

Chief executive officer's message

John Owen
Chief executive officer

> "Mastek must operate like a 37-year-old start up with a passion for customers and a belief system that the way we support our customers digital agenda drives better business outcomes for our customers than a traditional approach, from a traditional supplier."

Dear Shareholders,
I am pleased to report another consistent year's performance for FY2018–19. As the second year of our three-year strategy 'Vision 2020', we made tangible progress towards repositioning Mastek as a recognised leader in implementing Enterprise Digital Transformations. We did this by resolving to focus exclusively on this domain as our core central business. As we enter our final phase of Vision 2020 - the growth stage, we mean to build on the solid foundations that we have already casted. We have come a long way since we divested Majesco from Mastek in 2015, and look forward to a new phase of growth based on simplicity of purpose and determined application.

This clarity of thought has already begun to reflect in the plan for growth we delivered during the year under review, which has meaningfully enabled us to produce stronger and more sustainable financial results. We now have a platform from which we can expand our business at a faster pace than our market peers via a twin approach including both, organic (maintaining YoY revenue and profit growth from our core business), and inorganic strategies (accelerating our growth through acquisitions). This position could have only been achieved through the dedication, commitment and professionalism of every Mastekeer, and I would like to formally acknowledge and thank them for their continued enthusiasm and loyalty in helping your Company deliver innovative quality solutions that are in sync with our customers' digital agenda.

Why we are different

Mastek focuses exclusively on the niche and lucrative IT segment of Enterprise Digital Transformation. This market represents a high growth component of the industry, that requires a unique sales, delivery and operating model, when compared to legacy IT offshoring where economies of scale traditionally dictates a business' success. While legacy IT decisions are centred around cost, and therefore, a race to the bottom to reduce input costs; digital decision making is centred around the time to business impact. This requires speed, agility, and an empowered, highly talented team of professionals to seamlessly collaborate for the benefit of customers. It also involves understanding the end-to-end customer journey, drawing on design thinking in a way that integrates the needs of the end user, and deploying agile practices to design, prototype, and test services — quickly.

This is how Mastek delivers productivity gains to its customers. We deliver quality, scalable digital solutions at a superior turn-around-time, allowing our customers to evolve faster than their competitors. Our engineering teams continually investigate ways to innovate and make digital transformations better, quicker, or more scalable. This is where Mastek 4.0 really makes a tangible impact to its customers. To achieve this, we must operate like a 37-year-old start up with a belief system that is based on delivering better business outcomes for our customers' digital agenda than the traditional approach that most of our competitors offer. We have extremely strong proof-points of successfully delivering the digital agenda of some the world's most demanding customers. I firmly believe in working with the most exacting and testing customers, that are implementing some of the most sophisticated and business critical applications. This will undoubtedly translate directly into making Mastek the best company it can be, and to have a competitive advantage as we scale the company over the next few years. Essentially, we are building our business from the ground up, to become a scalable, sustainable and profitable powerhouse.

This year at Mastek

Tagged as our "WIN" phase under Vision 2020,FY 2018–19 was intended to reposition Mastek as an emerging leader in the Enterprise Digital Transformation market. I am pleased to report that we began to see the early fruits of our business strategies in play.

In the last 12 months, we have won the most new logos within our recent history. This gives us the confidence to increase our investments into our business development initiatives. To put a perspective on our progress, our UK Public Sector projects that have driven our recent growth, now contribute more as a standalone sector than that of the whole of Mastek's business in FY 2015–16.

We have also launched innovative solutions around RPA (Robotic Process Automation) in India, being a hub for talent, innovation and the digital boom. We have now exported this learning with new contracts in the UK and an encouraging pipeline in the US. With growing opportunities in digital transformation, we anticipate that competition will become more aggressive. To navigate through these exciting times, we have adopted a renewed belief system backed by executional strength. This has allowed us to confidently position ourselves against world-class competitors.

We believe that Mastek's success is driven by the success of our people, who are at the core of everything we do. Keeping this in mind, we have invested significantly in the professional development of Masketeers through Pluralsight, Project Enhance, and Leadership development programs. Respecting our heritage of being a business based on strong values, we reward and nurture engineering excellence and empowerment.

Chief executive officer's message continued

Mastek's way forward

To continue the evolution of Mastek into a leader in Enterprise Digital Transformation, we must also continue to evolve our management experience and invest in the systems and processes that allow us to scale the business. It is clear that digital markets will challenge legacy business models, legacy delivery models, and legacy management structures. Mastek, in our new form, is well positioned to continue developing in this line. However, we are working to propel our growth to go beyond a simple extrapolation of the last eight quarters under Vision 2020.

Although we have essentially stabilised the business and positioned ourselves for the future, we must continue to transform our business every day, accelerate our growth, and be more ambitious than we have ever been in our history. How we transform over the next two years will dictate our strategic outlook. I am proud of the job we have done so far, but I am equally committed to continue to transform Mastek into a better digital transformation company, that delivers greater opportunities and benefits for all our stakeholders.

We have prominent Tier I global reference customers, a positive reputation, and improving revenue visibility to help deliver sustainable growth. Our working hypothesis has always been that 'Digital' creates market discontinuity, and a new Tier I vendor will emerge as traditional IT vendors struggle to adapt with the required agility. This hypothesis remains valid and we are seeing encouraging proof-points along our journey as legacy players look to consolidate to drive efficiencies in old business models. Given our strong fundamentals, Mastek is set up with every opportunity to emerge as the new Tier I vendor, a challenge I want every Mastek stakeholder to reflect on and commit to. It will not be straight forward, but if we continue to adapt, it will be rewarding for all our stakeholders.

As we enterFY 2019–20, our "GROWTH" year, we will need to accelerate our own transformation, to inject velocity and a sense of urgency into everything we do. The market waits for no one, and although success is not guaranteed, we have everything to play for.

A brief financial update

Our financial performance continues to be strong and should be a source of confidence for our future. Growth this year was driven by government led contracts in the UK, and the retail business in the US. Our achievements during the year serve as an inspiration to all our stakeholders and our financial performance is now predictable and accretive with resilient revenues. We recorded an approximate 41.3% jump in consolidated profit after tax to ₹ 2,739 lakhs in the fourth quarter ended 31 March, 2019 as compared to ₹ 1,938 lakhs in the same period last year. Similarly the total income of our Company increased by 18.7% to ₹ 27,403 lakhs in the fourth quarter ended 31 March, 2019 as compared to ₹ 23,080 lakhs in the same period last year. We also recorded 45% increase in PAT at ₹ 10,147 lakhs compared to ₹ 6,996 lakhs in the previous fiscal.

The total income of our Company increased by 26.2% to ₹ 1,05,799 lakhs, from ₹ 83,820 lakhs. For FY 2018–19, the EBITDA stood at ₹ 15,632 lakhs (14.8% of total income) as compared to ₹ 12,065 lakhs (14.4% of total income) in FY 2017–18, showing a strong growth of 29.6% on a YoY basis. The year ended with a 12-month order backlog of ₹ 54,490 lakhs (£ 60.2 million) as on 31 March 2019, as compared to ₹ 52,480 lakhs (£ 56.9 million) as on 31 March, 2018, marking an increase of 3.8%, which showcases the consistent growing momentum.

Our customers show their resilient support and confidence in us and during the year we added 37 clients. The demand for digital transformation remains high and our strong performance in FY 2018–19 provides us with the ability to further scale our business.

Driven by our performance and the continued confidence in the long-term outlook for Mastek, the Board of Directors have recommended a final dividend of 100%. This brings the combined dividend for FY 2018–19 to 170% an increase of 42% from last year.

Thank you

A Company cannot become a truly successful global company if it is not backed up with the elements of Corporate Social Responsibility, Business Ethics and Sustainable Management. Mastek has always worked towards doing the right thing and adopted the recommendations made by the Kotak Committee to the Securities and Exchange Board of India (SEBI). As per the recommendations, we as a listed entity, work towards improving the levels of transparency, accountability and the overall corporate governance standards to increase investor confidence. Growing responsibly, we have made sustainability one of the core agendas and have aligned ourselves to the blueprint of the Sustainable Development Goals (SDGs) outlined by the United Nations.

26.2%

total income growth (YoY)

In closing

At Mastek, our motto called **"Reset to Zero"** helps us re-move the risk of complacency and recommit to working harder and smarter for all our stakeholders. Despite some of the market challenges, such as the uncertainties sur-rounding Brexit, that will undoubtedly contribute toFY 2019–20, we intend to navigate through the current fiscal adeptly and keep Mastek moving forward.

I would like to extend my heartfelt appreciation to all our stakeholders for their commitment and passion to advance Mastek in the years to come. These journeys are never straight forward, however, I hope you are as proud of your achievements as I am and can see the tangible difference, a successful Mastek can create.

Thank you for the opportunity to earn your confidence and trust.

John Owen
Chief executive officer

Turning heritage into a transformation journey

From helping our customers to understand their challenges, to creating a roadmap: we deliver state-of-the-art solutions to facilitate Enterprise Digital Transformations.

For over three decades, through our transformational solutions, we have been doing right by our customers, our people, our investors and the societies we serve, impacting millions of lives across sectors. Leveraging the heritage value built over the years, we are now working towards becoming a leader in Enterprise Digital Transformations across the globe.

Conceived in the dormitories of the Indian Institute of Management in 1982, Mastek began with the aim to bridge the gap between business and technology. Since then, we have spent over three decades serving hundreds of clients, and have impacted millions of lives across multiple sectors such as retail, financial services, healthcare, and public sector businesses, across the UK, the USA and India.

We believe that virtually every company is on the journey of transforming their organisation digitally in some way or the other. However, most IT companies fail to meet the demands of change seeking institutions as they lack the necessary capabilities required for effectively delivering Enterprise Digital Transformation solutions. Most established IT players tend to compete leveraging their economies of scale, and therefore are not always in the position to deliver what transformation seeking enterprises require. At Mastek, we believe that what matters most is the speed of reaching the outcome, the cost of inputs, and delivering the best-in-class quality of services.

With agility in our approach, methodology, and above all, mindset, we are able to come up with solutions for any kind of challenges obstructing a digital transformation process. This ranges from helping our customers understand their obstacles, to creating a roadmap and delivering state-of-the-art transformational programmes that takes them to their required business outcomes.

As the digital revolution progresses, and the use of mobile devices and the internet take on the role of fulfilling multiple necessities, the size of the digital economy is on an exponential upward trend. This is increasing the end-user's sensitivity to any delay or inefficiency in a business' digital transformation initiative. We believe that embracing digitalisation is about quality as well as speed, which is why we continue to support our engineers by enhancing their capability to deliver, their capacity and their judgement. Being in the business for over 3 decades, we have an overall customer advocacy rate of 86.61%, while also excelling in engineering complex digital transformation solutions with a programme delivery rate of 96%, against the industry standard of 81%. *(Source: Company Data)*

As we continue to explore new opportunities for growth, we acquired TAISTech in 2016, a US-based digital commerce company. The brick and mortar retail sector in the US are leading the IT industry with their demand to transform into e-commerce giants. Through this acquisition, our strategy is to add value in our clients' journeys and leverage our strong expertise and talent to provide them with a seamless change over process, keeping in mind the needs of their end-users.

Moving forward, we aim to increase our wallet share of our existing markets, while also focusing on our own digital transformation growth journey with an increased operational efficiency. We believe that the market, our stakeholders and our customers expect more from Mastek and we plan to deliver on those expectations.

We deliver a 96% programme delivery rate, against the industry rate of 81%

Empowering every Mastekeer

We create. We nurture.

We aim to 'create and nurture' millennial talent, enabling the tech innovators of tomorrow to gain key skills that are vital for the continued growth of the industry.

Mastek plans to make a multi-million-pound investment into UK's IT economy, over the next three years. The industry is experiencing a demand gap for specialised skills as businesses are growing and customer needs are constantly evolving.

With 12 consecutive quarters of growth, we have the confidence for initiating ambitious plans for making new investments over the coming years and creating new job opportunities within the IT industry. To support our vision of creating an impact by investing in the future, we introduced the Graduate Recruitment Programme at Mastek. It is a unique development opportunity for recently qualified graduates and provides them with challenging and purposeful opportunities to accelerate their job readiness. The aim of the programme is to "create and nurture" millennial talent, enabling the tech innovators of tomorrow to gain key skills that are vital for growth in the industry. Through this initiative, we are able to form a competent and dynamic pool of professionals that are trained and exposed to the systems and processes in the IT industry.

In FY 2018–19, our programme started in India and a new blended approach of learning was adopted for 24 promising graduates, wherein they were exposed to challenges and a "Project Like" environment right from day 1 of their training. After the tremendous success of the programme in India, we replicated this programme in the UK with few customisations and added 18 new graduates to the Mastek family. Fuelled by the need to improve the opportunities available to fresh graduates in the IT sector, we have developed Digital Learning Centres that are available to students through our Graduate Recruitment Programme.

18 new graduates

added to the Mastek family in the UK

24 new graduates

added to the Mastek family in India

Our graduates also receive 3 months of extensive training to prepare themselves to be a multi-skilled base level developer. Trainees gradually learn to put things together between UI, front end and back end data layer, to finally integrate a full stack solution. The blended programme also focuses extensively on self-exploration and team collaboration.

Central to this programme is the development of fresh graduates into passionate and industry-ready professionals. Through this, we support and develop the leaders of the next generation while also helping them understand the business and industry.

We also provide the graduates with an opportunity to get insights into life at Mastek – our digital transformation journey, the high regard for values and culture, the cutting-edge technologies that graduates would be expected to learn, as well as the importance of enhancing and acquiring new skills to grow as a professional.

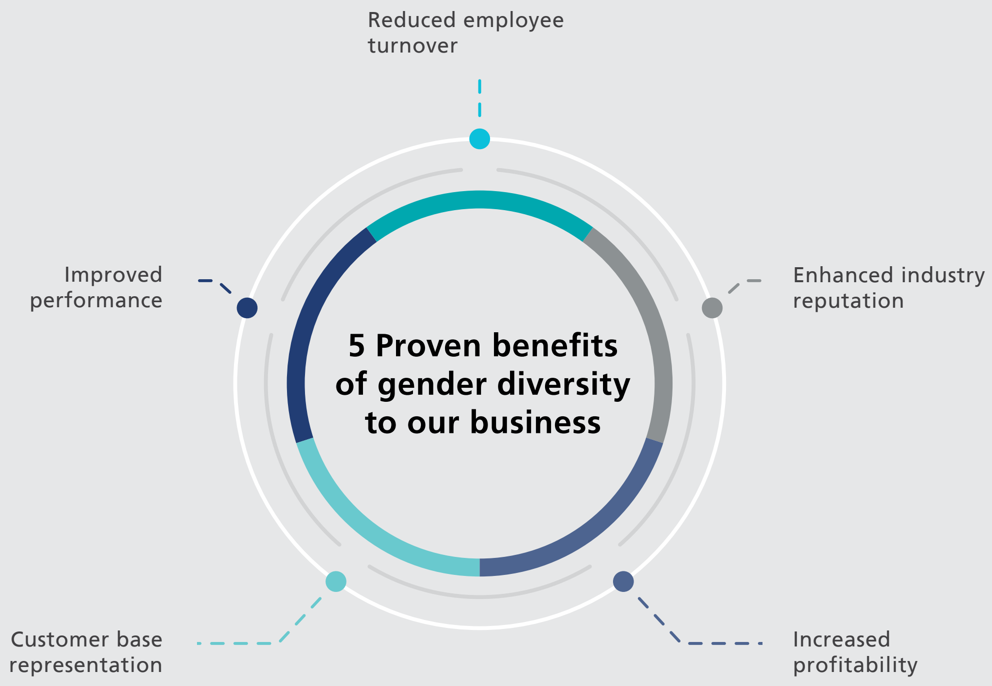
Empowering every Mastekeer

Workplace diversity at Mastek

At Mastek, we are working towards a gender ratio of 60:40 by 2020.

Gender diversity in the workplace is enhancing the performance of organisations globally. Although women make up 50% of the working age population, only 37% contribute to the global GDP and make up only 39% of the total labour force.

Recognising the advantages of a gender diverse workforce, Mastek is taking an active role to encourage a culture of equal opportunities and an inclusive mix of employees. Our end goal is to be a leading global tech company where anyone can grow their career, irrespective of gender. By introducing agile working practices, we hope that all our colleagues achieve their full potential and build the skills and capabilities they need to succeed.

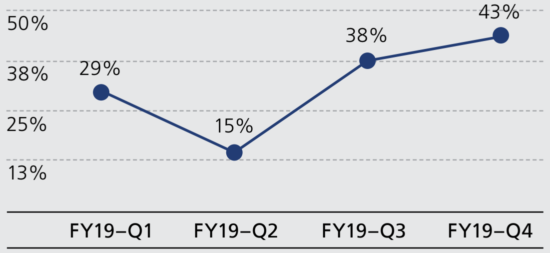


Launched in July 2018, Women Empowered by Mastek (WEM) is a programme that aims to foster an ecosystem that provides a fulfilling career path for all Mastekeers. Through this programme we hope to achieve a gender ratio of 60:40 by 2020.

Understanding the different needs of every Mastekeer, WEM has put us on the path of working towards developing a culture of adaptability in the workplace. Networking plans have also been introduced for women Mastekeers to understand and discuss any concerns in a friendly environment, which further supports our WEM initiative. Moreover, through flexible working hours and remote work options like work-from-home, we are fostering a culture of adaptability with busy life stages, such as motherhood.

During the year, we have specifically focused on making more job opportunities available through special campaigns such as a dedicated hiring drive on International Women's Day. This initiative significantly increased the number of women welcomed into the Mastek family, positively impacting our diversity mix. The hiring drives also included one-woman assessor on each interview panel for women applicants. Also, to make Mastek a comfortable and women friendly organisation, we have reserved dedicated parking slots for pregnant women at Mahape and plan to replicate this at our other locations as well.

Diversity mix (%)



Apart from this, to ensure equal pay for equal work, a salary benchmarking exercise was also carried out. A mentor-mentee programme and Leadership Development initiatives have also been introduced to assess a candidate's managerial competency and improve their leadership capabilities, including technical and functional skills. We also initiated a Reconnect programme, through which we aim to reach out to women employees who left Mastek for personal reasons in the last 2-3 years.

Going forward, we plan to take full advantage of our Gender Ratio Dashboard that maps the progress of movement in gender mix at Mastek and is reviewed on a quarterly basis. The data collected here helps us decide on how to proceed with current and future initiatives to reach our goal.

Mastek is working towards being known as an 'Equal Opportunity Employer', and through our agile working practices, we help all our colleagues to achieve their full potential and build the skills and capabilities they need to succeed.

Empowering every Mastekeer

Bringing together industry and academia through innovative technology projects

To transform lives by using technology, Mastek initiated Project Deep Blue, and since then, we are continuously encouraging engineering students to solve social problems using coding skills and come up with meaningful technical solutions. The project signifies the willingness to challenge the norms, the determination to solve challenging issues to create a social change and the drive to become forward thinkers.

As the new generation of emerging engineers lack practical knowledge with reference to the industry, Project Deep Blue serves as a platform that bridges the gap between industry and academia. The initiative gives them the opportunity to test their technical acumen under the mentorship of industry veterans from Mastek. These experts have volunteered for over 8,120 hours, providing guidance to these young minds and helping them deliver significant and meaningful technical solutions for problems faced by society. This season, we had close to 550 teams, and more than 1,650 students from 24 different colleges registered with us.

Three teams from season 4 have been chosen to work with an NGO for furthering their projects in the fields of Waste Management, Capacity Planning for Toilets, and Public Health Check-ups. The winners of this competition are offered internships with Mastek. This year, 33 students, including finalists and winners, were offered internships and job placements, of which 19 were extended by Majesco and 14 by Mastek.

What differentiates Project Deep Blue from other hackathons is the depth of interaction between participating students and Mastek, which lasts for 3 months thus preparing them before they step into corporate life or pursue an entrepreneurial path. On the same lines as Project Deep Blue, we also hosted an 8-week Charity Hackathon working with regional universities in the UK on three problem statements: Creating a platform for cancer patients to connect, delivering a discovery platform and offering an anonymous approach to do so.

At Mastek, we believe in nurturing and creating a workforce for tomorrow while being responsible towards society. Through the Deep Blue Project and our Charity hackathons, we are supporting the next generation in their journey of finding solutions to unanswered questions and contributing towards making the world a better place.

+8,120 hours

volunteered by industry experts

Transforming public sector services through digital solutions

In a global economy, the ability to remain competitive requires digital and information excellence not only by private organisations, but also by the public sector. As the physical, digital, and biological worlds continue to converge, new technologies will enable the government to engage with the citizens and serve them better.

At Mastek, we have successfully executed projects in the UK public sector for over two decades, and the revenue from this business has witnessed healthy growth, led by Digital Outcome and Specialists (DOS) and the G-Cloud policy of the UK government.

38.5% CAGR

revenue from UK's public sector (2 years)

Governments across the globe have recognised that they must transform the services they provide to meet the expectations of its citizens. The need for digital transformation across public sector is led by various factors that includes high pressure on health and social services as the ageing population increases, transforming the educational system to reduce the skill gap in the technology driven world and digitally equipped infrastructure. We have a strong and committed leadership workforce, clear purpose and priorities, compelling communication, and capability for bringing change. With our long-term relationship with the UK government — through projects such as NHS Digital, NHS improvement, Home Office — we are well placed to capture the benefits of increased digital spend, helping us navigate our growth with more resilience.

Also, in India, our e-commerce initiatives led by the central, state and local governments will benefit citizens with transparency, efficiency and ease of access. Considering complex Indian demographics and multi-tiered administration structures at various levels; the National e-Governance Plan requires a committed and professional approach to the design, and the implementation and monitoring of services based on Information and Communication Technology.

With the help of Mastek, the public sector is deploying agile practices to transform at a faster pace and lower cost while also creating outcomes that responds to the priorities of the citizens.

Our products endeavour to serve both sides of governance — revenue generation as well as the effective expenditure and utilisation for public benefit. Public sectors across the world are aiming to enhance citizen experience by understanding end-to-end customer journey in services such as public transport, health and education. They are reconfiguring these services by drawing on the design thinking in a way integrates the needs of the people, possibilities of technology and the requirements of the provider organisation. With the help of Mastek, they are deploying agile practices to transform at a faster pace and lower cost, while also creating outcomes that respond to the priorities of the citizens.

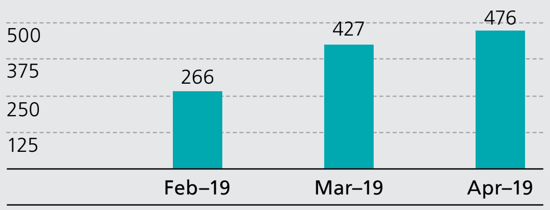
Our defence against cyber threats

The Cyber Security threat is now a universal reality, as most organisations are integrating their businesses to the Internet. Securing the organisation's information is one of the biggest challenges and across the world risk managers are taking mitigation measures to curb cyber-risk and related cyber-risk crimes. To create a defence line against the cyber-attacks, Mastek has implemented various security controls in the organisation.

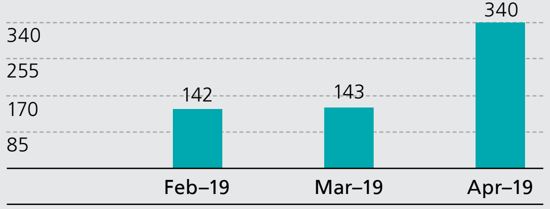
Advance end point protection

With new threat monitoring controls in place, we have secured and upgraded our end point (on desktops/laptops and servers) solutions. This includes live malware protection, deep learning malware detection, exploit prevention, Potentially Unwanted Application (PUA) blocking, automated malware removal, malicious traffic detection, ransomware file protection (cryptoguard), download reputation, and peripheral control.

No. of malware protected



No. of malicious program deleted



TAISTech office IT infrastructure upgraded to meet industry best practices

A successful acquisition is marked by the successful assimilation of not only the two organisations but also its policies, process, people and operations. To drive synchronisation between two entities, it is important to ensure consistency in the IT infrastructure as well. IT security of TAISTech offices (latest Mastek acquisition) are upgraded in line with Mastek and Industry best practices.

Enhancement in application security

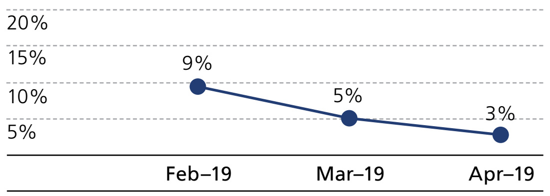
Organisations in past have been dependent upon the security measures on the perimeter of the network to protect their IT infrastructure. However, as technology is changing at a fast pace, traditional network security measures may not be enough to safeguard the organisation from the new attacks designed to threaten and target the flaws in the design of web applications. At Mastek, we have enhanced our application security practices to reduce this risk. They include

An internal VA PT for Mastek applications deliveries

The releases of training modules for In-house online security coding practices through which 60% of developers and testers are trained for secure coding practices

The procurement and configuration a new secure code review product for Mastek projects

No. of employees trapped



Enhanced information security awareness through phishing e-mail tests

Even though people are the most important asset of any organisation, they are also the weakest element in securing information systems and networks. Most of the organisations give importance to technology instead of the people who are the most critical factors in ensuring information systems security. However, at Mastek, we have initiated various user awareness programs and trainings on information security, application security, and GDPR awareness training. Through our awareness on Phishing emails, we have reduced the responses to Phishing emails from 9% to 3%. We have also conducted two targeted Phishing email tests for Finance and Human Resources to enhance the security awareness programme within teams.

At Mastek, we believe that "We can't value what we can't measure, and we can't measure what we don't know about." And therefore, the first step towards Cyber Security is to identify the assets and then secure them. Through our initiatives during the year, we are taking confident strides towards our goal of becoming one of the top global tech cyber-security companies.

Our sustainability and development goals

Corporate and Social Responsibility (CSR) has always been important at Mastek and as we grow we will continue to act as a responsible global citizen. With this in mind we have made sustainability and reducing the impact we have on the environment a key focus for our business operations.

We have aligned our initiatives with the blueprint of the United Nations' Sustainable Development Goals (SDGs), giving us a holistic sustainability framework to work towards. These Goals are part of the 2030 Agenda for Sustainable Development, adopted by all UN Member States in 2015 who are vying for peace and prosperity, for all people and the planet, today and into the future.

We have streamlined our businesses to encourage sustainable development through the investments we make, the solutions we develop, and the practices we adopt. As we continues to grow, we encourage all our stakeholders to expect more as we take on the challenge of becoming an increasingly sustainable enterprise.

United Nations - Sustainable Development Goals (SDGs)

Goal 7

Ensure access to affordable, reliable, sustainable and modern energy for all

Goal 7 advocates universal access to affordable, reliable, modern energy services. Given that sustainable development hinges on climate-friendly economic development, Goal 7 aims for a substantial increase in the share of renewables in the global energy mix and a doubling in the global rate of improvement in energy efficiency.

Goal 11

Make cities and human settlements inclusive, safe, resilient and sustainable

Goal 11 aims to reduce the adverse per capita environmental impact of cities, particularly in terms of air quality and waste management. It calls for more inclusive and sustainable forms of urbanisation, based in particular on a participatory, integrated and sustainable approach to urban planning.

Goal 12

Ensure sustainable consumption and production patterns

Goal 12 advocates environmentally sound management of chemicals and all waste as well as a substantial reduction in waste generation through measures such as recycling. It also aims to halve food waste, encourage companies to adopt sustainable practices, and promote sustainable public procurement practices.

Goal 13

Take urgent action to combat climate change and its impacts

Goal 13 calls on countries to incorporate climate protection measures in their national policies and assist each other in responding to the challenges at hand. It advocates strengthening resilience to climate-related natural disasters and reaffirms the commitment undertaken by developed countries to mobilise each year US$ 100 billion jointly from all sources by 2020 to help developing countries adapt to climate change.

Our sustainability initiatives

Efficient consumption and energy saving initiatives

At Mastek we have a motto, 'energy conserved is energy generated' and to this end we have a number of programmes to reduce our energy consumption.

Over the past year our initiatives saw us reduce energy consumption by 34% over the past 12 months. We saved 34% (7.7 lakh KWH units YoY) of energy for FY2019. The diesel consumption reduced from 4,460 litre/year in FY2018 to 2,111 litre/year in FY2019, marking a yearly reduction of 53%.

Moreover, to inculcate efficient energy consumption, the process is being optimised by using energy saving and efficient tools.

We have also replaced old CFL lamps with LED lamps across all units; replaced old UPS with an energy efficient modular UPS; and replaced old AC units with a more energy efficient VRV system.

With a step towards the green initiative, the Company's over the past year our initiatives saw us reduce energy consumption by 34% over the past 12 months AC systems now uses R410 eco-friendly refrigerant gas and fire suppression gas. Going forward, by the end 2020, we aim to replace our old conventional data-centre with energy efficient Smart Rack DC.

KWH units consumption (YoY)

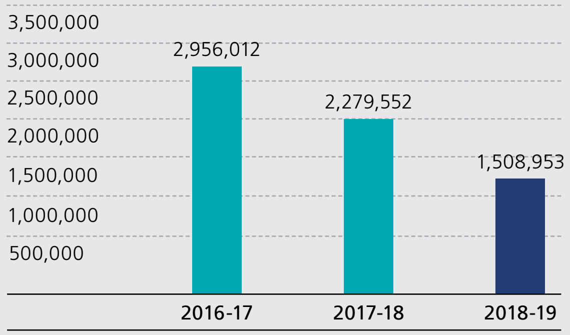


Figure 1: Reduced energy consumption

Diesel consumption in litres (YoY)

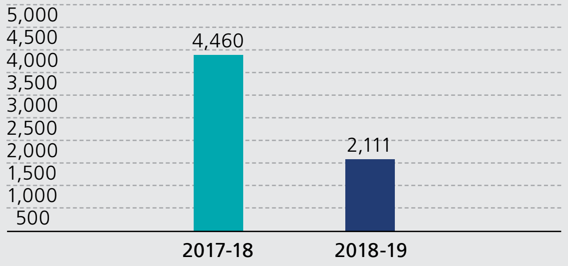


Figure 2: Reduced diesel consumption

34%

total energy saved during the year

53%

reduced diesel consumption

Food waste management

We have taken several measures to reduce food waste in in our canteens and have seen this fall by approximately 40 per cent over the past financial year.

Food wastage reduction in kg (YoY)

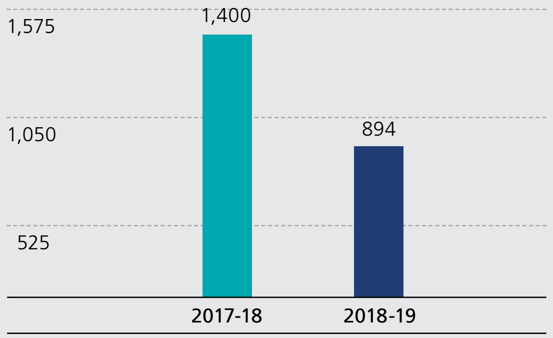


Figure 1: Food waste reduction

Sustainable consumption

We have started to invest in non-conventional sources of energy generation and have installed a solar water heater at our MMC cafeteria, which is an eco-friendly and non-polluting device that helps us reduce our carbon-footprint. We have also started using biodegradable garbage bags in place of plastic garbage bags to restrict plastic usage.

We have reduced A4 paper consumption from 390 rims to 320 rims, marking a fall paper consumption by 18% YoY. As a routine process, we dispose of our e-waste to CPCB/MPCB approved vendors or recyclers. We have also disposed of 200 old desktop sets. Next year, we plan to incorporate rainwater harvesting at our Mahape office location.

18%

reduced paper consumption during the year

Solar Panels installed at Mahape

Board of directors

Mr. S Sandilya

Non-executive chairman and
independent director

(DIN 00037542)

Mr. S. Sandilya is a Commerce Graduate from Madras University and MBA from the Indian Institute of Management (IIM), Ahmedabad and holds 5 decades of rich and diverse professional experience. Mr. Sandilya is presently the Non-Executive Chairman of Eicher Group. He joined Eicher Group in 1975 and has held various responsibilities in the areas of Group Finance including Information Technology, Strategy and Planning, Manufacturing and General Management. He was the Group Chairman and Chief Executive for 6 years before becoming the Non-Executive Chairman, the post he continues to hold.

He has been a National Council Member of Confederation of Indian Industries (CII) for many years. He is also the Non-Executive President of SOS Children's Villages of India, a Non-Profit Organisation providing care for parentless, abandoned and vulnerable children.

Mr. Sudhakar Ram

Vice chairman and
managing director

(DIN 00101473)

One of the Co-founder Director of Mastek, Mr. Ram brings to the table extensive experience in strategic initiatives in the areas of Vertical Enterprise Platforms and Applications that enable business transformation.

Mr. Ram is a veteran of the Information Technology industry and is also a keen observer of domestic and global IT business trends.

He had handled the additional responsibilities of leading Mastek's business in the UK as CEO for two years. He has nearly 4 decades of rich and diverse experience in Information Technology Industry. He was at the helm of several strategic initiatives that helped the Company to achieve its vision of becoming an excellent provider of Vertical Enterprise Platforms and Applications that enable Digital Transformation. Within the Mastek organisation, his focus is on bringing about a marked shift in Leadership, Commitment, Creativity and Culture with a view to accelerate increase in value delivery.

He is a silver medalist of Indian Institute of Management ("IIM"), Calcutta (IIM-C ranks among the Top 5 management institutes in India). He holds a Bachelor of Commerce from Chennai University and a PGDM from IIM Calcutta.

Mr. Ashank Desai

Non-executive director

(DIN 00017767)

Mr. Ashank Desai, is an Information Technology Industrialist and has done B.E. from Mumbai University and had secured the second rank in the University. He holds a M. Tech Degree from the Indian Institute of Technology (IIT), Mumbai. He also holds Post Graduate Diploma in Business Management (PGDBM) from IIM Ahmedabad.

Mr. Desai is the Founder and Former Chairman of Mastek Ltd. He also guides Mastek Foundation, whose mission is to enable "Informed Giving and Responsible Receiving". Mr. Desai is widely recognised as an industry veteran and is one of the founder members and Past Chairman of NASSCOM. He has been felicitated by Prime Minister Shri Narendra Modi for his contribution to NASSCOM and IT Industry.

He has been conferred with the "Distinguished Alumnus" Award from IIT Mumbai and the Computer Society of India (CSI) "Fellow of the Society" honour. He has also been presented with the Honourable Contributors Award by ASOCIO - the only Indian to receive this recognition twice. He was conferred with the much-coveted Outstanding Entrepreneur Award at the Asia Pacific Entrepreneurship Awards (APEA) 2010 India.

Ms. Priti Rao

Non-executive and
independent director

(DIN 03352049)

Entrepreneur and Managing Director at Pumpkin Patch Daycare which caters to the needs of young parents, who need a trusted place where they can keep their kids and be able to focus on their careers. India lacks such world-class infrastructure where love, care and safety are the most important aspect. Her focus is to create happy children and help women go back to work. Currently, she has 10 daycare centres in Pune, with 1000+ children under their care. She is also the Founder and Chairperson of Aatmaja Foundation.

She holds 2.5 decades of diverse experience in building and delivering range of IT services for customers located across five continents. She has built large remote infrastructure services business using global delivery model. She held senior executive positions with global teams P&L responsibility and large location responsibility for best of breed IT services companies and multinational.

She holds a postgraduate degree in Computer Science from Indian Institute of Technology (IIT), Mumbai. She won the prestigious "IT woman of the year award" from the Computer Society of India for 2002; and also the "PUNE 2007 SUPER ACHIEVERS AWARDS" in August 2007.

Mr. Atul Kanagat

Non-executive and
independent director

(DIN 06452489)

Engineering from Indian Institute of Technology (IIT), Mumbai and an MBA from Harvard Business School, Boston, Massachusetts. After completing his MBA at Harvard in 1982, Mr. Kanagat joined McKinsey and Company in Chicago. He was elected as Partner in 1988, Director in 1994, and thereafter Managing Director of their Seattle office in the period 1995 to 2003. Mr. Kanagat has been a Member of the Boards of Seattle Symphony, Fred Hutch Cancer Research Centre and Greater Seattle Chamber of Commerce, as also the Board of Liberty Science Centre in Jersey City. Mr. Kanagat has also worked for Harman International as Vice President - Strategy and Mergers and Acquisition.

Mr. Keith Bogg

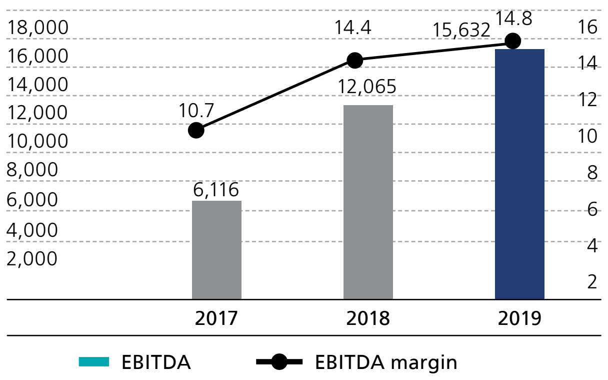
Non-executive and
independent director

(DIN 07658511)

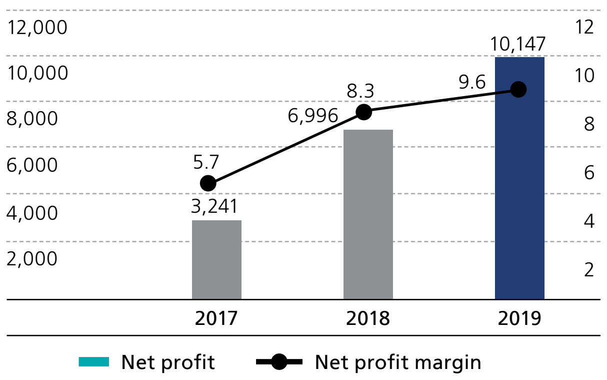
Mr. Bogg, A-level Economist from University of Hertfordshire, is an experienced London-based Company Director and business change leader operating across multiple functions and sectors with a focus on strategy, restructuring, growth and shareholder value. At Marks and Spencer, he held multiple roles, including Global CIO, Director of Supply Chain and Logistics and Retail Board Director, in addition to the Direct Marketing function. Mr. Bogg has also held senior business change relationship roles with BBC Technology, Catlin Insurance group and as a public and private sector client facing strategic advisor for Gartner. Most recently, he held a Non-Executive Chairman role with Data and Research Services Plc. and currently holds advisory roles with the Civil Aviation Authority and the Grosvenor Group, UK.

Financial and operational review

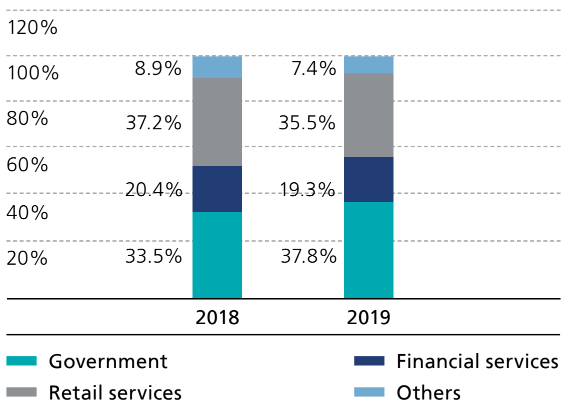
EBITDA (₹ in lakhs) and EBITDA margin (%)



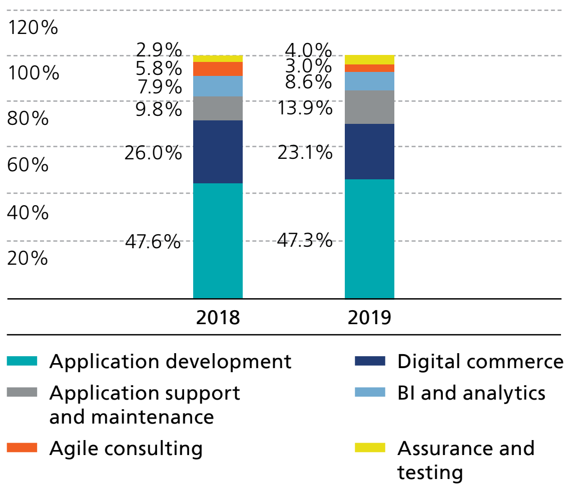
Net profit (₹ in lakhs) and net profit margin (%)



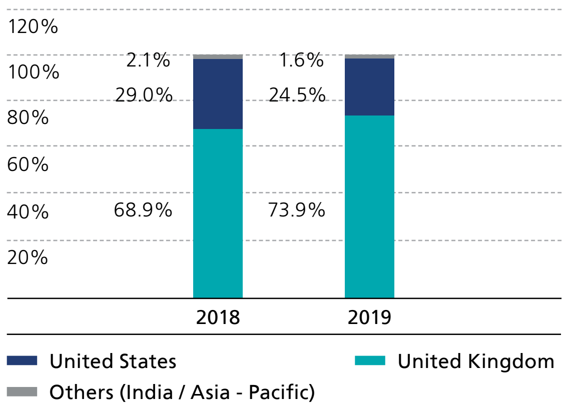
Revenue by industry (%) YoY



Revenue by service line (%) YoY



Revenue by region (%) YoY



Financial highlights

(₹ in lakhs)*

Particulars	2016–17	2017–18	2018–19
Total Income	57,276	83,820	**105,799**
Operational Revenue	56,016	81,721	**103,321**
EBITDA (Including Other income)	6,116	12,065	**15,632**
EBIT	4,623	10,189	**13,897**
Net Profit	3,241	6,996	**10,147**
EPS- Basic (₹)	13.96	29.74	**42.61**
EPS- Diluted (₹)	13.38	28.14	**40.32**
DPS (₹)	3.5	6.0	**8.5**
Annualised growth in			
Revenue(%)	6.3	45.9	**26.4**
Net Profit Margin(%)	5.7	8.3	**9.6**
EBITDA Margin(%)	10.7	14.4	**14.8**
Return on Networth(%)	6.9	13.7	**16.0**
Debt/Equity	0.14	0.13	**0.10**
Current Ratio	2.6	2.3	**2.9**
Debtors Turnover (No. of days)	55	67	**72**
Operating Cashflows	4,285	6,488	**7,507**
Current Investments and Cash and bank balances	15,299	20,572	**20,735**
Price Earning Multiple	13	18	**10**
Group Employees as at the year end	1,577	2,058	**2,069**
Offshore (Numbers)	1,045	1,327	**1,264**
Onsite (Numbers)	532	731	**805**

** Except EPS and ratios*

Corporate information

Board of Directors

S Sandilya
Non-executive chairman and independent director

Sudhakar Ram
Vice chairman and managing director

Ashank Desai
Non-executive director

Priti Rao
Non-executive and independent director

Atul Kanagat
Non-executive and independent director

Keith Bogg
Non-executive and independent director

Audit Committee

S Sandilya
Chairman

Ashank Desai
Member

Priti Rao
Member

Atul Kanagat
Member

Keith Bogg
Member

Nomination and Remuneration Committee

Atul Kanagat
Chairman

S Sandilya
Member

Ashank Desai
Member

Stakeholders’ Relationship Committee

S Sandilya
Chairman

Ashank Desai
Member

Atul Kanagat
Member

Sudhakar Ram
Member

37th Annual General Meeting
Date : Tuesday, 23 July, 2019
Time : 11.00. a.m.
Venue : H.T. Parekh Auditorium, AMA Complex,
ATIRA, Dr. Vikram Sarabhai Marg,
Ahmedabad - 380015, Gujarat, India.

Corporate Social Responsibility Committee

Priti Rao
Chairperson

Ashank Desai
Member

Sudhakar Ram
Member

Governance Committee

Ashank Desai
Chairman

Priti Rao
Member

Keith Bogg
Member

Sudhakar Ram
Member

Group Chief Financial Officer

Abhishek Singh

Company Secretary

Dinesh Kalani

Statutory Auditors

Walker Chandiok and Co. LLP
Chartered accountants
(Firm registration no. 001076N/N500013)

Bankers

ICICI Bank Limited
Standard Chartered Bank
HDFC Bank Limited

Registered Office

804 / 805, President House, Opp. C. N. Vidyalaya, Near
Ambawadi Circle, Ambawadi, Ahmedabad - 380 006
Gujarat, India
Phone: +91-79-2656-4337, Fax: +91-22-6695-1331
E-mail: investor_grievances@mastek.com
Website: www.mastek.com

Corporate Office

#106, SDF IV,
Seepz, Andheri (East), Mumbai - 400 096, India
Tel: +91-22-6722-4200, Fax: +91-22-6695-1331

Registrar and Share Transfer Agent

Karvy Fintech Private Limited
Karvy Selenium Tower-B, Plot Nos. 31 and 32, Financial
District, Nanakramguda, Serilingampally Mandal,
Hyderabad - 500 032, Telangana
Tel: +91-040-6716-2222, Fax: +91-040-2342-0814
E-mail: einward.ris@karvy.com
Toll Free No.: 1800-345-4001

Corporate Identification Number (CIN)

L74140GJ1982PLC005215

Management discussion and analysis

Global economic overview

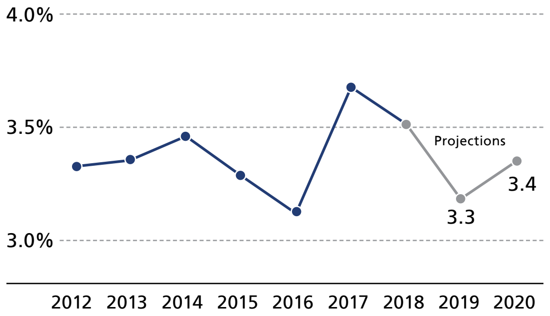
The global economy enjoyed a mini boom during the period of 2017 and in early 2018, when growth picked up in most major economies. However, in second half of 2018, the global expansion started losing momentum.

According to OECD (Organisation for Economic Co-operation and Development), the global economy grew by 3.6% in 2018 and is expected to ease down to 3.3% in 2019 and 3.4% in 2020, with downside risks continuing to build. Key risks include a prolonged period of higher tariffs on trade between the United States and China; further steps to raise new trade barriers, particularly additional tariffs on trade between the United States and the European Union; a failure of policy stimulus to prevent a sharper slowdown in China; continuing policy uncertainty and prolonged sub-par growth in Europe, including lingering uncertainty about Brexit; and financial vulnerabilities from high debt and deteriorating credit quality.

Growth has been revised downwards in almost all G20 economies, particularly with large corrections in the euro area. High policy uncertainty, ongoing trade war between US – China, political uncertainty coupled with erosion in business and consumer confidence are the key factors contributing to the global economy slowdown. On the upside, decisive actions by policymakers to reduce policy-related uncertainty and strengthen medium-term growth prospects, including measures that reduce barriers to trade, would improve confidence and investment around the world.

Global growth has stabilised but remains weak

Year-on-year



Source : OECD (2019), OECD Economic Outlook, Volume 2019 Issue 1: Preliminary version, OECD Publishing, Paris, https://doi.org/10.1787/b2e897b0-en

In the United Kingdom (UK), the growth is projected to remain weak at under 1% in both 2019 and 2020 from 1.4% in 2018. The still-strong labour market continues to support household spending but ongoing Brexit uncertainty and the persisting growth slowdown in the euro area are weighing on business confidence, investment and export prospects in the UK. As per law firm Norton Rose Fulbright, the post Brexit impact on the technology sector would largely depend on what model the UK adopts for its relationship with the EU. If the UK remains in the European Economic Area then the changes may be minimal; if the UK joins the European Free Trade Association and negotiates sector specific access to the single market then the landscape depends on the exact nature of that relationship and if the UK distances itself further from the EU then the changes may be more extensive.

The United States (US) economy is forecasted to moderate from growth rate of 2.9% in 2018 to 2.6% in 2019 and 2.2% in 2020 as the boost from fiscal stimulus is likely to fade. Higher interest rates may dampen consumer spending and a strong dollar could continue to be a drag on net exports. However, the US growth rate is supported by strong labour market outcomes and supportive financial conditions along with substantial household incomes and spending. However, higher tariffs have added additional pressure due to which the growth of business investment and exports have moderated. Growth also had some bearing of partial shutdown experienced by the Federal Government.

Growth in China is expected to remain slow in 2020 at 6% from 6.6% in 2018 mainly due to the impact of US tariffs and higher debt levels.

India continue to remain fastest growing economy. According to the OECD's Interim Economic Outlook – March 2019, the GDP growth in India was 7% and is projected to be at 7.2% in FY 2018-19 and 7.3% in FY 2019-20, as the business confidence and investment remain strong along with easing financial conditions, lower oil prices, accommodative fiscal policy and recent structural reforms.

Investment growth will accelerate as capacity utilisation rises, interest rates decline, and geopolitical tensions and political uncertainty are assumed to wane. Lower oil prices and the recent appreciation of the rupee will reduce pressures on inflation and the current account.

India's economy showed conflicting signs of a recovery in a climate clouded by uncertainty ahead of a general election beginning in April 2019. Economic growth slowed to 6.6% in the quarter of December 2018 due to political uncertainty, ahead of a national vote in April and May 2019 along with compounded challenges posed by weak domestic demand and a global slowdown.

Economy experts are of opinion that decisive actions by policymakers to reduce policy-related uncertainty and strengthen medium-term growth prospects, including measures that reduce trade barriers would improve confidence and investment across globe.

Global IT outlook

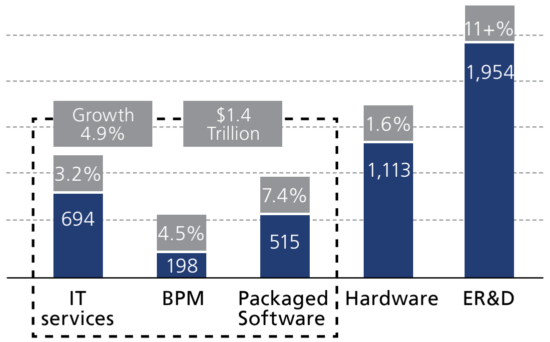
The IT industry has been continuously evolving from what has been a hard year earlier due to a broader slowdown in technology spending by banking and financial companies and doubt over work visa rules in the developed markets of US, Australia, Singapore amongst others. The positivity has returned as the industry now has diversified into more profitable digital segments such as cloud computing, artificial intelligence, data analytics and big data. As digital technologies reshape businesses, the IT industry is innovating to emerge as the hub for digital solutions. Upskilling for digital, acquiring competencies through mergers and acquisitions or partnerships, building platforms and products and leveraging centres of excellence in new technologies are some of the priorities for most of the IT vendors.

The world is experiencing a burst of tech-enabled innovation and with this, economies, jobs and personal lives are becoming more digital, more connected and more automated.

+20% CAGR
of revenue from digital business
(from 2017-2019)

According to NASSCOM, the global IT – BPM industry stood at US$ 1.4 trillion (excl. hardware), a growth of 4.9% in 2018 mainly due to growing software led digital penetration. The IT services grew at 3.2% primarily driven by increased demand for application development and management services. BPM grew at 4.5% led by innovation and adoption of emerging technologies particularly Robotic Process Automation (RPA) as organisations are looking to automate simple & repetitive work and shift their focus to more strategic work. The global revenue from digital business is projected to touch US$ 267 billion in 2019 and grow at +20% CAGR over 2017-19. India's IT-BPM industry stood at US$ 177 billion in FY 2018-19 reflecting a growth of 6.1% from US$ 167 billion in FY 2017-18. The accelerated demand for emerging digital technologies such as Artificial Intelligence (AI), IoT (Internet of Things), Robotics, Blockchain, Business Intelligence and Data Analytics continue to remain key drivers of the overall industry growth.

Global IT-BPM in 2018 (US$ billion)



Source: Nasscom

NASSCOM also shared findings of CEO survey. Following are the key highlights of the survey:

While 51% of the CEOs felt that the year ahead would be similar or somewhat lower than 2018 for IT-business process management industry, 49% thought that it would be better.

Half of the CEOs surveyed believe that the global economic and business outlook will be lower than 2018, while 50% think it will be similar or better.

53% expect similar tech and BPM spending, while 34% expect somewhat better spending than 2018. The remaining 13% expect spending to be somewhat lower.

Advanced analytics and AI were the top priorities for more than 50% of the CEOs surveyed.

Hybrid cloud and cybersecurity are upcoming technology priorities.

IT companies will continue to invest in building products and platforms, upskill its talent pool and drive greater collaboration across the ecosystem.

IT service industry

In digital era, innovation & agility bring competitive differentiation to organisations. CTOs are increasingly investing in new emerging tools and technologies to help them accelerate growth and power organisation's digital transformation journey.

The global IT services industry is currently going through a transition phase from traditional services to digital technologies. According to Gartner, IT services spending is projected to grow at 3.5% in 2019 to US$ 1,016 billion over 2018. In 2020, it is expected to grow at 4.8% to US$ 1,065 billion. The major factors driving the growth of IT services market are rise in number of start-up community, increasing adoption of advanced technologies and changing customer demands. Growing emphasis on developing an IT efficient infrastructure and implementation of IT services such as consulting services and system integration services by organisations are also supplementing the growth of the market. However, stiff competition is a major challenge for IT companies. IT services market is expected to place a great prominence on the needs and outcomes necessitated by the business to improve revenue, profitability, employee productivity and customer experience in the upcoming years.

Organisations are increasingly outsourcing their IT-related requirements such as application and infrastructure management to IT service providers. The global sourcing grew at 3.7% in 2018 to touch approximately US$115 billion as per NASSCOM report. India's share in global sourcing spend grew from 35% in 2012 to 38% in 2018 attributed to increase in customer trust. Indian IT services vendors are synchronising with demand and have brought the revolution within themselves to take advantage of the changing scenario. Indian IT companies have set up over 1,000 global delivery centres in about 80 countries across the world. India has become the digital capabilities hub of the world with around 75% of global digital talent present in the country.

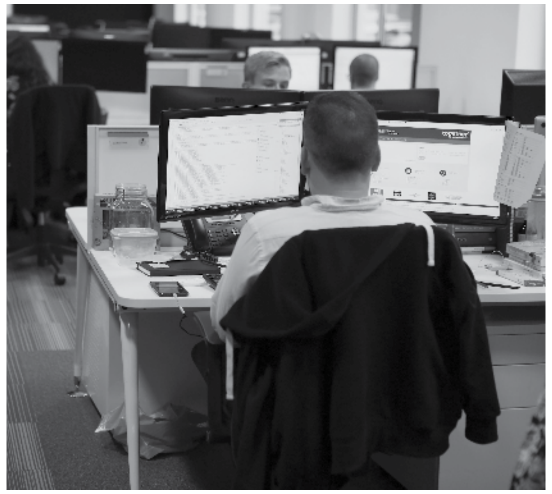
In terms of geography, North America and Europe continue to remain key markets for IT services. Majority of the customers are having high digital spending across verticals, which are driving high repetitive business from the horizontals. These business transformations are creating a huge opportunity for IT services companies.

The modern analytics and business intelligence (BI) market continues to grow rapidly with new innovations in augmented analytics. According to Gartner, the analytics and BI software market grew by 11.7% to US$ 21.6 billion in 2018. Modern BI platforms continue to be the fastest growing segment at 23.3%, followed by data science platforms with 19.0% growth. Augmented analytics, continuous intelligence and explainable artificial intelligence are the top trends in data and analytics technology that have significant disruptive potential over the next three to five years as per Gartner report.

Digital transformation

Digital transformation is all about integration of new innovative digital technologies such as Machine Learnings (ML), Robotics, Block Chain, Artificial Intelligence (AI), Internet of Things (IoT), Big Data & Analytics, Cloud Computing, Mobility and Social Media in all the business functions to improve operational efficiency and deliver better value & outcome to customers. These digital technologies facilitate the transformation of business process models, better customer experience and competitiveness of the companies in the market. It also helps organisations to increase revenue and profitability.

According to Research and Markets report, the digital transformation market is forecasted to grow from US$ 290 billion in 2018 to US$ 665 billion by 2023, at a CAGR of 18.1% from 2018 to 2023. Digitalising business functions to serve changing customer preferences and enhance



operational efficiency, the rapid proliferation of mobile devices and apps, increasing penetration of IoT and adoption of cloud services and the need to improve operational performance to gain competitive benefits in the market are expected to drive the growth of the market across the globe. However, security and privacy concerns for confidential data is expected to restrict the growth of the market across the globe. Digital transformation is rapidly gaining traction, as enterprises seek solutions, technologies and platforms to transform their operating processes and business models. Digital is disrupting value chains and compelling organisations to rethink nearly everything they do.

In the digital era, organisations are required to step up their innovation and operational efficiency, customer experience, brand and marketing efforts, reduce cost and time to market. Mastek is very well placed to grab this opportunity and be among the top providers of agile digital transformation solutions.

Company overview

Mastek Limited has proved itself to be one of the leading global technology companies, delivering enterprise level digital transformation services and solutions over three decades. Founded in 1982, the company has worked with various clients across their three focused markets of US, UK and India, to provide insightful and transformational solutions. The company works across six main verticals, namely, Application Development, Business Intelligence & Analytics, Digital Commerce, Application Support & Maintenance, Assurance & Testing and Agile Consulting. Whether it's creating new applications, modernising existing ones or recovering failing projects, the company is considered as a trusted partner for digital transformation projects.

Our key differentiators

Mastek has a long heritage of delivering transformational IT projects. With customers increasingly managing their own system integration, this trend allows Mastek to offer its consulting, digital, data and devops services directly to customers whilst operating in multi-supplier environment. Our key differentiators are our enterprise architecting capability, transformational capability, an end-to-end offering and deep technological innovation capability. Our transformation capability has a long heritage of over 2 decades of public sector and private sector track record. With the speed of change in technology, we are, by design, able to absorb and adapt to new technologies quickly. Allied with business agility (Mastek 4.0), we are able to sense and respond to our customers' needs with agility and speed, and impact their business through transformational IT.

Our customer base

Mastek added 37 new clients during the year, totalling up to 157 clients for the FY 2018-2019. The client profile includes marquee names across the verticals in US, UK and India. Our customers are from large public and private enterprises including Government, Retail, Healthcare and Financial Services sector.

Mastek in United Kingdom

As per OECD report, the UK economy growth is projected to remain weak at under 1% in 2019 and 2020 from 1.4% in 2018. The uncertainty continues to persist related to Brexit and the nature of the UK-EU trading relationship in the short and medium-term. However, IT spend in government space is expected to increase to support huge changes in the existing systems and a myriad of new systems that are required to support UK in post Brexit era.

The UK IT sector continues to be dynamic in adopting technology to impact business, public services and society and is at the forefront of many innovations. For the last several years, the UK public sector is fast catching up with most citizen services available online, 24x7, and with an improved quality and speed of service. This significantly improves the customer experience and supports massive cost savings. Aligned to the global trend, the IT spend is being repurposed to digital transformation. As a result, the digital spend is growing faster with a commensurate decline in legacy IT spend.

37 new clients
added during the year

Key growth drivers:

There is an acceleration in the digital transformation projects taken up by the UK public sector to bring in efficiency and productivity whilst servicing their customers. Moving away from the traditional legacy projects, there is increasing implementation of digital projects, platform-based services and cybersecurity related software and services.

The key drivers of the IT spend are on the service quality, user experience and cost efficiency. As innovations appear in one sector, the customer expectations drive the adoption of these into other sectors. For many sectors such as retail, the digital transformation of the business is an imperative. For sectors such as Financial Services and Public sector, an improved user experience also leads to increased customer satisfaction. It also leads to cost efficiency as customers are willing to self-serve provided the user experience is effective.

Risks faced by UK IT sector

Apart from any global economic impact, the main risk that the UK economy & IT sector faces, is related to Brexit and future arrangements with the EU. As a developed economy the UK will be resilient in the long term, it is obvious from various analysis that in an extreme scenario, the UK will face short term economic impact. This may lead to businesses moving locations, inflationary pressures driven by currency impact and increased complexity in supply chain leading to lower growth.

Business update

Mastek is registered on the UK public sector frameworks such as G-Cloud and Digital Outcomes and Specialist (DOS). These are new and easier routes to market, adopted by the government for all digital transformation programmes. Through these frameworks, we continue to serve major departments in delivering critical national infrastructure projects such as Home Office Biometrics, Immigration Platform and the National Health Service's 24x7x365 Care Identity System. Services including Application Development, DevOps and Data Services continues our long heritage of implementing successful transformational IT. To this prestigious list we have now added further customers such as the Ministry of Defence, NHS Business Services Authority and West Yorkshire Police.

In the retail sector, we continue to serve our marquee customers across service lines encompassing Application Development, BI & Consulting to Testing and Maintenance. Despite challenging trading conditions for many of our customers, we have been able to support and service them to withstand challenging market conditions. Repeat business continues to be a strong pillar supporting annual growth, however, in the last year, we have added several clients including one of the largest global bottlers offering Data and Consulting services. We were also recognised along with our customer Specsavers as the Best Test Automation Project at the European Software Testing awards. We will continue to build on a strong foundation bringing new services to this sector in the coming year.

During the year, we merged the operations of our subsidiary IndigoBlue Consulting Limited, into Mastek (UK) Limited. This allows us to consolidate operations and bring the consulting services closer to our service lines for an end-to-end offering to our markets. We continue to trade under our award-winning IndigoBlue brand for consulting services in Agile and DevOps. In the forthcoming year, we intend to expand the range of our consulting services.

Mastek in the UK delivers 73.9% of the group revenue. Despite market headwinds such as delayed commissioning of investment due to Brexit and other factors, we have maintained the growth momentum. We expect the uncertainty to continue for the major part of FY 2019-20, which will provide for challenging business conditions. We aim to mitigate these through expansion of our service offerings, building beachheads in new technologies and improving market coverage.

The U.K. operations contributed ₹ 76,361 lakhs in total operating revenue for the year FY 2018-19 reflecting a growth of 35.6%. UK business grew by 29.3% on constant currency basis.

Mastek in United States

According to OECD, the United States (U.S) economy grew at 2.9% in 2018 and is estimated to grow at 2.6% in 2019 and 2.2% in 2020 as the support from fiscal easing slowly fades. The US continues to remain the largest tech market in the world, presenting huge growth opportunities to IT companies with solutioning capabilities.

Over last few years, the global digital commerce market has grown significantly and continues to evolve and experience high growth across the globe. Rising preference of consumers towards online shopping is propelling the demand for digital commerce globally. According to 451 Research's Global Unified Commerce forecast, the digital commerce transactions are expected to grow globally at more than a 20% CAGR by 2022, touching US$ 5.8 trillion.

Digital commerce is inclusive of several features such as transaction that involves transfer of information across Internet, participation in online market places that process third-party business-to-consumer or consumer-to-consumer sales, trading of products or services using internet, online shopping web sites for retailers for direct selling of products to consumers, collection of demographic data through web contacts and social media, marketing to prospective and established customers by e-mail.

Digital commerce helps organisations to generate revenue through digital channels by incorporating mobile commerce and mobile payments. Increasing number of online shoppers across the globe are enabling the retailers to increase their presence on internet. Retailing is undergoing two significant shifts. The first is technological and the other is consumer behaviour and preferences. Retailers that understand and overcome both shifts will thrive in competitive environment. According to the data suggested by Social Times, in the US 57.4% of population shops online. Thus, rapidly shifting consumer habits, fast changing technologies and challenging competitive dynamics are key factors disrupting the industry.

57.4%

of US population shops online

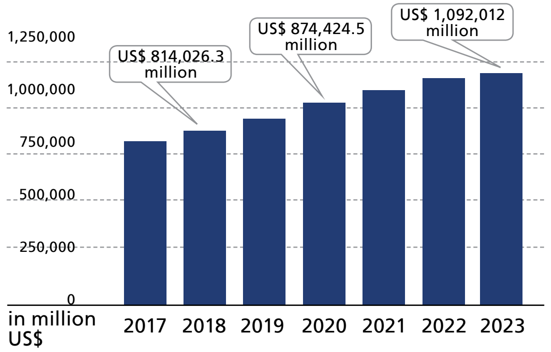
Digital transformation in retail sector of the US

In 2018, the U.S retail industry witnessed strong US economy, a record-breaking holiday season, mixed retail earnings, some high-profile bankruptcies, along with global trade and economic tensions. Bolstered by a solid labour market, growth in disposable personal income and elevated consumer confidence, the year experienced strong retail sales. However, the economy may face some headwinds due to persisting US – China trade war in 2019.

As per National Retail Federation (NRF), the United States retail sales is projected to grow in the range of 3.8% to 4.4%, to US$ 3.8 trillion in 2019, citing high consumer confidence, low unemployment and rising wages. The overall economy is expected to gain an average of 170,000 jobs per month in 2019, down from 220,000 in 2018 and unemployment to drop to 3.5% by 2020 from 4% in 2019.

As per Statista.com, US transaction value in the Digital Commerce segment amounts to US$ 874,424 million in 2019 and transaction value is expected to show an annual growth rate (CAGR 2019-2023) of 5.7% resulting in the total amount of US$ 1,092,012 million by 2023.

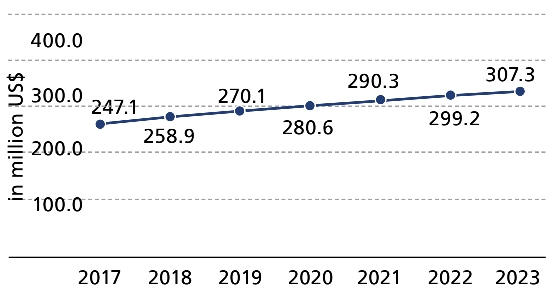
Transaction Value



Source: Statista, May 2019

Further, in the Digital Commerce segment, the number of users is expected to grow to 307.3 million by 2023. The average transaction value per user in the Digital Commerce segment amounts to US$ 3,238 in 2019.

Users

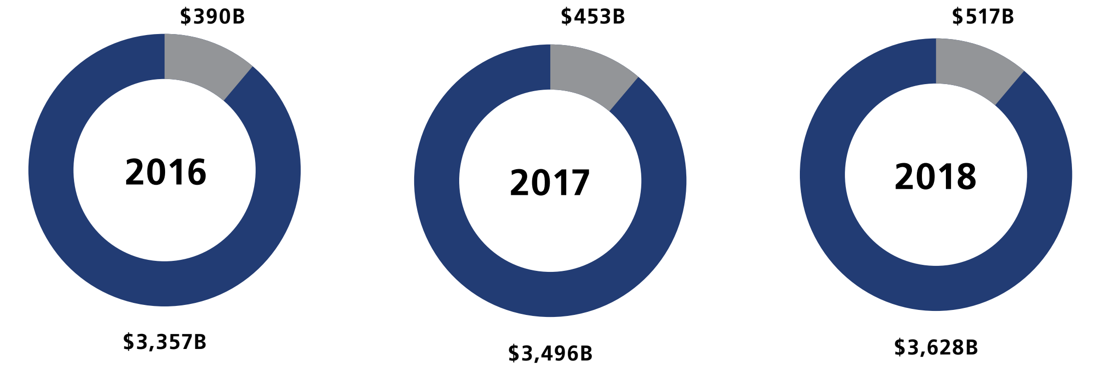


Source: Statista, May 2019

In 11 months of 2018, retailers opened 2,846 new stores and closed 5,006 physical stores confirming the transformation experienced by the Retail Sector.

Further, e-commerce represented a growing share of the retail market in 2018, taking a 14.3% share of total retail sales last year, up from 12.9% in 2017 and 11.6% in 2016.

U.S. Ecommerce VS. Total Retail Sales



Source: Internet Retailer, U.S. Commerce Department

- US Consumer spend on retail and ecommerce by 2020 - The total retail and ecommerce sales is projected to grow by 3.3% to US$ 5.5 trillion and 15.1% to US$ 605.3 billion respectively mainly led by the strong US labour market and rising incomes.
- The retail apocalypse will continue to threaten brick-and-mortar formats resulting in more store closures by traditional retailers. However, it will be offset by the expanding retail footprint of direct-to-consumer brands and other niche retailers better positioned to thrive in this environment.
- Retail innovations will reshape physical retail. Brick-and-mortar is amid a radical transformation as it transitions from an inventory led environment to a more frictionless, experiential environment. Emerging trends like cashier less checkout, pop-up stores and data-driven merchandising are causing retailers to reimagine the retail experience for modern consumers.
- Emerging retail technologies to gain traction with consumers - Voice commerce, social commerce and augmented reality are innovative technologies that will gain traction with consumers in 2019, but only in select use cases and category contexts.

This trend is transforming the overall retail industry and thus opening new door for IT industry. The retailers are restructuring their business to remain competitive in today's digital and on-line shopping age where consumers choice is changing rapidly. They are going to market by incorporating more intuitive, technology-driven user experiences.

Mergers and acquisitions are another dominant theme experienced in the retail sector. Top 21 deals in this sector ranged from US$ 25 million to US$ 16 billion, which shows that the US market is also on acquisition spree thereby consolidating the world's e-commerce market.

Business update

Increase in digital commerce pie in the US coupled with retailers restructuring their businesses and acquisitions in retail space creates huge opportunity for the companies like Mastek to grow. We can facilitate digital transformation of retailers, help them deliver superior user experience and user interface, manage their legacy IT Infrastructure and help deploy new-generation technologies for better supply chain, inventory management and customer satisfaction.

In the United States, Mastek provides end-to-end solutions to financial and retail organisations using its unique agile based Adapt 2.0 methodology. Mastek entered the US geography in 2016 by acquiring TAISTech, an IT services company specialising in implementation and support for Oracle Commerce (ATG and Endeca) and Oracle Commerce Cloud (OCC). E-commerce companies in the US, account for 39.34% of market share of the top 10 countries using OCC platform. Taistech has impeccable delivery track record that ensures high customer advocacy and retention rate compared to industry standards.

During the year, the Company restructured its US business. It has made new appointments in local management and leadership team aimed at reinvigorating the business with new offering, accelerating the customer acquisition and driving the strategic focus.

Further, the Company is leveraging its Digital Commerce customer base to expand service offerings in areas of Business Intelligence & analytics, Quality Assurance automation and Robotic process automation, thus enabling clients to experience full spectrum of digital transformation services.

In FY 2018-19, US operations contributed ₹ 25,275 lakhs in total operating revenue or 24.5% of the total revenues of Mastek. It reflected a 6.6% growth rate year on year.

The company sees significant momentum going forward in Retail and Digital Commerce space, as the retail market is transforming their operations from Brick and Mortar model to Click and Ship model.

Mastek in India

India has become the digital capabilities hub of the world, with around 75% of global digital talent present in the country. As per IBEF, India's IT & IT enable services industry grew to US$ 167 billion in 2017-18. Exports from the industry increased to US$ 126 billion in FY 2017-2018, while domestic revenues (including hardware) advanced to US$ 41 billion. As per Gartner's report, spending on IT in India is expected to grow over 6.7% to reach US$ 89.2 billion in 2019. Revenue from the digital segment is expected to comprise 38% of the forecasted US$ 350 billion industry revenue by 2025. India has an edge over other economies because:

(1) Indian IT firms have delivery centres across the world and are well diversified across verticals such as BFSIs, telecom and retail.

(2) The IT and ITeS sectors in India have a low-cost advantage by being 5-6 times less expensive than the US.

(3) Tax exemptions are given to start ups under 'Start up India' initiative.

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[1] IBEF report on IT & ITeS Industry in India.

The United States contributes

24.5%

of total revenue at Mastek

Business Update

Mastek started "Automation First" journey in mid of 2018 and developed very robust and scalable value proposition under Robotic Process Automation (RPA). Service lines conducted marketing research, identified addressable market, evaluated potential business opportunities and initiated RPA tools partnership to develop business case and launched in the market space. Within six months of duration RPA value proposition was presented to 35+ customers and prospect and qualified pipeline is built in UK and India. Assets are designed and developed like Automation journey mapping framework, ready to deploy use cases in finance domain, Optical character recognition plug-ins etc. Mastek has partnered with UiPath for Go-to-Market strategy and various business events to develop sustainable and predictable revenue model under RPA value proposition.

RPA value proposition and service offerings are well appreciated by Gartner analyst. Gartner nominated Mastek under RPA competitive landscape report called "Leading IT Service Providers Offering RPA C&SI Services" for Proof of Value (POV) model and key automation services. Use cases are mainly span across verticals like finance, healthcare, public domain, retail, pharma & shared services.

India operations contributed ₹ 1,685 lakhs, representing 1.6% of the total operating revenue in FY2019. During the year, company opted out of non-strategic engagements and went for selective bidding to secure profitable projects and long-term customer relationships. This region continues to be an important geography for the Company for building capability and testing new service offerings.

Business highlights for the year

Worked with fashion retailer Rue21 to develop buy-online-pickup-in-store offering for over 700 stores.

Won a contract to provide strategic Application Development and Support capability for the Home Office Biometrics (HOB) Programme. This is an important programme for Mastek and the Home Office. It is led under the Crown Commercial Service (CCS) Digital Outcomes and Specialists (DOS) Framework. This contract follows the recent DevOps contract also awarded to Mastek for delivering Platform and support services to the Biometrics programme.

Specialist lender, Together partnered with Mastek on several innovation opportunities. As a recognition of this partnership, Together's digital transformation's broker portal has been shortlisted in the Digital Project of the Year category at the 2018 UK IT Industry.

Company business verticals and performance

Service Line	Year ended 31 March, 2019		Year ended 31 March, 2018	
	₹ in Lakhs	% Revenue	₹ in Lakhs	% Revenue
Application Development	**48,917**	**47.3%**	38,891	47.6%
Digital Commerce	**23,914**	**23.2%**	21,211	26.0%
Application Support & Maintenance	**14,394**	**13.9%**	8,008	9.8%
BI & Analytics	**8,899**	**8.6%**	6,484	7.9%
Agile Consulting	**3,109**	**3.0%**	4,771	5.8%
Assurance & Testing	**4,088**	**4.0%**	2,356	2.9%
Total	**103,321**	**100.0%**	**81,721**	**100.0%**

Company business geographies and performance

Region	Year ended 31 March, 2019		Year ended 31 March, 2018	
	₹ in Lakhs	% Revenue	₹ in Lakhs	% Revenue
UK	**76,361**	**73.9%**	56,315	68.9%
North America	**25,275**	**24.5%**	23,715	29.0%
Others (India / Asia Pacific)	**1,685**	**1.6%**	1,691	2.1%
Total	**103,321**	**100.0%**	**81,721**	**100.0%**

The UK operations contributed ₹ 76,361 lakhs in total operating revenue for FY 2018-19 as compared to ₹ 56,315 lakhs for FY 2017-18, resulting in an increase of 35.6%. UK business grew by 29.3% on constant currency basis.

North America operations contributed ₹ 25,275 lakhs in total operating revenue for FY 2018-19 as compared to ₹ 23,715 lakhs for FY 2017-18, resulting in an increase of 6.6%.

Revenue from other region (India and Asia Pacific region) is ₹ 1,685 lakhs for FY 2018-19 as compared to ₹ 1,691 lakhs for FY 2017-18, resulting in a marginal decline of (0.4%). The degrowth is due to selective bidding in this segment during the year.

Financial and operational performance overview

Financial performance review

For the year ended 31 March, 2019, the financial and operational performance in terms of revenue and profits saw strong growth.

Financials

On a consolidated basis, the Group registered total operating revenue of ₹ 103,321 lakhs for the year ended 31 March, 2019 as compared to ₹ 81,721 lakhs in the year ended 31 March, 2018, which is an increase of 26.4%. The Group registered a net profit of ₹ 10,147 lakhs in the year ended 31 March, 2019 as compared to ₹ 6,996 lakhs in the year ended 31 March, 2018, thereby registering an increase of 45%.

Profitability

During the year ended 31 March, 2019, the Group earned a profit of ₹10,147 lakhs as compared to ₹ 6,996 lakhs for the year ended 31 March, 2018. The profits for FY 2018-19 witnessed growth on account of the following:

a. Operational Improvement and Cost Containment Initiatives across the Organisation;

b. Focus on profitable growth across geographies.

Balance Sheet

Assets

1) **Property Plant and Machinery**
Tangible assets as at 31 March, 2019 were ₹ 4,555 lakhs as compared to ₹ 4,589 lakhs in the previous year. Variance is explained as below:
   - Gross additions ₹ 1,013 lakhs and deletions of ₹ 10 lakhs towards Computer, furniture and fixtures and office equipment.
   - Depreciation charge of ₹ 1,019 lakhs
   - Foreign Exchange translation adjustment (net) of ₹ 19 lakhs

2) **Other intangible assets and Goodwill**
Intangible assets as at 31 March, 2019 were ₹ 12,184 lakhs as compared to ₹ 13,297 lakhs in the previous year. Variance is explained as below:
   - Gross additions of ₹ 518 lakhs and deletions of ₹ 10 lakhs towards computer software
   - Impairment of Goodwill of ₹ 1,792 lakhs
   - Depreciation charge of ₹ 716 lakhs
   - Foreign exchange translation including other adjustments (net) of ₹ 886 lakhs.

3) **Non- current financial assets**
   A) **Investments**
   Non-Current investment comprises of Investment in Majesco USA (quoted), Investment in Mutual Funds and Investment in Fixed deposits. Investment in Majesco USA as at 31 March, 2019 were ₹ 24,596 lakhs as compared to ₹ 16,637 lakhs in the previous year; an increase driven by fair valuation of investments. Investment in Mutual funds as at 31 March, 2019 were ₹ 2,874 lakhs. Investment in Fixed deposits as at 31 March, 2018 were ₹ 750 lakhs.
   Under Ind AS 109, financial assets designated at fair value through other comprehensive income (FVTOCI) are fair valued at each reporting date with changes in fair value.
   B) **Loan and other non-current financial assets**
   The loan and other current financial assets as at 31 March, 2019 were ₹ 181 lakhs as compared to ₹ 201 lakhs in previous year. Movement is on account of GBP depreciation resulting in decrease of mark to market gain on outstanding forward contract.

4) **Other non-current assets**
The Non-current assets as at 31 March, 2019 stood at ₹ 64 lakhs as compared to ₹ 86 lakhs as at 31 March, 2018. The difference is primarily on account of capital advances.

5) **Income tax assets/liabilities**
The Income tax assets balance as at 31 March, 2019 was ₹ 1,087 lakhs as compared to ₹ 839 lakhs in previous year. The income tax assets represent domestic corporate tax. The current Income Tax liabilities balance as at 31 March, 2019 was ₹ 1,245 lakhs as compare to ₹ 885 lakhs in previous year. Current income tax liabilities represent estimated income tax liabilities in overseas.

6) **Deferred tax assets/liabilities**
Deferred tax assets as at 31 March, 2019 were ₹ 3,672 lakhs as compared to ₹ 5,304 lakhs in previous year. Deferred taxes assets primarily comprise deferred tax on property plant and machinery, compensated absences and compensation to employees. Deferred tax liabilities were ₹ 2,078 lakhs as compare to ₹ 1,865 lakhs in previous year. Deferred tax liability primarily comprises undistributed profit of subsidiaries, fair value of Investments and cash flow hedge.

7) **Current financial assets**
   A) **Investments**
   Investments comprises of quoted mutual fund units and fixed deposits. The Investments balance were ₹ 11,396 lakhs as at 31 March, 2019 as compare to ₹ 11,770 in previous year. Under Ind AS, financial assets and financial liabilities designated at fair value through profit and loss (FVTPL) are fair valued at each reporting date with changes in fair value recognised in the statement of profit and loss.
   B) **Trade Receivable**
   Tarde receivables as at 31 March, 2019 stood at ₹ 20,849 lakhs as compared to ₹ 17,402 lakhs in previous year. Days sales outstanding was 72 compared to 67 in previous year.
   C) **Cash and cash equivalents**
   The cash and Bank balance as on 31 March, 2019 was ₹ 9,339 lakhs as compared to ₹ 8,802 lakhs in previous year. The difference was primarily on account of net cash generated from operations.
   D) **Loan and other current financial assets**
   The loan as at 31 March, 2019 was ₹ 46 lakhs as compared to ₹ 44 lakhs in previous year. The current financial assets were ₹ 1,863 lakhs as compared to ₹ 1,400 lakhs in previous year. The increase was driven majorly by R & D tax credit receivable and mark to market loss on outstanding forward contract.

> FY’19 was another year of consistent and predictable financial performance that we endeavour for. We continue to demonstrate strong value with growing revenues and improving operating EBITDA margins. Growth this year was bolstered by government led contracts in UK as well as an increasing demands for digital transformation from Retail sector across the UK and US. We continue to focus on scaling our business through organic and inorganic investments and maximise values for all our shareholders.
>
> **Abhishek Singh,**
> Group CFO

45%
increase in group net profit for FY 2018-19

8) Other current assets
Other current assets were at ₹ 4,947 lakhs as at 31 March, 2019 as compared to ₹ 3,419 lakhs in previous year. The increase was driven by unbilled revenue, advance to suppliers, input tax credit receivable, interest on IT refunds and prepaid expenses.

Equity and Liabilities

9) Total equity
We have one class of share- equity share capital of par value ₹ 5 each. The issued, subscribed and paid up capital stood at ₹ 1,199 lakhs as at 31 March, 2019, which was ₹ 1,185 lakhs in previous year. The Company has allocated 280,747 shares under employee's stock options plans during the financial year.

10) Non-current financial liabilities

A) Borrowing
The non-current borrowing as at 31 March, 2019 was ₹ 6,921 lakhs as compared to ₹ 4,961 lakhs in previous year. The increase is on account of term loans and reclassification of current portion of long-term loan in other financial liabilities.

B) Other financial liabilities
The other financial liabilities as at 31 March, 2019 was ₹ 3 lakhs as compared to ₹ 2,653 lakhs in previous year. The decrease is on account of reclassification and payment of contingent consideration on business acquisition.

11) Provisions
The long-term provision balance as at 31 March, 2019 was ₹ 1,166 lakhs as compared to ₹ 664 lakhs in previous year. The difference is on account of cost over run in contracts and actuarial valuation of employee benefits.

12) Current financial liabilities

A) Borrowing
The current borrowing as at 31 March, 2019 was Nil as compared to ₹ 391 lakhs in previous year. The decrease was on account of loan repaid during the year.

B) Trade Payable
The trade payable as at 31 March, 2019 were ₹ 948 lakhs as compared to ₹ 1,889 lakhs in previous year.

C) Other current financial liabilities
The current financial liabilities as at 31 March, 2019 were ₹ 10,550 lakhs as compared to ₹ 10,929 lakhs in previous year. The decrease is on account of reclassification of term loan and contingent consideration, foreign exchange forward contract offset by accrued expense and employee benefits payable.

13) Other current liabilities
The current liabilities as at 31 March, 2019 were ₹ 3,565 lakhs as compared to ₹ 4,359 lakhs in previous year. The decrease was on account of statutory dues, deferred rent and unearned revenue.

14) Provisions
The short-term provision balance as at 31 March, 2019 is ₹ 575 lakhs as compared to ₹ 474 lakhs in previous year. The difference is on account of actuarial valuation of employee benefits.

Key financial ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more) as compared to the immediately previous financial year) in key sector-specific financial ratios.

The Company has identified the following ratios as key financial ratios:

Particulars	Consolidated	
	2018-19	2017-18
Revenue Growth (%)	26.4	45.9
Net Profit Margin (%)	9.6	8.3
Operating Profit Margin (%)	12.7	12.2
Debtors Turnover (No. of days)	72	67
EPS Basic (₹)	42.6	29.7
Return on Net worth (%)	16.0	13.7

Details of ratios where there has been a significant change from FY 2017-18 to FY 2018-19:

On a consolidated basis operating revenue increased by 26.4% to ₹ 1,03,321 lakhs for the year ended 31 March, 2019 from ₹ 81,721 lakhs in the previous year. This increase is on account of higher growth across UK and US geography.

Group net profit increased by 45% to ₹ 10,147 lakhs for the year ended 31 March, 2019 from ₹ 6,996 lakhs in the previous year. This represent 9.6% and 8.3% of total income for the years ended 31 March, 2019 and 31 March, 2018, respectively. This also resulted in increase in basic EPS to ₹ 42.6 for the year ended 31 March, 2019 from ₹ 29.7 in the previous year.

During the year, on a consolidated basis group earned operating EBITDA of ₹ 13,154 lakhs representing 12.7% of operating revenue, compared to ₹ 9,966 lakhs representing 12.2% of operating revenue, during the previous year. Improvement in operating margins driven by cost efficiency and better utilisation of fixed investments on higher revenue base.

Return on net worth is computed as net profit by average net worth. Net profit increased to ₹ 10,147 lakhs for the year ended 31 March, 2019 from ₹ 6,996 lakhs in the previous year.

Operational review

High quality operational delivery has always been a core attribute at Mastek. The Company aligned the delivery organisation to focus on improving the overall productivity and efficiency levels within projects.

Fuelled by the Company's passion to improve the opportunities available to graduates in IT, during the year the Company developed a Digital Learning Centre in Leeds, which is available to students on its Graduate Development Programme. The aim of the Programme is to "create and nurture" millennial talent, enabling the tech innovators of tomorrow to gain key skills that are vital for the continued growth of the industry.

Update on board of directors: The Mastek Board currently has 6 members, of which 4 are Independent Directors and the remaining 2 are Promoter Directors.

Update on management: On 29 March, 2019, Mastek UK appointed Dennis Badman as Chief Business Officer of Mastek Group. He will join the Mastek's Executive Committee and will be responsible for ensuring Mastek retains its global competitiveness as the Company looks to strengthen its management capacity and leadership experience as it scales over the coming years. Dennis most recently led Fujitsu's European Services Division, an organisation of over 10,000 people with annual revenues over E2Bn. Prior to that he was CEO of GlobeRanger (a Fujitsu Company) and brings over 20 years of experience successfully selling and delivering complex IT services projects across the globe.

People strength: As on 31 March, 2019, the Company had a total headcount of 2,069 as compared to 2,058 employees at the end of 31 March, 2018. 38.9% of current employee strength resides in onshore locations of the US and the UK, whereas the rest of them are in offshore locations in India. The Company continues to recruit fresh talent and intends to add more technical resources at various levels during the new fiscal.

Dividend: The Company paid an interim dividend totalling to 70% (₹ 3.50/- per share) for FY 2018-19. The Company has recommended a final dividend of 100% (₹ 5/- per share) at the meeting held on 16th April 2019. Total Dividend for FY 2018-19 including interim dividend works out to 170% or ₹ 8.50/- per share for Face Value of ₹ 5.00 per share.

Industry Recognition - Mastek, either directly or through its clients received multiple awards and accolades during the year including:

The Company won a prestigious award for "OUTSTANDING CONTRIBUTION - IT" at the 1st edition of the CNBC-AWAAZ CEO Awards on 7th July 2018. The award is given to honour and celebrate the outstanding contribution of companies that have excelled in building profitable, sustainable and socially conscious businesses. Mastek was chosen for its outstanding contribution in the IT Sector for an inspiring journey along with its impeccable credentials.

Mastek UK won 2 awards at DevOps Industry under its marquee brand IndigoBlue on 17th October 2018 (Best Overall DevOps Project – Public Sector and DevOps Manager of the Year)

'The 10 Best Performing IT Leaders to Watch in 2019' – John Owen. A cover story, recognising John's exemplary leadership skill, his work as the Group CEO of Mastek- leading by example and effectively driving transformation to deliver outstanding results and bringing about positive change, was ran by the Insights Success magazine, which has over 70,000 qualified subscribers across the globe.

Business outlook

Mastek delivered another year of strong financial performance with above industry growth in revenue and profits. The full year performance was driven by broad based growth across verticals implying solid fundamentals and disciplined execution. Despite the market headwinds caused by the uncertainty of Brexit in the second half of FY 2018-2019, the Company maintained its overall Group growth momentum. The management continue to remain focused on the Company's core areas of business, viz. Government, Retail and Financial Services.

Worldwide, organisations are shifting their business model from traditional legacy services to digital and platform-based services creating huge opportunity for service providers like Mastek. The Company continue to remain focused on execution of Vision 2020 to reposition Mastek as a leader in Enterprise Digital Transformation. The Company desire to invest in agile methodologies to be involved in large and complex transformation programmes, which will help its customers to leverage digital opportunities in an agile manner. The Company sees significant momentum in agile and digital transformation solutions and expects a good growth traction in coming years.

To conclude, the Company is on its journey to achieve its objectives outlined under Vision 2020 strategy. Management continue to focus on growth through organic and inorganic investments. Mastek is very well poised to grab the opportunities in agile and Digital Transformation space.

Risk, concerns and mitigation strategies

Enterprise risk management

Enterprise Risk Management (ERM) plays a vital role to identify and manage risk for an organisation. It provides a framework of risk reporting, impact assessment, mitigation steps and periodic review of risks associated with the business.

At Mastek, we have ERM process that drives a strong risk management culture. Our ERM process focusses on the risk assessment, risk management, expected outcomes, governance and reporting structure at Corporate & Regional levels.

Risk governance

The success of a Company is dependent on how it manages the risk inherent in the business. The Company operates in a highly competitive segment, which is widely affected by the various external and internal risks. Thus, to minimise the effect of such risks, the Company has put in place a strong risk governance model to ensure risk management. The ERM process is approved by the Governance Committee of the Board and is executed through the Functional and Geographical teams within Mastek.

Identification & Management of risk at Micro & Macro, Functional & Geographic and Strategic & Operational levels

Setting strategy and process for manging the identified risk

Implementing risk management process with the proper understanding of the risk and monitoring mechanism

Driving risk awareness within the organisation including appropriate training

Periodic updates & reviews with local and corporate Board

Driving the risk management

The Business Unit heads are responsible for:

Providing oversight to line managers who manage risk on a day-to-day basis

Promoting risk awareness within their operations

Ensuring that risk management is incorporated right from the beginning when the projects are conceptualised and /or commissioned

Ensuring compliance with the risk management procedures

Periodic reviews of Risk register at geography & functional level followed by update to the Governance Committee of the Board

Mastek provides a diverse array of services and there are multiple factors that could affect its future performance. Few events of higher risks that could affect the business have been identified below:

Macro-economic risks: Company's business may be affected by global political uncertainties, changes in interest rates, changes in policy, taxation and other economic developments. These changes can adversely affect the Company's outlook. Considering the nature of business, the volatility in foreign currency exchange rates could have a negative impact on the Company's performance. One of the major risks affecting the Company is the uncertainty surrounding Brexit and its impact on the private and public sector in UK. Due to ongoing uncertainty, companies are delaying their investment decisions, conserving cash and waiting for regulatory clarity although the fundamental demand environment continues to be robust. The Company is addressing it by being more involved with the decision-making cycle of its customers and driving efficiency projects to help them pursue their digital transformation agenda.

Strategic risks: This is an era of disruption. The Company is prone to significant and unfavourable shift in returns on capability investments due to change in industry or customer preferences. the Company is further prone to the risk of innovation or change in business or product portfolio mix of its customers. These risks are part offset by Mastek's relationship with its customers at multiple levels and understanding of factors implementing business life cycle of its customers.

Competition-led risks: The Company operates in multi-vendor environment. Its business is faces risk of 'consolidation' with other vendors if customers are looking for single sourcing or vendor consolidation. Business is further at risk due to innovation and disruption brought in by the competition. These risks are part offset by strong domain expertise, robust delivery capabilities, and significant project experience.

Dependence on key personnel: Employee attrition and/or constraints in the availability of skilled human resources could pose a challenge to any services company. The Company believes that human capital is the key to its success and has initiated multiple steps for overall development and retention of its employees.

We encourage entrepreneurship culture within the organisation and offer new challenges and opportunities for our employees. We have made significant investments in our recruitment and training procedures to enable self-learning and certification tool to increase their employability. Mastek continuously endeavours to have an effective succession plan in place to mitigate these risks.

Client and account risks: The Company's strategy is to engage with a strategic customer and build long-term relationships with them. Any shift in customer preferences, priorities, and internal strategies can have an adverse impact on the Company's operations and outlook. Mastek does have the benefit of being very well entrenched with its customers. In most cases it is involved with the customers planning initiatives thereby addressing any risks arising out of client concentration.

Contractual, execution and delivery-related risks: The Company faces delivery and execution risk arising out of changing customer requirement, comprehension of those requirements and timeliness of the response. Any inability to adhere to delivery timelines or requisite quality can adversely affect our relationship with the customer. Any termination or modification of contracts and non-fulfilment of contractual obligations by clients due to their own financial difficulties or changed priorities or other reasons can expose the Company to operational risk. Mastek has strong operational review and quality check mechanisms in place to mitigate it. In addition, it carries out independent Customer Satisfaction Surveys covering all the aspects of customer interaction to get the feedback.

Acquisition/M&A related risk: The Company has stated objective of driving growth through inorganic route. Acquisitions will be made for capability and for capacity at Mastek. It helps in reducing the time to market and addressing immediate customer requirements. We have done acquisitions in past and continue to scout for right targets at optimal valuation. Acquisitions are fraught with risk of projections and capabilities not measuring up to the expectation. Further, acquired companies also run the market risks, same as Mastek. To address the risk, we have put in place stringent valuation criteria, diligence parameters and high standard of corporate governance practices for concluding any acquisition.

Cyber Security risk: Risk of Cyber-attacks risks are looming are forever. It can cause reputational damage, significant business loss to customers, penalties and legal and financial liabilities to Mastek in addition to its impact on business operations. At Mastek we make continuous investment to upgrade our security infrastructure. This includes end points (on Desktops/laptops and Servers) solution with new threat monitoring and controls. This includes Live Malware Protection, Deep Learning malware detection, Exploit Prevention, Potentially Unwanted Application (PUA) Blocking, Automated Malware Removal, Malicious Traffic Detection, Ransomware File Protection (CryptoGuard), Download Reputation, Peripheral Control (e.g. USB). We also carry out periodic testing to ensure effectiveness through vulnerability assessment and penetration testing, data backup, strict access control, enterprise wide training and awareness programme on information security, data leak prevention tools, review and implementation of stringent security policies and procedures, etc.

Litigation risk: Considering the scale and geographic spread of the operations, litigation risks can arise from commercial disputes, employment related matters and perceived violation of intellectual property rights, etc. It poses reputational risk in addition to incurring legal cost and the distracting management from business focus. At Mastek, we have in-house legal counsels and network of reputed global law firms in countries of operations to assist the Management team with any potential and real litigations. We also have a mechanism to track and respond to notices and defend ourselves in all claims and litigation. We continuously strengthen our internal processes and controls to ensure compliance with Contractual obligations, information security and protection of intellectual property to avoid litigation situations.

There are multiple risk factors that the Company believes it will need to take cognizance of and manage. The Board and management team continually assess the operations and operating environment to identify potential risks and take meaningful mitigation actions. The Company's Executive Committee team and Board/Committee monitors the progress of each opportunity pre- and post-closure.

Human Resource Management at Mastek

Mastek is committed to create a conducive environment that inspires Mastekeers to achieve extraordinary milestones. For this purpose, genuine efforts have been taken to revisit and revise various policies during the year.

Fostering diversity and inclusion

We have introduced practices that create an ecosystem that further encourages and deepens the agenda of promoting diversity and inclusion mix. We have launched multiple initiatives including:

A) Women Empowered by Mastek (WEM) with a vision to achieve a gender ratio of 60:40 by 2020.

B) Gender Pay Parity: A salary benchmarking exercise was carried out to ensure equal pay for equal work.

C) On boarding differently abled workforce: Working in collaboration with the Hellen Keller Institute, we onboarded six differently abled individuals into the Mastek family. Our aim is to be known as an equal opportunity employer; hence our practices are representative and focused on providing a fulfilling career path for all Mastekeers, irrespective of their background or gender.

Learning and development initiatives

The year brought special laurels for our Learning and Development team that was awarded the "Best Learning Strategy of the Year" at the Future of L&D Summit and Awards 2019. The event had participation from several big organisations across the sectors.

Some of the key initiatives undertaken by the team include partnership with PluralSight under our Learn Anytime Anywhere initiative. It offers tailor made high-quality online learning material globally with fast, easy, and round-the-clock access via mobile app, learning paths, offline learning options offered by the platform. Project Enhance initiative aimed at improving the communication skills, public speaking and cultural awareness of Mastekeers was launched. A Leadership Development program was also launched that focused on enhancing managerial competency and improving leadership capability.

Employee engagement activities

Multiple employee engagement activities were organised during the year to make our workplace interesting and infuse enthusiasm among Mastekeers. The highlight of these activities was Runtime 2018, which is a celebratory extravaganza to provide employees and their families a memorable experience. Runtime was attended by 1400 Mastekeers and their families in India while 680 Mastekeers attended the Family Fun Day in the UK. We also organised Mastek Premier League (our annual sports event), along with various festivals.

Internal controls

Mastek's systems for internal control and risk management go beyond what is mandatorily required to cover the best practice reporting matrices and to identify opportunities and risks regarding its business operations.

The Company has mechanisms in place to establish and maintain adequate internal controls over all operational and financial

functions. The Company intends to undertake further measures as necessary in line with its intent to adhere to procedures, guidelines, and regulations as applicable in a transparent manner.

Mastek maintains adequate internal control systems that provide, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of company assets. The Company uses an Enterprise Resource Planning (ERP) package that enhances the efficiency of its internal control mechanism.

The Company's internal control systems are supplemented by an internal audit programme and periodic reviews by the management. Mastek has appointed an independent audit firm as its Internal Auditors, and the Audit Committee reviews its findings and recommendations at periodic intervals. Mastek's internal control system is adequate considering the nature, size and complexity of its business. Mastek has also put in place a strong enterprise risk management function, which oversees the risk management of the Company on an ongoing basis.

Cautionary statement

Statements made in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the government regulations, tax laws and other statutes and other incidental factors. All forward-looking statements included in this Annual Report are based on information and estimates available to us on the date hereof, and we do not undertake any obligation to update these forward-looking statements unless required to do so by law.

Corporate social responsibility initiatives

Our mission is to inspire Mastekeers to contribute back to the community through volunteering and opportunities to give back. In addition to this, we support credible non-profit organisations to scale and build their capabilities through our core skill of Information Technology.

The Mastek Foudation's mission is built on three core pillars: give, engage and build.

Give

Giving back to the society has been an integral part of the Mastek Foundation's mission since 2002. In FY2018-19, through our CSR grants, 10 non-profit organisations received support towards their social development projects. The projects were focused on diverse social causes such as education, health, women empowerment, livelihood and animal welfare, and impacted 5,792 beneficiaries.

Our employees can support non-profit organisations through payroll giving and are also able to support by purchasing merchandise and organic products

Furthermore, Mastek Foundation organises annual fundraisers, as a crowdfunding platform to support credible non-profit organisations.

Going beyond CSR spends

Employee payroll giving programme donated ₹ 13,15,522 in support of projects on health, education, child development and disaster relief, impacting 445 beneficiaries.

Moreover, through the Mastek Foundation's annual fundraiser 'Inspired', we seek to bring stakeholders and donors together with an aim to support a social development project of a non-profit organisation through crowdfunding.

We see education as a key CSR focus area and to the end collaborated with Samaritan Help Mission through Inspired 2018 to raise ₹ 50,93,000 towards construction of a school infrastructure in Bankra. The project aims to impact 3,000 underprivileged children by providing access to quality education.

NGO marketplace presents their handmade merchandise and organic products to employees for purchase and achieve support towards diverse social causes. Mastek Foundation through Mastekeers' participation and support has been able to empower women entrepreneurs and specially-abled children by generating sales proceeds of ₹ 55,197.

Lending a helping hand

The Mastek Foundation has provided swift support to non-profit organisations following natural disasters.

During 2018 Kerala Floods, the Mastek Foundation in association with GOONJ encouraged Mastekeers to donate towards disaster relief operations for flood victims. ₹ 1,56,000 was raised through employee payroll giving towards the provision of 52 disaster relief kits to flood affected families.

Stacking of relief kits during operations on ground zero

After the Pulwama attack that led to the death of 40 Central Reserve Police Force (CRPF) personnel in February 2019, Mastekeers donated ₹ 1,51,109 to Bharat Ke Veer Corpus Fund, a fundraising initiative by The Ministry of Home Affairs.

Mr. Mamoon Akhtar, Founder – Samaritan Help Mission addressing the populace with Singer and Host Ms. Sanjeevani Bhelande

Engage

Employee involvement beyond funds

Rallying around a cause, such as blood donation, increases employee engagement and gives them the opportunity to make a positive difference in the community. 80 Mastekeers participated in the blood donation camp organised during DaanUtsav – Joy of Giving Week. The blood donation camp was organised in collaboration with Federation of Bombay Blood Banks for Thalassemia patients in October 2018.

the Mastek Foundation conducted tree plantation drive in collaboration with HARIYALI, a non-profit organisation working towards environmental sustainability in July 2018. 75 saplings of neem, mango and ficus religiosa were planted in Tetavali village in Rabale with an aim to increase green cover in the area.

Mastekeers volunteering for tree plantation drive

The Mastek Foundation organised its seventh annual Mastek Foundation Run in October 2018 which saw more than 1,500 runners of all abilities come together. The theme for this year's run was a female empowerment with a message of 'for every mile we run, we pledge to empower her'.

The run had a record number of participants and was ranked the 10th best race by Mumbai Road Runner. In total ₹ 41,000 was raised in collaboration with Srujna, a nonprofit organisation, which works towards the development of underprivileged women in Mumbai.

Participants at Mastek Foundation Run

Build

Project Deep Blue: 250 students (67 teams) from 24 engineering colleges across Mumbai and other cities made it through to the Deep Blue finale where they developed solutions for areas including urban sanitation and public health (e.g. technology for open defecation free India, waste segregation and plastic ban).

Project Deep Blue Season 4 Winners
NMIMS Mukesh Patel School of Technology
Problem Statement – Citizen Service Problem

Organisations and projects supported for grant in FY 2018-19

1. **Snehalaya**

   Project: Snehalaya's Bed Assistance Nursing Training Centre

   About the project: Snehalaya's Certificate in Bedside Assistance Nursing Training Course (CCBANC) delivers employability-focused training for healthcare assistants through a three-month programme. Located at their Rehabilitation Center, class-based learning complemented with practical teaching on-site, 50-bedded hospital, dedicated to the care of people living with HIV/AIDS (PLHA).

   Location: Ahmednagar, Maharashtra

   Beneficiaries impacted: 49

2. **Parivaar**

   Project: Seva Kutir

   About the project: The project focuses on day boarding (Education cum Meal Programs) for children in the age-group of 4 to 14 in selected pockets of deprivation and malnourishment in Ratnakhedi, Sehore (tribal) district of Madhya Pradesh. At this Kutir, more than 100 children are receiving nutritious meals (breakfast and dinner) along with strong supplementary education and life-skills over morning and evening shifts (around 6 hours of engagement daily (except Sundays), all round the year).

   Location: Ratnakhedi,
   Sehore District, MP

   Beneficiaries impacted: 100

Parivaar - At this Kutir, more than 100 children are receiving nutritious meals

3. **MBA Foundation**

   Project: Early Childhood Intervention & Pre-vocational Skill Training

   About the project: The project aims to create an integrated rehab facility, with a complete road map from early childhood (2-17 years) to pre -vocational & vocational training to day care and life care services to reach their optimum development towards fruitful life. In addition, to create preparatory training atmosphere along with functional academics, for children, who cannot pursue higher education, towards value adding skills training.

   Location: Airoli, Maharshtra

   Beneficiaries impacted: 13

4. **Shiksha Amrit Foundation**

   Project: Community Development Project - Education of Children

   About the project: Primary objective of the project is to deliver access to free and compulsory education & impart essential skills to underprivileged children.

   Location: Belapur, Maharashtra

   Beneficiaries impacted: 55

5. **Samaritan Help Mission**

   Project: Construction of a school for access to quality education

   About the project: The project aims to deliver access to quality education & impart essential skills to underprivileged children.

   Location: Bankra, Howrah District, West Bengal

   Beneficiaries impacted: 3,000

Menstrual Health and Hygiene Sessions in Schools, Ganeshpuri, Maharashtra

6. **Prasad Chikitsa**

Project: Project Pari (Menstrual health and hygiene project)

About the project: The project aims to increase awareness on menstrual health and hygiene and installation of sanitary napkin vending machines at each rural school in the vicinity of Ganeshpuri village. The napkins are stocked in the vending machines every fortnight or as per the utilisation at the schools.

Location: Ganeshpuri, Maharashtra

Beneficiaries impacted: 1,145

7. **Sanskriti Samvardhan Mandal**

Project: Drought Relief & Proofing

About the project: The project proposed to rejuvenate 9 cement check dams, 3 percolation tanks and construction of 10 gabion structures on the drainage flowing through Bolegaon, Sagroli, Shimpala and Laghul villages in Biloli Taluka of Nanded district. The rejuvenation of above referred water bodies would activate the dug wells, tube wells along the stream. This will ensure a protective irrigation during the long dry spells in monsoon saving the standing crops. In addition, the rejuvenation will restore the water storage capacity of tanks and CNBs and generate employment for labour to a certain extent.

Location: Nanded District, Maharashtra

Beneficiaries impacted: 983

8. **Plant and Animal Welfare Society**

Project: Surgery Sponsorship

About the project: The project focused on rescuing and providing surgical assistance to stray animals.

Location: Murbad, Maharashtra

Surgeries sponsored: 159

9. **Under the Mango Tree**

Project: To increase tribal livelihoods through Apis Cerana and Trigona Beekeeping

About the project: Scaling up existing work with Apis cerana beekeeping and a pilot, which would focus on training farmers in Trigona beekeeping for the first time in Palghar district, Maharashtra. The project will also create a cadre of bee keepers who can increase pollination cover for at least 8-10 villages while simultaneously being able to increase yields of their crops and their neighbours crops. It will result in creating local pollination service providers who can provide other farmers with their services. Simultaneously, an ecosystem of supportive services to be created: local honey hunters trained as colony spotters and Natural Colony Transfer (NCT) experts - thereby creating additional livelihoods.

Location: Palghar District, Maharashtra

Beneficiaries impacted: 129

10. **GOONJ**

Project: Kerala Floods Campaign

About the project: In light of the grim situation in Kerala due to massive floods, GOONJ set up their relief operations on ground zero. Mastek Foundation collaborated with GOONJ to provide critical relief support to the flood affected victims.

Location: Kerala

Beneficiaries impacted: 159

GOONJ provided critical relief support to the flood affected victims.

Directors' report

Dear Members,

Your Directors have great pleasure in presenting the 37th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended 31 March, 2019. The Consolidated Performance of the Company and its Subsidiaries has been referred to wherever required.

1. Highlights of Consolidated and Standalone Financial Results

(₹ in lakhs)

Particulars	Consolidated		Standalone	
	2018 –19	2017–18	2018 –19	2017–18
Revenue from operations	1,03,321	81,721	18,944	16,232
Other Income	2,478	2,099	3,459	2,323
Total Income	1,05,799	83,820	22,403	18,555
Expenses	90,167	71,755	17,252	14,683
Depreciation and amortization expenses	1,735	1,876	1,208	1,119
Finance costs	613	586	27	19
Exceptional items	55	-	-	-
Profit before tax	13,339	9,603	3,916	2,734
Tax expense	3,192	2,607	865	1,160
Profit after tax	10,147	6,996	3,051	1,574
Other comprehensive income	8,755	(248)	872	(1,315)
Total Comprehensive income	18,902	6,748	3,923	259
Equity Holders	18,902	6,748	3,923	259
Dividend	(1,788)	(1,056)	(1,788)	(1,056)
Dividend Distribution Tax	-	(12)	-	(12)
EPS				
- Basic	42.61	29.74	12.81	6.69
- Diluted	40.32	28.14	12.12	6.33

2. Overview of Company's Financial Performance

a. Mastek Operations

On a Consolidated basis, the Group registered revenue from operations of ₹ 1,03,321 lakhs for the year ended 31 March, 2019 as compared to ₹ 81,721 lakhs in the previous year ended 31 March, 2018, which is an increase of 26.4%. The Group registered a Net Profit of ₹ 10,147 lakhs for the year ended 31 March, 2019 as compared to ₹ 6,996 lakhs in the previous year ended 31 March, 2018, thereby registering an increase of 45%.

On a Standalone basis, Mastek registered revenue from operations of ₹ 18,944 lakhs for the year ended 31 March, 2019, as compared to ₹ 16,232 lakhs in the previous year ended 31 March, 2018. The Company made a Net profit of ₹ 3,051 lakhs for the year ended 31 March, 2019 as compared to Net Profit of ₹ 1,574 lakhs in the previous year ended 31 March, 2018. Further details are included in notes to the Accounts of Standalone Financial Statement.

The Consolidated and Standalone Financial Statements of the Company for the year ended 31 March, 2019 have been prepared in accordance with applicable Accounting Standards and the relevant provisions of the Companies Act, 2013. The said Financial Statements have been prepared based on the Audited Financial Statements of the Company and Audited / Un-audited Financial Statements of its Subsidiaries, which have been reviewed by the Statutory Auditors. The Company discloses Consolidated and Standalone financial results on a quarterly basis, which are subjected to limited review, and publishes Consolidated and Standalone audited financial results on an annual basis.

No material changes or commitments have occurred between the end of the financial year and the date of this Report, which affect the Financial Statements of the Company in respect of the financial year under review.

In accordance with the provisions contained in Section 136 of the Companies Act, 2013, the Annual Report of the Company, containing therein its Consolidated and Standalone Financial Statements are available on the website of the Company at web link http://www.mastek.com/financial-information. Further, the Financial Statements of each of the subsidiary companies are uploaded on the Company's website and shall be available for inspection during business hours at the Registered Office of the Company. Any member who is interested in obtaining a copy of the Subsidiaries Financial Statements may write to the Company Secretary at the Registered Office of the Company.

Further, a detailed analysis of Company's performance is included in the Management Discussion and Analysis, which forms part of this Annual report.

b. Break-Up of the Operating Revenue by Regions

Region	Year ended 31 March, 2019		Year ended 31 March, 2018	
	₹ in lakhs	% of Revenue	₹ in lakhs	% of Revenue
UK	76,361	73.9%	56,315	68.9%
North America	25,275	24.5%	23,715	29.0%
Others	1,685	1.6%	1,691	2.1%
Total	1,03,321	100.0%	81,721	100.0%

The U.K. operations contributed ₹ 76,361 lakhs in total operating revenue for the financial year ended 2018–19 as compared to ₹ 56,315 lakhs for the financial year ended 2017–18, resulting in a growth of 35.6%. This growth was driven by increased business in the Government vertical followed by Retail and Finance vertical. UK business grew by 29.3% on constant currency basis.

The North America operations contributed ₹ 25,275 lakhs in revenue for the financial year ended 2018–19 as compared to ₹ 23,715 lakhs for the financial year ended 2017 - 18 witnessing a growth of 6.6%.

Indian operations contributed ₹ 1,685 lakhs for the financial year ended 2018–19 as compared to ₹ 1,691 lakhs for the financial year ended 2017–18, resulting in a marginal decrease of (0.4%).

c. Break-Up of Revenue by Service Lines

Service Line	Year ended 31 March, 2019		Year ended 31 March, 2018	
	₹ in lakhs	% of Revenue	₹ in lakhs	% of Revenue
Application Development	48,917	47.3%	38,891	47.6%
Digital Commerce	23,914	23.1%	21,211	26.0%
Application Support & Maintenance	14,394	13.9%	8,008	9.8%
BI & Analytics	8,899	8.6%	6,484	7.9%
Agile Consulting	3,109	3.0%	4,771	5.8%
Assurance & Testing	4,088	4.0%	2,356	2.9%
Total	1,03,321	100.0%	81,721	100.0%

Profitability

During the Year ended 31 March, 2019, the Group earned a profit of ₹ 10,147 lakhs as compared to ₹ 6,996 lakhs for the year ended 31 March, 2018. The profits for the financial year 2018 - 19 achieved growth of 45%, driven by focused profitable growth in revenue, operational improvement and better utilization of existing investment in Sales, General & Administrative expenses (SG&A) and capacity to service growth.

Directors' report

3. Dividend

The Company has a robust track record of rewarding its members with a generous dividend payout (both Interim and Final). Based on Company's Financial performance, the Board of Directors, at its meeting held on 16 April, 2019 has recommended payment of a Final Dividend @ of ₹ 5/- per Equity Share (face value of ₹ 5/- each) i.e. @100%, subject to approval of the members at the ensuing 37th Annual General Meeting to be held on 23 July, 2019.

Further, the Board of Directors at its meeting held on 25 October, 2018 had also approved the payment of Interim Dividend of ₹ 3.50/- per share i.e. @ 70%, which was paid on 15 November, 2018.

Therefore, the total dividend for the financial year ended 31 March, 2019 stands at ₹ 8.50/- per share, (Previous Year ₹ 6/- per share) involving a total outflow approximately of ₹ 2,035 lakhs (Previous Year ₹ 1,422 lakhs).

The Final Dividend, if approved, at the ensuing 37th Annual General Meeting, will be paid to those members whose names appears on the Register of Members of the Company as of the end of the day on **Saturday, 13 July, 2019**.

4. Transfer of Unclaimed Dividend Amounts and Concerned Shares to Investor Education and Protection Fund (IEPF) Authority

There were neither Unclaimed Dividend Amount nor Concerned Shares which were due and required to be transferred to IEPF Authority during the year under review.

5. Transfer to Reserves

There was no amount from profit, which was transferred to General Reserves during the year under review.

6. Management Discussion and Analysis

Management Discussion and Analysis as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations) is presented in a separate section forming part of this Annual Report. It provides details about the overall industry structure, global and domestic economic scenarios, developments in business operations/ performance of the Company's various businesses, internal controls and their adequacy, risk management systems, human resources and other material developments during the financial year 2018–19.

7. Credit Rating

The Company enjoys a good reputation for its sound financial management and the ability to meet its financial obligations. During the year under review, ICRA Limited, a reputed Credit Rating Agency, had reaffirmed the ratings assigned for the Bank facilities as [ICRA] A+ (Positive) rating for fund-based limits and [ICRA] A1+ for non-fund based limits for the Working Capital Facilities granted to the Company by its Bankers.

8. Subsidiary Companies

Your Company continues to be the Holding Company of Trans American Information Systems Private Limited and Mastek (UK) Limited (MUK). MUK in turn has IndigoBlue Consulting Limited and Mastek Inc. (formerly known as Digility Inc.) as its wholly owned subsidiaries.

IndigoBlue Consulting Limited, the step down subsidiary of the Company has entered into Business Transfer Agreement w.e.f. 30 June, 2018 with its parent Company to merge itself (transfer of its business, assets and liabilities). This will enable greater synergies between them and will also achieve higher operational efficiencies.

Mastek Inc., the step down subsidiary of your Company has TAISTech LLC (100% membership interest) and Trans American Information Systems Inc. as its wholly owned subsidiaries and consequently, they are step down wholly owned overseas subsidiaries of the Company.

Your Company has 2 direct wholly owned subsidiaries and 4 step down subsidiaries as at 31 March, 2019 and pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the Financial Statements of all the subsidiaries and their contribution to overall performance of the Company are provided in **Form AOC-1** which is annexed as **Annexure 1** to the report.

There has been no material change in the nature of the business of the subsidiaries.

The Company does not have any Joint Venture or Associate Company or any joint operations during the year under review.

9. Material Subsidiary

Mastek (UK) Limited, a UK based entity is the only material subsidiary of the Company.

The Board of Directors of the Company has revised the Policy for determining material subsidiaries in accordance with the amendments to the SEBI Listing Regulations with effect from 1 April, 2019. The policy can be accessed on the website of the Company at web link https://www.mastek.com/corporate-governance.

10. Update on Board of Directors / Key Managerial Personnel

a. Directorship Changes:

There has been no change in the Board of Directors of the Company during the year under review.

All the directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013.

b. Independent Directors Re-appointment:

Mr. S. Sandilya (DIN 00037542), Ms. Priti Rao (DIN 03352049) and Mr. Atul Kanagat (DIN 06452489), were appointed as Independent Directors of the Company pursuant to Section 149 of the Companies Act, 2013 for the first term of 4 years i.e. from 1 April, 2015 to 31 March, 2019. Considering their knowledge, expertise and experience in their respective fields and the substantial contribution made by these Directors during their tenure as Independent Directors since their appointment, the Nomination and Remuneration Committee and the Board recommends the re-appointment of all the 3 Directors as Independent Directors on the Board of the Company, to hold office for the second term of 5 consecutive years i.e. from 1 April, 2019 to 31 March, 2024 and not liable to retire by rotation, subject to approval by the members at the ensuing 37th Annual General Meeting. The proposal for their re-appointment is based on individual performance evaluation by the Board.

Pursuant to the provision of Regulation 17(1A) of the SEBI Listing (Amendment) Regulations, 2018 notified by the SEBI on 7 June, 2018, and which is effective from 1 April, 2019, which prescribes that no listed entity shall appoint a person or continue the directorship of any person as the Non-Executive Director who has attained the age of 75 years unless a special resolution is passed to that effect in which case the Explanatory Statement annexed to the Notice for such motion shall indicate the justification for appointing such person. In view of the amendment, the Board of Directors is of the opinion that considering Mr. Sandilya's integrity, relevant expertise, vast experience, in depth industry knowledge, continuous valuable guidance to the management and his strong Board performance, his continuous association as Non-Executive Independent Director will be beneficial and to the best interest of the Company. Accordingly, the Board recommends his re-appointment for the approval of the members even after him attaining the age of 75 years on 11 April, 2023 during his on-going second term till the expiry of his term i.e. on 31, March, 2024.

Further, the Company after due assessment took on record the necessary declarations received from each of the Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations, and also in the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in Section 149 of the Companies Act, 2013 and the Rules made thereunder about their status as Independent Directors of the Company.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, perquisites and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committees of the Company.

Accordingly, approval of the members by special resolutions for re-appointing the aforesaid directors as Independent Directors for a further term of 5 consecutive years i.e. from 1 April, 2019 to 31 March, 2024 has been sought in the enclosed Notice convening the Annual General Meeting of the Company. (Please refer to Item Nos. 4, 5 and 6 of the Notice). The Board recommends all the three re-appointments of Individual Directors to the members.

c. Director liable to retire by rotation:

In accordance with the provisions of Section 152 and other applicable provisions, if any of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sudhakar Ram (DIN: 00101473) is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment. The Board recommends his re-appointment to the members at the ensuing 37th Annual General Meeting.

Directors' report

d. Board Effectiveness:

1. Manner of Evaluation of the Board's Performance

In compliance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the Board of Directors has carried out an Annual Evaluation of its own performance, Board Committees, Individual Directors, Chairpersons and the Managing Director for the year under review.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual Directors including the Non-Executive Chairman and the Managing Director, their personal performance carried out using a peer review process, facilitated by an outside subject matter expert with confidential processing of inputs, interpretation of findings followed by one-on-one meeting with the individual Directors, and concluding with an aggregate presentation to the entire Board.

Board and Committees functioning was reviewed and evaluated on the basis of responses received from Directors, Committee Members and the Managing Director to structured questionnaires, covering various aspects of the composition and functioning of the Board and its Committees.

In a separate meeting of the Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman were also evaluated, taking into account the views of Executive Director and Non- Executive Directors. The Directors were asked to provide their valuable feedback and suggestions about the overall functioning of the Board and its Committees and its areas of improvement for a higher degree of engagement with the Management.

The Board expressed its satisfaction with the evaluation results, which reflects the high degree of engagement of the Board and its Committees with the Company and its Management. Based on the outcome of the evaluation and assessment cum feedback of the Directors, the Board and the Management have also agreed on some action points, which will be implemented over an agreed period.

2. Induction and Familiarisation Programme for Directors

The Familiarisation Programme for Independent Directors, which also extends to other Non-Executive Directors aims to familiarise them with the Company, nature of the IT industry, business model, processes & policies, compliances etc., and seeks to update them on the roles, responsibilities, rights and duties under the Companies Act, 2013 and the SEBI Listing Regulations and other applicable statutes. The details of the induction and familiarisation programme for the Directors are given in the Corporate Governance Report, which forms part of the Annual Report.

3. Code of Conduct

The Company has formulated a "Code of Business Conduct and Ethics" for the Board of Directors and Senior Managerial Personnel. The confirmation of compliance of the same is obtained from all concerned on an annual basis. All Board Members and Senior Managerial Personnel have given their confirmation of compliance for the year under review. A declaration duly signed by Vice Chairman & Managing Director is given under Corporate Governance Report appearing elsewhere as a separate section in this Annual Report. The Code of Business Conduct and Ethics for Board of Directors and Senior Managerial Personnel is also posted on the website of the Company at web link https://www.mastek.com/corporate-governance

e. Board Independence:

The definition of 'Independence' of Directors is derived from Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed by the Directors during the Board evaluation process, the following Non-Executive Directors are Independent of the Management:

1) Mr. S. Sandilya
2) Ms. Priti Rao
3) Mr. Atul Kanagat, and
4) Mr. Keith Bogg

There has been no change in the circumstances affecting their status as Independent Directors of the Company.

f. Key Managerial Personnel:

Pursuant to the provisions of Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended from time to time), the following are the Key Managerial Personnel of the Company:

1) Mr. Sudhakar Ram - Vice Chairman & Managing Director;
2) Mr. Abhishek Singh - Group Chief Financial Officer; and
3) Mr. Dinesh Kalani - Company Secretary

There is no change in the composition of Key Managerial Personnel during the year under review.

g. Committees of the Board:

The Board has 5 Committees:

1) Audit Committee
2) Nomination and Remuneration Committee
3) Stakeholders' Relationship Committee
4) Corporate Social Responsibility Committee, and
5) Governance Committee

Details of all the Committees along with their amended charters, composition and meetings held during the year are given under Corporate Governance Report appearing elsewhere as a separate section in this Annual Report.

11. Nomination and Remuneration Policy

The Company has a policy on Nomination and Remuneration of Directors and Senior Managerial Personnel approved by the Nomination and Remuneration Committee and the Board. The policy is available at the website of the Company at web link https://www.mastek.com/corporate-governance.

The policy inter-alia covers:

1. Directors' appointment and remuneration; and
2. Key Managerial Personnel and other senior employees appointment and remuneration.

Please refer the Notes to Accounts and Corporate Governance Section for the details on Remuneration of Directors and Key Managerial Personnel.

12. Employee Stock Option Plans

The Company has 3 ongoing Employee Stock Option Plans (ESOPs) at present. During the year under review, the Company had granted 386,000 Employee Stock options to its selected employees. The Board of Directors confirms that there is neither any new plan introduced nor there were any material changes made in the existing ESOP Plans and all the existing ESOP Plans comply with the SEBI Guidelines. Details of shares issued under ESOPs, as also the disclosure in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014, read with SEBI circular dated 16 June, 2015 are uploaded on the website of the Company at web link https://www.mastek.com/corporate-governance.

The Annual Certificate from M/s. Walker Chandiok & Co. LLP, Chartered Accountants, Statutory Auditors stating that the ESOP Plans have been implemented in accordance with the SEBI Regulations and the resolutions have been passed by the members in their general meeting, will be obtained and placed at the ensuing 37th Annual General Meeting for inspection of members.

13. Audit Committee

The Company has an Audit Committee that currently comprises of 4 Independent Directors and 1 Non-Executive Director. The Chairman of the Audit Committee is Independent Director. The Independent Directors are accomplished professionals from the Corporate fields. The Managing Director and Group Chief Financial Officer attend the meetings as permanent invitees. The Company Secretary acts as the Secretary to the Committee.

During the financial year 2018–19 the Committee met 5 times. The details of the Audit Committee meetings and the attendance of the members there at, are provided in the Corporate Governance Report, appearing elsewhere as a separate section in this Annual Report.

During the year under review, the Board accepted all the recommendations of the Audit Committee.

14. Related Party Transactions

The Company revised its Policies on determining materiality of related party transactions and also on dealing with Related Party Transactions in accordance with the amendments to the applicable provisions of the SEBI Listing Regulations. The same has been posted on the website of the Company at web link https://www.mastek.com/corporate-governance

Directors' report

During the year under review, the Company has not entered into transactions with related parties (except with its wholly owned subsidiaries which are exempt for the purpose of Section 188(1) of the Companies Act, 2013). As defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification and Definitions Details) Rules, 2014, all of the Related Party Transactions entered into were at an arm's length basis and in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors or Key Managerial Personnel, etc., which may have potential conflict with the interest of the Company at large.

Omnibus approvals are given by the Audit Committee for the transactions, which are foreseen and are repetitive in nature on yearly basis. A statement of all Related Party Transactions is presented before the Audit Committee and the Board on a quarterly basis, specifying the nature, value and terms & conditions of the transactions. The said transactions were unanimously approved by the Audit Committee as well as by the Board.

During the year under review, the Company had not entered into any contract / arrangement / transaction with any related parties, which could be considered material in accordance with the policy of the Company on determining materiality of related party transactions. Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 along with the justification for entering into such contract or arrangement in **Form AOC-2** is not required to be given. However, the Directors draw attention of the members to the **Note no. 24** of the Standalone Financial Statement, which sets out, related party transaction disclosures.

15. Human Resource and Relations

Human Resources are vital and most valuable assets for the Company. Mastek Group deploys its intellectual capability to create and deliver Intellectual Property (IP)-led solutions that make a business impact for its global clients. For this, the key success enabler and most vital resource is excellent talent.

As on 31 March, 2019, Mastek Group had a total head count of 2069. The Directors wish to place on record their appreciation and acknowledgment of the efforts and dedication and contributions made by employees at all levels during the year under review. Mastek Group continues to focus on attracting new talent & help them to acquire new skills, explore new roles and realise their potential by way of providing training Programmes and retain such high quality talent.

The detailed information pertaining to Human Resources initiatives taken by the Company is given under the Management Discussion and Analysis, which forms Part of this Annual Report.

16. Particular of Employees

The disclosure pertaining to remuneration and other details as required under 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 annexed as **Annexure 2** to the report.

Further, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits as set out in the Rules 5(2) and 5(3) of the aforesaid Rules forms part of this report. However, in terms of first provision of Section 136(1) of the Companies Act, 2013, the Annual Report and Accounts are being sent to the members and others entitled thereto, excluding the aforesaid information. The said information is available for inspection to the members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a copy would be sent.

17. Equal Opportunity Employer

The Company has always provided a congenial atmosphere for work that is free from discrimination and harassment, including sexual harassment but not limited to. It has provided equal opportunities of employment to all irrespective of their caste, religion, colour, marital status and gender.

18. Management of Risks of Fraud, Corruption and Unethical Business Practices

a. Whistle Blower Policy / Vigil Mechanism

In compliance with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations, the Company has established a Whistle Blower Policy / Vigil Mechanism Policy and the same is placed on the web site of the Company at web link https://www.mastek.com/corporate-governance

Directors' report

The Company has a Vigil Mechanism for Directors and Employees to report their concerns about unethical behavior, leakage of unpublished price sensitive information, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguards against victimisation of Director(s) and / or Employee(s) who avail the mechanism.

b. Anti - Corruption and Bribery Policy

In furtherance of the Company's Philosophy of conducting business in an honest, transparent and ethical manner, the Board has laid down '**Anti-Corruption and Bribery Policy**' as part of the Company's Code of Business Conduct and Ethics. As a Company, Mastek has zero-tolerance to bribery and corruption and is committed to act professionally and fairly in all its business dealings. To spread awareness about the Company's commitment to conduct business professionally, fairly and free from bribery and corruption and as part of continuous education to the employees an 'Anti- Bribery', mandatory online training & testing through a web-based application tool was conducted for relevant employees. The above policy and its implementation are closely monitored.

The concerned employees of the Company are made aware of the said policy at the time of joining the Company and are also provided online training, wherever necessary.

19. Policy on Prevention of Sexual Harassment of Women at Workplace

The Company has zero tolerance towards any action on the part of any employee which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to provide a safe and conducive work environment to all its employees and associates to uphold and maintain the dignity of every women employee working in the Company. The Company's Policy provides for protection against sexual harassment of women employees at workplace and for prevention and redressal of such complaints.

The Company has a qualified Internal Complaints Committee, who along with the external member reviews the policy and framework on a regular basis. Additionally, the Company ensures that every new employee undergoes an awareness programme which will sensitise them to uphold the dignity of their colleagues at workplace, particularly with respect to prevention of sexual harassment.

During the year under review, the Company has not received any complaint.

No cases of child labour, forced labour and involuntary labour were reported during the year.

20. Corporate Social Responsibility

Mastek Foundation is the CSR wing of the Company. Founded in 2002, the mission of Mastek Foundation evolves as **Informed Giving, Responsible Receiving**. The institution seeks to inspire Company employees by creating awareness among them to give back to the community in ways which would meet the needs and challenges faced by the community members. One such medium could be through volunteering and giving opportunities. The Foundation also supports Non - Governmental Organisation (NGOs) to scale and build their capabilities through our core skill of IT. Hence, the Foundation has 3 clearly defined pillars: **ENGAGE, GIVE AND BUILD**.

In compliance with the provisions of Section 135 of the Companies Act, 2013 the Board of the Company has formed a Corporate Social Responsibility (CSR) Committee. The Committee met once during the year under review and a detailed report about CSR activities undertaken during the year is annexed as **Annexure 3** to the report. The CSR Policy has been uploaded on the website of the Company at web link www.mastek.com/corporate-governance. The CSR projects or programmes undertaken are within the broad framework of Schedule VII of Companies Act, 2013. The highlights of the policy are as follows:-

Mastek CSR programmes falls under the following categories:

a. Promoting education, enhancing skills of children, and development of children and women working in red- light areas. We are also involved in special education and employment - enhancing vocational skills especially among women, elderly and the differently abled and livelihood enhancement projects.

b. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making safe drinking water available.

c. Promoting gender equality and empowering women: Activities include setting up homes / hostels for women and orphans, old age homes and other such facilities for senior citizens, day care centres, and measures to reduce inequalities faced by socially and economically backward groups.

d. Protection and up gradation of environmental conditions: These include ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water.

e. Any other projects with the approval of the Board.

Corpus:

The corpus for the CSR consists of:

- 2% of the Average Net Profit of the preceding 3 years
- Any income / surplus arising out of the above activities
- Payroll contribution from the employees
- Proceeds from Fund-raising events

Mastek may pool its resources and CSR spending with other Groups or Associate Companies on collaborative efforts that qualify as CSR spending.

Roles and Responsibilities:

- Decide CSR projects, programmes, or activities to be taken up by the Company
- The CSR activities proposed to be taken up by the Company each year are placed before the Board for approval
- Oversee the progress of the initiatives rolled out under this policy
- Define and monitor the budgets for carrying out the initiatives
- Submit a report to the Board of Directors on all CSR activities / projects spent during the financial year
- Monitor and review the implementation of the CSR policy

CSR Committee Composition:

The Chairperson of the Committee is Ms. Priti Rao, Non - Executive Independent director. The other members are Mr. Ashank Desai, Non - Executive Director and Mr. Sudhakar Ram, Vice - Chairman & Managing Director. The Company Secretary acts as the Secretary to the Committee.

Based on the Average Net Profits of the Company for 3 immediately preceding financial years, the amount to be spent on CSR activities during the financial year 2018 –19 was budgeted at ₹ 54 lakhs. However, a total sum of ₹ 100.05 lakhs was spent on projects approved under Section 135 of the Companies Act, 2013 on CSR activities during the year, which is almost 85% higher than the budgeted amount.

21. Auditors

a. Statutory Auditors

As per the requirements of the Companies Act, 2013, the Audit Committee and the Board of Directors at their meeting held on 20 April, 2017 and the members of the Company at the 35th Annual General Meeting (AGM) appointed M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration No. 001076N / N500013), as the Statutory Auditors of the Company for a period of 5 Consecutive years, commencing from the conclusion of 35th AGM untill the conclusion of the 40th AGM, subject to ratification by members every year.

Pursuant to the provisions of Section 139 and the Companies (Amendment) Act, 2018 effective from 7 May, 2018, the requirement of seeking ratification from the members for the continuation of re-appointment of the Statutory Auditors has been withdrawn from the Statute, hence re-appointment of M/s. Walker Chandiok & Co. LLP, Statutory Auditors of the Company does not require ratification and will continue to be Statutory Auditors of the Company. Hence, the resolution seeking ratification of the members for their appointment is not being placed at the ensuing AGM.

M/s. Walker Chandiok & Co. LLP has confirmed their eligibility and consent under Sections 139 and 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 for their continuance as the Auditors of the Company for the financial year 2019–2020. In terms of the SEBI Listing Regulations, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

Further, the report of the Statutory Auditors along with the notes is enclosed with the Financial Statements. The Auditors have issued an unmodified opinion on the Financial Statements for the financial year ended 31 March, 2019.

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

b. Secretarial Auditors

In terms of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Board has appointed Mr. Prashant S. Mehta, Proprietor of P. Mehta & Associates, Practicing Company Secretaries, as Secretarial Auditor of the Company for the financial year 2018–19 to conduct the Secretarial Audit and issue the Secretarial Audit Report in **Form MR-3** pursuant to the provisions of Section 204 of the Companies Act, 2013 and read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The report of the Secretarial Auditors for the financial year 2018 –19 is annexed as **Annexure 4** to this report. The report is self-explanatory and does not contain any qualification, reservation and adverse remarks.

Pursuant to the circular issued by the SEBI dated 8 February, 2019, Secretarial Auditor will issue the "Annual Secretarial Compliance Report" and the same will be submitted to the stock exchanges in time.

22. Enterprise Risk Management (ERM)

In terms of the requirements of the Companies Act, 2013, the Company has developed and implemented the Risk Management Framework which captures and classifies the risks faced by the Company. This is periodically reviewed by the Governance Committee of the Board as well as by the Board of Directors of the Company.

The objectives of ERM includes:

- Identifying and assessing a broad array of risks that could negatively impact the achievement of Organizational goals and objectives
- Ensuring appropriate ownership and accountability of risks
- Developing and implementing appropriate risk mitigation and monitoring plans by risk owners

Risk identified are defined in the "Risk Register" and categorized as High, Medium or Low risks. The risk owners quantify the impact of identified risks and outline the steps taken to mitigate it. The risks identified are reviewed periodically to assess its impact on the business. As a result, a risk can go up or down in its impact. Once mitigated, it can go out of the Risk Register as well. This is a robust process governed by the Board in conjunction with the risk owners. Based on the probability & impact of the risk, the requisite controls and mitigation action plans have been designed and implemented. Risk of non-compliance can result in reputational damage, penalty and business risk. To ensure optimal compliances, periodic checks and tests of compliance and controls are performed by the Company. The report of such checks are presented to the Board periodically. This spreads awareness about various risk management activities / achievement, new topics / practices / updates on ERM and to create enthusiasm in them to proactively control risks in their work processes & areas. Mastek is committed to further strengthen its risk management capabilities in order to protect interests of stakeholders and enhance shareholder value.

The detailed information pertaining to ERM is given under the management Discussion and Analysis which forms part of this Annual Report.

23. Internal Control Systems

- **Internal Audit and its Adequacy**

  The scope and authority of the Internal Audit function is defined by the Audit Committee. With a view to maintain independence and objectivity in its working, the Internal Audit function reports directly to the Audit Committee. At the beginning of each financial year, a risk based Annual Audit Plan is rolled out after the same is approved by the Audit Committee. The Audit Plan is aimed at evaluation of the efficacy and adequacy of internal control system and compliance thereof, robustness of internal processes, policies and accounting procedures, compliance with laws and regulations. Based on the reports of internal audit function, process owners undertake corrective action in their respective areas. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

- **Internal Financial Controls over Financial Reporting (IFCoFR)**

  The internal financial controls within the Company are commensurate with the size, scale and complexity of its operations. The controls were tested during the year and no reportable material weaknesses either in their design or operations were observed. The Company has robust policies and procedures which, inter alia, ensures integrity in conducting its business, safeguarding of its assets, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors.

Directors' report

24. Directors' Responsibility Statement

Based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company, audit and reviews performed by the Internal, Statutory and Secretarial Auditors and the reviews undertaken by the Management and the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls have been adequate and effective during the year under review.

Pursuant to Section 134 of the Companies Act, 2013, and to the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors confirm the following statements:

(a) that in the preparation of the Annual Financial Statements for the year ended 31 March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(b) that such accounting policies as mentioned in Note. 1 of the Notes to the financial statements have been selected and applied consistently and judgments 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 31 March, 2019 and of the profits 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 to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and

(f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

25. Details of Conservation of Energy and Technology Absorption & Foreign Exchange Earnings and Outgo

a. Conservation of Energy and Technology Absorption

The Company is entirely a Services Company and thus essentially, a non-energy intensive organisation. Additionally, the Company's facilities are set up at locations chosen for adequate availability and supply of energy. The Company has optimisation of IT power usage as well as higher operational efficiency.

Further, the Company was able to reduce the power consumption over the previous year, through monitoring energy use and installing LED lights. To further save energy and improve efficiency, the Company implemented smarter solutions with automated controls to maintain optimal temperature at optimal power consumption. LED lights fitment in our offices as well as replacement of old power guzzler with new smarter solutions have helped to reduce energy costs as well.

The Company continues to adopt and use the latest technologies to improve the productivity and quality of its services. The Company's operations do not require significant import of technology.

b. Foreign Exchange Earnings and Outgo

Total Foreign Exchange used and earned by the Company is as follows:

(₹ lakhs)

Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018
Foreign Exchange Used	**413**	490
Foreign Exchange Earned	**19,526**	16,026

Directors' report

26. Corporate Governance

The Company is committed to maintaining the highest standards of Corporate Governance and adhering to the Corporate Governance requirements as set out by the SEBI Listing Regulations.

The Company has complied fully with Corporate Governance requirements under the SEBI Listing Regulations. A separate section on Corporate Governance practices followed by the Company together with a Certificate appearing elsewhere in this report and forms an integral part of this report.

27. Code of Conduct for Prevention of Insider Trading

The Board of Directors has revised the Code of Internal Procedures and Conduct for regulating, monitoring and reporting of trading by Insiders in accordance with SEBI (Prohibition of Insider Trading) Regulations, (Amendment) 2018. The code is available on website of the Company at web link https://www.mastek.com/corporate-governance

28. Disclosures under the Companies Act, 2013 and the SEBI Listing Regulations

a. Extract of Annual Return:

As required under the provisions of Sections 134(3)(a) and 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the extract of Annual Return in **Form No. MGT-9** is annexed herewith as **Annexure 5** to this report.

b. Number of Board Meetings:

The Board of Directors met 5 times during the financial year 2018 **–**19. The details of the Board Meetings and the attendance of the Directors there at, are provided in the Corporate Governance Report, appearing elsewhere as a separate section in this Annual Report.

c. Increase in Issued, Subscribed and Paid-up Equity Share Capital:

During the year, the Company has issued and allotted 2,80,747 number of Equity Shares of face value of ₹ 5/- each for a total nominal value of ₹ 14,03,735 under various ESOP Plans to the selected employees of the Company, who exercised their vested Employee Stock Options. These Equity Shares rank pari passu in all respects with the existing Equity Shares of the Company.

The movement of share capital during the year was as under:

Particulars	No. of shares allotted	Cumulative outstanding No. of shares	Cumulative outstanding capital (₹)
Capital at the beginning of the year, i.e. as on 1 April, 2018	-	2,36,92,056	11,84,60,280
Allotment of shares to employees pursuant to exercise of options granted under ESOP Plans on –			
1. 17 April, 2018	35,894	2,37,27,950	11,86,39,750
2. 04 July, 2018	57,863	2,37,85,813	11,89,29,065
3. 24 October, 2018	97,250	2,38,83,063	11,94,15,315
4. 16 January, 2019	59,498	2,39,42,561	11,97,12,805
5. 27 March, 2019	30,242	2,39,72,803	11,98,64,015
Capital at the end of the Year, i.e. as on 31 March, 2019	-	2,39,72,803	11,98,64,015

Directors' report

d. Changes in the Nature of Business:

There has been no change in the nature of business of the Company during the financial year ended 31 March, 2019.

e. Listing with Stock Exchanges:

Your Company is listed with the BSE Limited and the National Stock Exchange of India Limited.

f. Compliance with Secretarial Standards on Board and General Meetings:

During the year under review, the Company has complied with Secretarial Standards on meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India in terms of Section 118(10) of the Companies Act, 2013.

g. Insurance:

The Company has sufficiently insured itself under various Insurance policies to mitigate risks arising from third party or customer claims, property, casualty, etc.

h. Equity Shares with Differential Rights:

Your Company has not issued any Equity Shares with differential rights as to dividend, voting or otherwise.

i. Particulars of Loans, Guarantees or Investment:

In compliance with the provisions of the Companies Act, 2013, there were no loans given or investments made by the Company during the year.

Further, the Company had provided a Corporate Guarantee for an amount of GBP 17 million and also security / charge / mortgage over one of its Property as a Security for a term loan facility availed by one of its wholly owned subsidiary for an aggregate principal amount not exceeding GBP 15 million from the Bank. The Company had released its earlier Corporate Guarantee of US$ 12 million during the year based on pre-payment of the loan by the Subsidiary.

j. Other Disclosures:

No disclosure or reporting is made with respect to the following items, as there were no transactions during the year under review:

- There were no revision in the Financial Statements.
- No material fraud has been reported by the Auditors to the Audit Committee or the Board.
- The Managing Director of the Company has not received any remuneration or commission from any of its subsidiaries.
- The Company does not have any scheme or provision of money for the purchase of its own shares by trustees for employees benefit.
- The Company is not required to maintain cost records as per Section 148 of the Companies Act, 2013.
- There were no buy back of shares during the year under review
- Your Company has not accepted any deposits from public in terms of Section 73 and / or 74 of the Companies Act, 2013.
- During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations and legal compliances.

29. Industry Recognition

During the year under review, your Company, its Subsidiaries and Executives received many awards and felicitations conferred by reputable organisations. Some of them are:

a. Gartner listed your Company in its prestigious **"Leading IT Service Provider Offering RPA Services"** section

b. Mastek Learning & Development team won the award for **"Best Learning Strategy of the Year"** this award was presented at the 3rd Edition of the **"Future of L&D Summit & Awards 2019"**

c. Outstanding Contribution - IT at CNBC-AWAAZ CEO Awards

d. Your Company was shortlisted in not 1 but 3 categories of the UK IT Industry Awards including:

1. Vendor of the Year
2. Digital Project of the Year and
3. IT Service and Support Professional of the Year

e. Your Company was selected as a finalist in 2 categories of this year's European Software Testing Awards. The categories were:

1. Best Agile Project: Student Loans Company (SLC) in partnership with Mastek
2. Best Test Automation Project – Functional: Specsavers in partnership with Mastek

f. Insights Success magazine which has over 70,000 qualified subscribers across the globe ran a cover story recognising Mr. John Owen's exemplary leadership skills, his work as the Group CEO - leading by example and effectively driving transformation to deliver outstanding results and bringing about positive change and awarded him **'The 10 Best Performing IT Leaders to Watch in 2019'**.

g. Mr. John Owen, Group Chief Executive Officer won the Finance Monthly CEO Award 2018 for his outstanding contribution in driving Mastek's growth agenda over the past 12 months.

h. The CFO100 2019 Roll of Honor was presented to Mr. Abhishek Singh, Group Chief Financial Officer, in recognition of his contributions to Financial Planning & Cost Management. He is Recipient of this honor for 3rd year in a row.

30. Enhancing Shareholders Value

The Company accords top priority for creating and enhancing shareholders value. All the Company's operations are guided and aligned towards maximising shareholders value.

31. Appreciation and Acknowledgement

Your Directors are grateful to the Investors for their continued patronage and confidence in the Company over the past several years. Your Directors also thank the Central and State Governments, other Statutory and Regulatory Authorities for their continued guidance, assistance, co-operation and support received.

Your Directors thank all our esteemed clients, associates, vendors and contractors within the country and overseas for their continued support, faith and trust reposed in the professional integrity of Mastek. With continuous learning, skill up-gradation and technology development Company will continue to provide world class professionalism and services to its clients, associates, vendors and contractors.

Your Directors also wish to convey their sincere appreciation to all employees at all levels for their dedicated efforts and consistent contributions and co-operation extended and is confident that they will continue to contribute their best towards achieving still better performance in future to become a significant leading player under Information Technology Industry.

For and on behalf of the **Board of Directors**

Sudhakar Ram Vice Chairman and Managing Director (DIN: 00101473)	**S. Sandilya** Non- Executive Chairman and Independent Director (DIN: 00037542)

Date: 16 April, 2019
Place: Mumbai

Annexure 1

FORM AOC-1

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

Statement containing salient features of the Financial Statements of subsidiaries
Pursuant to sub-section (3) of Section 129 of the Companies Act, 2013, the brief business and a statement containing the salient features of the Financial Statements of the Company's subsidiaries are given below.

Trans American Information Systems Private Limited, India, a Wholly Owned Subsidiary of Mastek Limited is a Company with deep routed capability in providing high skilled resources and end-to-end E-commerce services including strategy, creative design, implementation and managed services. Having presence in India and supporting US Customers.

Mastek (UK) Limited, a Wholly Owned Subsidiary of Mastek Limited, is a provider of Software Solutions, which enable customers to solve their complex, mission critical business problems with innovative solutions that sustain and grow their business in the UK market.

IndigoBlue Consulting Limited, a Wholly Owned Subsidiary of Mastek (UK) Limited, was considered leading UK consultancy organization specializing in Agile Programme and project management. It has entered into Business Transfer Agreement w.e.f. 30 June, 2018 with its parent Company to merge itself (transfer of its business, assets and liabilities). This will enable greater synergies between them and will also achieve higher operational efficiencies.

Mastek Inc., (Formerly known as Digility inc.) a Wholly Owned Subsidiary of Mastek (UK) Limited, is a niche digital transformation services provider, which uses agile methodologies to service customers in the financial and retail sectors through the Agile Development, Data Warehouse, Business Intelligence and Testing Services DNA.

TAISTech LLC and Trans American Information Systems Inc. (TAIS Inc.) are the Wholly Owned Subsidiaries of Mastek Inc., TAIS Inc. is a global digital services firm focused on implementing and maintaining the Oracle Commerce and Oracle Commerce Cloud applications, as well as integrating them with the full suite of Oracle Customer Experience Products.

Enterprises where control exists

- Trans American Information Systems Private Limited- Wholly Owned Subsidiary of Mastek Limited
- Mastek (UK) Limited- Overseas Wholly Owned Subsidiary of Mastek Limited
- IndigoBlue Consulting Limited- Overseas Wholly Owned Subsidiary of Mastek (UK) Limited
- Mastek Inc.- Overseas Wholly Owned Subsidiary of Mastek (UK) Limited
- TAISTech LLC -100% membership interest held by Mastek Inc.
- Trans American Information Systems Inc. - Overseas Wholly Owned Subsidiary of Mastek Inc.

Annexure 1

HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES AND THEIR CONTRIBUTION TO OVERALL PERFORMANCE OF THE COMPANY

PART "A": Subsidiaries

Name of Subsidiaries	Trans American Information Systems Private Limited	Mastek (UK) Limited	IndigoBlue Consulting Limited	Mastek Inc. (Formerly known as Digility Inc.)	TAISTech LLC	Trans American Information Systems Inc.
Reporting period for the subsidiary concerned, if different from holding company's reporting period	Reporting period of all the Subsidiaries are the same as of the Holding Company which is 31 March					
The Date since when subsidiary was acquired	23-Dec-2016	1-Oct-2001	1-May-2015	17 Nov- 2015	23-Dec-2016	23-Dec-2016
Reporting Currency	INR	GBP	GBP	US$	US$	US$
Exchange Rate (in INR) on the last date of the financial year in the case of foreign subsidiaries	NA	91	91	69	69	69
Share Capital	3	181	9	14,765	-	0
Reserves & Surplus	1,588	46,488	10	(3,202)	2,588	2,299
Total Assets	1,181	26,625	19	2,847	5,010	2,790
Total Liabilities	423	19,428	-	2,485	2,422	490
Investments	833	39,472	-	11,202	-	-
Turnover	4,118	75,529	1,119	1,348	17,857	13,667
Profit Before Tax	683	8,620	(137)	156	2,142	(1,285)
Taxation	180	2,016	-	55	(171)	(144)
Profit After Tax	503	6,604	(137)	101	2,313	(1,141)
Proposed Dividend	-	-	-	-	-	-
% of Shareholding	100%	100%	100%	100%	100%	100%
% of Consolidated Profit including group transactions	5.0%	65.1%	(1.3%)	1.0%	22.8%	(11.2%)

Notes:
1. *Names of subsidiaries which are yet to commence operations: NA*
2. *Names of subsidiaries which have been liquidated or sold during the year:*
   IndigoBlue Consultancy Limited, the step down subsidiary of the Company has entered into Business Transfer Agreement w.e.f. 30 June, 2018 with its parent Company to merge itself (transfer of its business, assets and liabilities). This will enable greater synergies between them and will also achieve higher operational efficiencies.

Part "B": Associates and Joint Venture:

The Company does not have any Associates and/or Joint Venture Company during the year.

Notes:
1. *Names of associates or joint ventures, which are yet to commence operations - NA*
2. *Names of associates or joint ventures which have been liquidated or sold during the year – NA*

For and on behalf of **the Board of Directors**

Sudhakar Ram
Vice- Chairman and
Managing Director
(DIN: 00101473)

S. Sandilya
Non- Executive Chairman and
Independent Director
(DIN: 00037542)

Abhishek Singh
Group Chief Financial Officer

Dinesh Kalani
Company Secretary

Date: 16 April, 2019
Place: Mumbai

Annexure 2

Statement under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. The ratio of the remuneration of each Director and Key Managerial Personnel to the median remuneration of the employees of the Company for the financial year 2018–19:

Name of Directors	Designation	Ratio of Remuneration of each Director to the median remuneration	Remuneration (in ₹)		No. of ESOPs granted in the FY. 2018–19
			FY. 2018–19	FY. 2017–18	
Mr. S. Sandilya	Non- Executive Chairman and Independent Director	5.89	**32,00,000**	30,00,000	NA
Mr. Sudhakar Ram	Vice Chairman and Managing Director	17.35	**94,20,816**	94,20,816	NA
Mr. Ashank Desai	Non-Executive Director*	4.22	**22,91,085**	22,11,965	NA
Ms. Priti Rao	Non-Executive Director (Independent)	4.60	**25,00,000**	20,00,000	NA
Mr. Atul Kanagat	Non-Executive Director (Independent)	2.58	**14,00,000**	20,00,000	NA
Mr. Keith Bogg	Non-Executive Director (Independent)	2.82	**15,30,000**	13,00,000	NA
Mr. Abhishek Singh	Group Chief Financial Officer	46.45	**2,52,21,959**	1,33,01,897	50,000
Mr. Dinesh Kalani	Company Secretary	6.64	**36,04,763**	34,37,803	750

**Remuneration consist of certain benefits / perquisites as approved by the members under enabling resolution.*

Notes:

1. *The remuneration of Non-Executive Directors consists of sitting fees & payment of Commission, wherever applicable.*
2. *The median remuneration of the Company for all its employees is ₹ 5,42,964 for the financial year 2018–19.*

2. The percentage increase in remuneration of each Director, Group Chief Financial Officer, Company Secretary in the financial year 2018–19 as compared to financial year 2017–18:

Name of Directors	Designation	% increase / decrease in Remuneration
Mr. S. Sandilya	Non- Executive Chairman and Independent Director	6.67
Mr. Sudhakar Ram	Vice Chairman and Managing Director	0
Mr. Ashank Desai	Non-Executive Director	3.58
Ms. Priti Rao	Non-Executive Director (Independent)	25.00
Mr. Atul Kanagat	Non-Executive Director (Independent)	(30.00)
Mr. Keith Bogg	Non-Executive Director (Independent)	17.69
Mr. Abhishek Singh	Group Chief Financial Officer	89.61
Mr. Dinesh Kalani	Company Secretary	4.86

Note: The variation in percentage of remuneration of Non - Executive Directors is because of receipt of sitting fees, during the year under review, vis a vis the preceding financial year

3. The Percentage increase in the median remuneration of employees in the financial year 2018–19:

The percentage increase in the median remuneration of all employees in the financial year was 1%.

Annexure 2

4. The number of permanent employees on the rolls of Company as on 31 March, 2019:

The number of permanent employees on the rolls of Company as on 31 March, 2019 were 1,019.

5. Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration :

Average percentage increase made in the salaries of the employees other than the Managerial Personnel in the financial year was -3% vis a vis increase of 46% in the salaries of Managerial Remuneration.

6. Affirmation that the remuneration is as per the Nomination and Remuneration Policy of the Company:

We affirm that the remuneration is as per the Nomination and Remuneration Policy of the Company.

For and on behalf of **the Board of Directors**

Sudhakar Ram	**S. Sandilya**
Vice- Chairman and Managing Director	Non- Executive Chairman and Independent Director
(DIN: 00101473)	(DIN: 00037542)

Date: 16 April, 2019
Place: Mumbai

Annexure 3

Annual Report on Corporate Social Responsibility (CSR) Activities / Initiatives for the financial year 2018 –19

[Pursuant to Section 135 of the Companies Act 2013 and Rules made thereunder]

I.	A brief outline of the Company's CSR policy, including overview of projects or programme proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.	Mastek Foundation is the CSR wing of Company. Founded in 2002, the mission of Mastek Foundation evolves as **Informed Giving. Responsible Receiving.** The institution seeks to inspire Company's employees by creating awareness among them to give back to the community in ways which would meet the needs and challenges faced by community members. One such medium could be through volunteering and giving opportunities. The Foundation also supports Non Government organisation to scale and build their capabilities through our core skill of IT. Hence, the Foundation has three clearly defined pillars: **ENGAGE, GIVE AND BUILD.** The Company's participation focuses on operations where it can contribute meaningfully either through employee volunteering or by using core competency which develops solutions. The CSR policy is being developed for the Company to comply with the provisions of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014. Mastek is committed to spending up to 2% of the Average Net Profit for the preceding 3 financial years on CSR projects or programmes which are undertaken within the broad framework of Schedule VII of the Companies Act, 2013 or such activities as may be notified from time to time. A CSR Committee was constituted in April, 2014 in order to meet the requirements of the Act. The policy is available at the web link: https://www.mastek.com/corporate-governance
II.	Composition of the CSR Committee	Ms. Priti Rao (Independent Director) Mr. Ashank Desai (Non-Executive Director) Mr. Sudhakar Ram (Vice Chairman and Managing Director)
III.	Average Net Profit of the Company for last three financial years	₹ 2674.06 lakhs
IV.	Prescribed CSR Expenditure (2% of the amount as in item 3 above)	₹ 54 lakhs
V.	Details of CSR spent during the financial year 2018 –19:	
	a. Total amount spent for the financial year 2018 –19	₹ 100.05 lakhs (higher by ₹ 46.05 lakhs i.e. 85% than budgeted amount)
	b. Amount unspent, if any	NA
	c. Manner in which the amount spent during the financial year is detailed below	The brief details thereof are as under:

(₹ lakhs)

(1) Sr. No.	(2) CSR projects or activities identified	(3) Sector in which the project is covered	(4) Locations Districts (State)	(5) Amount Outlay (budget) project or programs wise	(6) Amount Spent on the project or programs Wise	(7) Cumulative Expenditure up to reporting period	(8) Amount spent: Direct or through implementing agency*
1.	Providing relief kits & counselling on ground during relief operations	Disaster Relief	Kerala	-	0.96	0.96	
2.	Providing speciality surgeries to homeless animals	Animal Welfare	Thane, (Maharashtra)	1.20	1.46	1.46	
3.	Providing beneficiaries with requisite education and vocational skills training in Bedside Nursing	Women Empowerment	Ahmednagar, (Maharashtra)	5.00	6.10	6.10	
4.	Increasing tribal livelihoods through training farmers in indigenous beekeeping	Livelihood	Palghar, (Maharashtra) and Valsad, (Gujarat)	9.42	11.49	11.49	
5.	Increase the ground water level by 1 meter, reduce rate of runoff water and ensure proper health care of animals by providing them fodder through hydroponics and fodder stumps	Community Development	Nanded, (Maharashtra)	-	12.20	12.20	
6.	Sensitise and empower the reproductive age group women on menstrual health, bring about behavioural change in among these women for using disposable sanitary napkins, and provide affordable sanitary napkins	Health	Virar, (Maharashtra)	-	12.20	12.20	
7.	Create an integrated rehab facility for children, with a complete road map from early childhood to pre -vocational & vocational training to day care and life care services to reach their optimum development towards fruitful life, Create preparatory training atmosphere along with functional academics, for those children who cannot pursue higher education, towards value adding skills training, Access to education (i) through ensuring admissions of non-school going children to school and provision of scholarships, (ii) construction of school infrastructure for destitute children and trafficked children, (iii) access to quality education and nutrition to children from impoverished tribal backgrounds.	Education	Airoli, Belapur, (Maharashtra), Sehore, (Madhya Pradesh), Howrah, (West Bengal)	35.68	50.63	50.63	
8.	-	Project Monitoring and Evaluation	Mumbai, (Maharashtra)	2.70	5.01	5.01	
Total funds				54.00	100.05	100.05	

** Donations are given to **Mastek Foundation**, who in addition to implementing on its own got the above project, implemented through the following agencies:*

Annexure 3

Disaster Relief
1. *GOONJ, Kerala*

Animal Welfare
2. *Plant and Animal Welfare Society, Thane, Maharashtra*

Women Empowerment
3. *Snehalaya, Ahmednagar, Maharashtra*

Livelihood
4. *Under The Mango Tree, Palghar, Maharashtra and Valsad, Gujarat*

Community Development
5. *Sanskriti Samvardhan Mandal, Nanded, Maharashtra*

Health
6. *Prasad Chikitsa, Virar, Maharashtra*

Education
7. *Mutually Beneficial Activities (MBA) Foundation, Airoli, Navi Mumbai, Maharashtra*
8. *Shiksha Amrit Foundation, Belapur, Navi Mumbai, Maharashtra*
9. *Parivaar, Sehore, Madhya Pradesh*
10. *Samaritan Help Mission, Howrah, West Bengal*

VI.	In case the Company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report	NA
VII.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.	The CSR projects are monitored at regular intervals by the Committee. The monitoring report has been prepared as per the policy. The monitoring of projects has been done keeping in mind the CSR Objectives of the Company.

Sd/-	Sd/-	Sd/-
Priti Rao	**Ashank Desai**	**Sudhakar Ram**
Chairperson	Member	Member
(DIN: 03352049)	(DIN:00017767)	(DIN:00101473)

Place: Mumbai
Date: 16 April, 2019

Annexure 4

Secretrial Audit Report

Form No. MR-3

For the financial year ended 31 March, 2019
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
Mastek Limited

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records, I believe that the processes and practices, I followed provide reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company. I have relied on the statutory report provided by the Statutory Auditors as well as Internal Auditors of the Company for the financial year ended 31 March, 2019.
4. I have obtained the management representation wherever required about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provision and other applicable laws, rules, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Reports gives neither an assurance as to the future liability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **P Mehta & Associates**
Practicing Company Secretaries

Prashant S. Mehta
(Proprietor)
ACS No. 5814
C.P. No. 17341

Place: Mumbai
Date: 16 April, 2019

Annexure 4

Form No. MR-3

For the financial year ended 31 March, 2019
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Mastek Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mastek Limited (hereinafter called "the Company"), incorporated on 14 May, 1982 having CIN: L74140GJ1982PLC005215 and Registered Office at 804 / 805, President House, Opp. C. N. Vidyalaya, Near Ambawadi Circle, Ambawadi, Ahmedabad - 380006, Gujarat. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31 March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31 March, 2019 according to the provisions of:
    (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
    (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
    (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
    (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
    (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
        a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
        b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
        c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
        d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 were not applicable to the Company due to NO event / action under the reporting period:-
    a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with the Client;
    d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
    e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

I have relied on the representations made by the Company and its officers for systems and the mechanism formed by the Company and having regard to the compliance system prevailing in the Company and on an examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

a) The Information Technology Act, 2000;
b) The Special Economic Zone Act, 2005;
c) Policy relating to Software Technology Parks of India and its regulations;

d) The Trade Marks Act, 1999;
e) Indian Stamp Act, 1999;
f). Negotiable Instruments Act,1881;
g) Registration Act, 1908;
h) All applicable Labour Laws and other incidental laws related to Labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, Compensation, etc;
i) Income Tax Act, 1961 and other Indirect Tax laws;
j) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
k) Bombay Shops and Establishments Act, 1948;
l) Electricity Act, 2003.

I have also examined compliance with the applicable clauses of the Secretarial Standards in respect of Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and to the best of my knowledge and belief, during the period under review, the Company has complied with the provisions of the Act, Rules, applicable Regulations, Guidelines, Standards, etc. mentioned above.

I further report that based on the information provided and the representation made by the Company and also on the review of the compliance reports of Managing Director and Group Chief Financial Officer taken on record by the Board of Directors of the Company in my opinion adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable general laws like labour laws,etc.

I further report that:

The Board of Directors of the Company is duly constituted with a proper balance of Executive Director, Non-Executive Directors and Independent Directors including Woman Director. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors and the Committees of the Company were carried unanimously. There were no dissenting views by any member of the Board of Directors during the period under review.

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the year following special event had occurred:

Declared Interim Dividend;

I further report that during the audit period the Company and its officers has co-operated with me and have produced before me all the required forms information, clarifications, returns and other documents as required for the purpose of my audit.

For **P Mehta & Associates**
Practicing Company Secretaries

Prashant S Mehta
(Proprietor)
ACS No. 5814
C.P. No. 17341

Place: Mumbai
Date: 16 April, 2019

Annexure 5

Form MGT-9

Extract of Annual Return

For the financial year ended 31 March, 2019

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

1.	CIN	L74140GJ1982PLC005215
2.	Registration Date	14 May, 1982
3.	Name of the Company	MASTEK LIMITED
4.	Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
5.	Address of the Registered Office and contact details	804 / 805, President House, Opp. C. N. Vidyalaya, Near Ambawadi Circle, Ambawadi, Ahmedabad - 380006, Gujarat Tel No. +91-79-2656-4337, Fax. +91-22-6695-1331 E-mail: investor_grievences@mastek.com Website: www.mastek.com
6.	Whether Listed Company	Yes
7.	Name, Address and Contact details of Registrar & Transfer Agents (RTA)	**Karvy Fintech Private Limited** Karvy Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032. Tel. : +91-040-6716-1500; Fax : +91-040-2331-1968 E-mail: einward.ris@karvy.com

II. Principal Business Activities of the Company:

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated

Sr. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1.	Computer Programming, Consultancy and Related Activities	620	100

III. Particulars of Holding, Subsidiary and Associate Companies:

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
	Indian Subsidiary				
1.	**Trans American Information Systems Private Limited** Plot No. B2 / 362, Tara Nagar, Old Palam Road, Kakrola, New Delhi- 110078	U51505DL1999PTC098689	Subsidiary	100.00	Section 2(87) of the Companies Act, 2013
	Foreign Subsidiaries				
2.	**Mastek (UK) Limited** Pennant House, 2 Napier Court, Napier Road Reading, RG1 8BW, UK	Foreign Company	Subsidiary	100.00	Section 2(87) of the Companies Act, 2013
3.	**IndigoBlue Consulting Limited** Ormond House, 3 Duke of York St, London SW1Y 6JP, UK	Foreign Company	Step down Subsidiary	100.00	Section 2(87) of the Companies Act, 2013
4.	**Mastek Inc.** 15601 Dallas Parkway, Suite 250, Addison, TX 75001	Foreign Company	Step down Subsidiary	100.00	Section 2(87) of the Companies Act, 2013
5.	**TAISTech LLC, USA** 15601 Dallas Parkway, Suite 250, Addison, TX 75001	Foreign Company	Step down Subsidiary	100.00 (membership interest)	Section 2(87) of the Companies Act, 2013
6.	**Trans American Information Systems Inc. USA** 15601 Dallas Parkway, Suite 250, Addison, TX 75001	Foreign Company	Step down Subsidiary	100.00	Section 2(87) of the Companies Act, 2013

Annexure 5

IV. Share Holding Pattern (Equity Share Capital Breakup as % of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (i.e. as on April, 2018)				No. of Shares held at the end of the year (i.e. as on 31 March, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a. Individual / HUF	70,36,032	-	70,36,032	29.70	69,61,032	-	69,61,032	29.04	(0.66)
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt. (s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp	-	-	-	-	-	-	-	-	-
e. Banks / FI	-	-	-	-	-	-	-	-	-
f. Any Other Ram Family Trust I (through Trustee for sole beneficiary Mrs. Girija Ram)	10,00,000	-	10,00,000	4.22	10,00,000	-	10,00,000	4.17	(0.05)
Sub-total (A)	80,36,032	-	80,36,032	33.92	79,61,032	-	79,61,032	33.21	(0.71)
(2) Foreign									
a. NRIs Individuals	31,17,628	-	31,17,628	13.16	29,92,628	-	29,92,628	12.48	(0.68)
b. Other – Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corp.	-	-	-	-	-	-	-	-	-
d. Banks / FI	-	-	-	-	-	-	-	-	-
e. Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A) (2):-	31,17,628	-	31,17,628	13.16	29,92,628	-	29,92,628	12.48	(0.68)
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1,11,53,660	-	1,11,53,660	47.08	1,09,53,660	-	1,09,53,660	45.69	(1.39)
B. Public Shareholding									
1. Institutions									
a. Mutual Funds	11,94,881	-	11,94,881	5.04	21,36,274	-	21,36,274	8.91	3.87
b. Banks / FI	82,355	-	82,355	0.35	1,09,561	-	1,09,561	0.46	0.11
c. Central Govt	-	-	-	-	-	-	-	-	-
d. State Govt (s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIIs	25,96,701	400	25,97,101	10.96	19,55,780	-	19,55,780	8.16	(2.80)
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	38,73,937	400	38,74,337	16.35	42,01,615	-	42,01,615	17.53	1.18
2. Non-Institutions									
a. Bodies Corporate									
i. Indian	17,92,724	1,600	17,94,324	7.57	12,41,686	-	12,41,686	5.18	(2.39)
ii. Overseas	-	200	200	0.00	200	-	200	0.00	-
b. Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 2 lakh	47,40,027	1,46,114	48,86,141	20.62	47,57,153	1,47,579	49,04,732	20.46	(0.16)
ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	15,19,559	-	15,19,559	6.41	21,18,992	-	21,18,992	8.84	2.43

Annexure 5

Category of Shareholders	No. of Shares held at the beginning of the year (i.e. as on April, 2018)				No. of Shares held at the end of the year (i.e. as on 31 March, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c. Others									
i. Non Resident Individuals	2,37,210	10,639	2,47,849	1.05	**3,86,509**	**-**	**3,86,509**	**1.61**	0.56
ii. Foreign National	61,279	-	61,279	0.26	**42,538**	**-**	**42,538**	**0.18**	(0.08)
iii. NBFCs registered with RBI	4,817	-	4,817	0.02	**3,150**	**-**	**3,150**	**0.01**	(0.01)
iv. Trust	6,753	-	6,753	0.03	**5,144**	**-**	**5,144**	**0.02**	(0.01)
v. Clearing Members	87,819	-	87,819	0.37	**59,259**	**-**	**59,259**	**0.25**	(0.12)
vi. IEPF Authority	55,318	-	55,318	0.23	**55,318**	**-**	**55,318**	**0.23**	-
Sub-total (B)(2):-	85,05,506	1,58,553	86,64,059	36.57	**86,69,949**	**1,47,579**	**88,17,528**	**36.78**	0.21
Total Public Shareholding (B)=(B)(1)+(B)(2)	1,23,79,443	1,58,953	1,25,38,396	52.92	**1,28,71,564**	**1,47,579**	**1,30,19,143**	**54.31**	1.39
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	**-**	**-**	**-**	**-**	-
Grand Total (A+B+C)	2,35,33,103	1,58,953	2,36,92,056	100.00	**23,825,224**	**1,47,579**	**2,39,72,803**	**100.00**	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	
1.	Ashank Desai	30,99,552	13.08	-	**30,99,552**	**12.93**	**-**	**(0.15)**
2.	Sudhakar Ram	15,88,680	6.71	-	**15,88,680**	**6.63**	**-**	**(0.08)**
3.	Ketan Mehta	23,99,100	10.13	-	**22,74,100**	**9.49**	**-**	**(0.64)**
4.	Radhakrishnan Sundar	14,15,800	5.98	-	**13,40,800**	**5.59**	**-**	**(0.39)**
5.	Avanthi Desai	81,600	0.34	-	**81,600**	**0.34**	**-**	**0**
6.	Chinmay Ashank Desai	71,600	0.30	-	**71,600**	**0.30**	**-**	**0**
7.	Padma Desai	1,55,200	0.66	-	**1,55,200**	**0.65**	**-**	**(0.01)**
8.	Girija Ram	1,63,600	0.69	-	**1,63,600**	**0.68**	**-**	**(0.01)**
9.	Samvitha Ram	1,03,328	0.44	-	**1,03,328**	**0.43**	**-**	**(0.01)**
10.	Ram Family Trust I (through Trustee for sole beneficiary Mrs. Girija Ram)	10,00,000	4.22	-	**10,00,000**	**4.17**	**-**	**(0.05)**
11.	Rupa Mehta	4,80,800	2.03	-	**4,80,800**	**2.01**	**-**	**(0.02)**
12.	Tanay Mehta	6,400	0.03	-	**6,400**	**0.03**	**-**	**0**
13.	Usha Sundar	4,60,000	1.94	-	**4,60,000**	**1.92**	**-**	**(0.02)**
14.	Varun Sundar	64,000	0.27	-	**64,000**	**0.27**	**-**	**0**
15	Shankar Sundar	64,000	0.27	-	**64,000**	**0.27**	**-**	**0**
	Total	1,11,53,660	47.08	-	**1,09,53,660**	**45.69**	**-**	**(1.39)**

(iii) Change in Promoter's Shareholding

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		No. of Shares		Shareholding at the end of the year		% change in share holding during the year
		No. of Shares	% of total Shares of the Company	Increase	Decrease	No. of Shares	% of total Shares of the Company	
1.	Ketan Mehta	23,99,100	10.13	-	1,25,000	22,74,100	9.49	**(0.64)**
2.	Radhakrishnan Sundar	14,15,800	5.98	-	75,000	13,40,800	5.59	**(0.39)**
	Total	38,14,900	16.11	-	2,00,000	36,14,900	15.08	**(1.03)**

Annexure 5

(iv) Shareholding Pattern of Top Ten Shareholders as on 31 March, 2019 (other than Directors and Promoters):

Sr. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares	No. of Shares	% of total Shares
1	**IDFC Mutual Fund**						
	At the beginning of the year	01/04/2018		8,59,481	3.63		
	Changes during the year	20/04/2018	Sale	(10,000)	(0.04)	8,49,481	3.59
		04/05/2018	Purchase	20,000	0.08	8,69,481	3.66
		11/05/2018	Purchase	10,000	0.04	8,79,481	3.71
		18/05/2018	Purchase	25,000	0.11	9,04,481	3.81
		25/05/2018	Purchase	29,130	0.12	9,33,611	3.93
		01/06/2018	Purchase	20,870	0.09	9,54,481	4.02
		08/06/2018	Purchase	65,000	0.27	10,19,481	4.30
		15/06/2018	Purchase	8,280	0.03	10,27,761	4.33
		29/06/2018	Purchase	40,000	0.17	10,67,761	4.50
		06/07/2018	Purchase	20,641	0.09	10,88,402	4.59
		13/07/2018	Purchase	18,427	0.08	11,06,829	4.65
		20/07/2018	Purchase	25,000	0.11	11,31,829	4.76
		27/07/2018	Sale	(2,208)	(0.01)	11,29,621	4.75
		03/08/2018	Purchase	10,000	0.04	11,39,621	4.79
		03/08/2018	Sale	(7,792)	(0.03)	11,31,829	4.76
		10/08/2018	Purchase	6,316	0.03	11,38,145	4.78
		10/08/2018	Sale	(10,000)	(0.04)	11,28,145	4.74
		17/08/2018	Purchase	18,684	0.08	11,46,829	4.82
		24/08/2018	Purchase	10,000	0.04	11,56,829	4.86
		31/08/2018	Purchase	10,000	0.04	11,66,829	4.91
		07/09/2018	Sale	(5,000)	(0.02)	11,61,829	4.88
		14/09/2018	Sale	(21,947)	(0.09)	11,39,882	4.79
		21/09/2018	Purchase	7,447	0.03	11,47,329	4.82
		28/09/2018	Purchase	29,500	0.12	11,76,829	4.95
		05/10/2018	Purchase	45,636	0.19	12,22,465	5.14
		12/10/2018	Purchase	25,000	0.11	12,47,465	5.24
		19/10/2018	Sale	(9,021)	(0.04)	12,38,444	5.21
		26/10/2018	Purchase	4,021	0.02	12,42,465	5.22
		02/11/2018	Purchase	2,748	0.01	12,45,213	5.21
		09/11/2018	Sale	(15,445)	(0.07)	12,29,768	5.15
		16/11/2018	Sale	(3,139)	(0.01)	12,26,629	5.14
		30/11/2018	Purchase	13,000	0.05	12,39,629	5.19
		07/12/2018	Purchase	10,139	0.04	12,49,768	5.23
		14/12/2018	Sale	(1,00,000)	(0.42)	11,49,768	4.81
		21/12/2018	Sale	(2,303)	(0.01)	11,47,465	4.80
		04/01/2019	Purchase	5,000	0.02	11,52,465	4.83
		11/01/2019	Purchase	5,000	0.02	11,57,465	4.85
		18/01/2019	Purchase	5,000	0.02	11,62,465	4.87
		25/01/2019	Purchase	10,000	0.04	11,72,465	4.90
		01/02/2019	Purchase	3,511	0.01	11,75,976	4.91
		08/02/2019	Purchase	6,489	0.03	11,82,465	4.94
		15/02/2019	Purchase	10,000	0.04	11,92,465	4.98
		22/02/2019	Purchase	15,000	0.06	12,07,465	5.04
		01/03/2019	Purchase	10,000	0.04	12,17,465	5.08
		15/03/2019	Purchase	6,272	0.03	12,23,737	5.11
		22/03/2019	Sale	(940)	(0.00)	12,22,797	5.11
		29/03/2019	Purchase	12,440	0.05	12,35,237	5.15
	At the end of the year	31/03/2019				12,35,237	5.15

Annexure 5

Sr. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares	No. of Shares	% of total Shares
2	**Ashish Kacholia**						
	At the beginning of the year	01/04/2018		95,363	0.40		
	Changes during the year	20/07/2018	Purchase	5,179	0.02	1,00,542	0.42
		27/07/2018	Purchase	1,50,000	0.63	2,50,542	1.05
		03/08/2018	Purchase	20,232	0.09	2,70,774	1.14
		10/08/2018	Purchase	31,257	0.13	3,02,031	1.27
		17/08/2018	Purchase	25,085	0.11	3,27,116	1.38
		24/08/2018	Purchase	38,972	0.16	3,66,088	1.54
		31/08/2018	Purchase	33,377	0.14	3,99,465	1.68
		07/09/2018	Purchase	11,301	0.05	4,10,766	1.73
		12/10/2018	Purchase	50,000	0.21	4,60,766	1.94
		19/10/2018	Purchase	9,010	0.04	4,69,776	1.98
		11/01/2019	Purchase	27,000	0.11	4,96,776	2.08
		25/01/2019	Purchase	5,085	0.02	5,01,861	2.10
		01/02/2019	Purchase	1,11,743	0.47	6,13,604	2.56
		22/02/2019	Purchase	78,600	0.33	6,92,204	2.89
	At the end of the year					6,92,204	2.89
3	**Motilal Oswal Focused Emergence Fund**						
	At the beginning of the year	01/04/2018		0	0.00		
	Changes during the year	14/12/2018	Purchase	1,95,144	0.82	1,95,144	0.82
		21/12/2018	Purchase	1,07,143	0.45	3,02,287	1.27
		28/12/2018	Purchase	52,712	0.22	3,54,999	1.49
		31/12/2018	Purchase	1	0.00	3,55,000	1.49
		08/03/2019	Purchase	2,770	0.01	3,57,770	1.49
	At the end of the year					3,57,770	1.49
4	**Abakkus Growth Fund-1**						
	At the beginning of the year	01/04/2018		0	0.00		
	Changes during the year	08/03/2019	Purchase	2,19,000	0.92	2,19,000	0.92
		29/03/2019	Purchase	39,000	0.16	2,58,000	1.08
	At the end of the year					2,58,000	1.08
5	**LSV Emerging Markets Small Cap Equity Fund, LP**						
	At the beginning of the year	01/04/2018		2,35,700	0.99		
	Changes during the year			-	-		
	At the end of the year					2,35,700	0.98
6	**SACHIN KASERA**						
	At the beginning of the year	01/04/2018		2,25,000	0.95		
	Changes during the year	02/11/2018	Purchase	25,000	0.11	2,50,000	1.06
		02/11/2018	Sale	(25,000)	(0.12)	2,25,000	0.94
	At the end of the year					2,25,000	0.94
7	**Globeflex Emerging Markets Small Cap, L.P.**						
	At the beginning of the year	01/04/2018		2,96,000	1.25		
	Changes during the year	07/12/2018	Sale	(14,422)	(0.06)	2,81,578	1.19
		14/12/2018	Sale	(35,858)	(0.15)	2,45,720	1.04
		21/12/2018	Sale	(25,400)	(0.12)	2,20,320	0.92
	At the end of the year					2,20,320	0.92

Annexure 5

Sr. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares	No. of Shares	% of total Shares
8	**Suresh Bhatia**						
	At the beginning of the year	01/04/2018		2,25,000	0.94		
	Changes during the year	03/08/2018	Sale	(6,500)	(0.04)	2,18,500	0.91
		26/10/2018	Sale	(5,000)	(0.02)	2,13,500	0.89
	At the end of the year					2,13,500	0.89
9	**ACADIAN Emerging Markets Small Cap Equity Fund LLC**						
	At the beginning of the year	01/04/2018		1,11,733	0.47		
	Changes during the year	15/06/2018	Purchase	20,536	0.09	1,32,269	0.56
		22/06/2018	Purchase	15,832	0.07	1,48,101	0.62
		03/08/2018	Purchase	19,309	0.08	1,67,410	0.70
		21/09/2018	Purchase	15,280	0.06	1,82,690	0.77
		19/10/2018	Purchase	8,904	0.04	1,91,594	0.81
		02/11/2018	Purchase	15,298	0.06	2,06,892	0.87
		23/11/2018	Purchase	7,756	0.03	2,14,648	0.90
		15/03/2019	Sale	(6,649)	(0.03)	2,07,999	0.87
		29/03/2019	Sale	(4,937)	(0.02)	2,03,062	0.85
	At the end of the year					2,03,062	0.85
10	**Government of the Province of Alberta**						
	At the beginning of the year	01/04/2018		1,86,900	0.79		
	Changes during the year			-	-		
	At the end of the year					186,900	0.78

V. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year 1 April, 2018		Shareholding at the end of the year 31 March, 2019	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Sudhakar Ram	15,88,680	6.71	15,88,680	6.63
2.	Mr. Ashank Desai	30,99,552	13.08	30,99,552	12.93
3.	Mr. S. Sandilya	26,000	0.11	26,000	0.11
4.	Mr. Atul Kanagat	-	NA	19,600	0.08
5.	Ms. Priti Rao	29,600	0.12	29,600	0.12
6.	Mr. Keith Bogg	-	NA	-	NA
7.	Mr. Abhishek Singh (Group Chief Financial Officer)	15,929	0.07	42,179	0.17
8.	Mr. Dinesh Kalani (Company Secretary)	-	NA	200	0.00

Annexure 5

VI. Indebtedness

Particulars	Secured Loans excluding deposits ₹	Unsecured Loans ₹	Deposits ₹	Total Indebtedness ₹
Indebtedness at the beginning of the financial year 1 April, 2018				
i) Principal Amount	90,91,927	-	-	90,91,927
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	90,91,927	-	-	90,91,927
Change in Indebtedness during the year				
+ Addition	1,22,46,822	-	-	1,22,46,822
- Reduction	(43,25,945)	-	-	(43,25,945)
Net Change	79,20,877	-	-	79,20,877
Indebtedness at the end of the financial year 31 March, 2019				
i) Principal Amount	1,70,12,804	-	-	1,70,12,804
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,70,12,804	-	-	1,70,12,804

VII. Remuneration of Directors and Key Managerial Personnel

a. Remuneration of Managing Director, Whole-time Director and / or Manager:

(₹)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager
		Mr. Sudhakar Ram
1.	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	70,36,800
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600
	(c) Profits in lieu of salary under Section 17(3) Income-Tax Act, 1961.	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	- Commission - as % of profit - others, specify	-
5.	Others, please specify	
	Contribution to Provident Fund & Other Fund	8,44,416
	Performance Bonus	15,00,000
	Total	94,20,816
	Ceiling as per the Act	5% of the Net Profits of the Company

b. Remuneration to other Directors:

1. Independent Directors -

(₹)

Particulars of Remuneration	Name of Directors				Total Amount
	Mr. S. Sandilya	Mr. Atul Kanagat	Ms. Priti Rao	Mr. Keith Bogg	
Fees for Attending Board meeting and Committee Meeting	19,50,000	14,00,000	14,50,000	12,00,000	60,00,000
Commission*	12,50,000	-	10,50,000	3,30,000	26,30,000
Others	-	-	-	-	-
Total	32,00,000	14,00,000	25,00,000	15,30,000	86,30,000
Overall Ceiling as per the Companies Act, 2013	Upto 1% of the Net Profits of the Company				

**Commission for financial year 2018 –19 will be paid in financial year 2019–20 and the Provision for the same has been made in the accounts under review.*

Annexure 5

2. Non-Executive Director - (₹)

Particulars of Remuneration	Name of Director
	Mr. Ashank Desai
Fee for Attending Board meetings and Committee Meetings	22,00,000
Commission	NIL
Others (perquisites / benefits)*	91,085
Total	22,91,085
Overall Ceiling as per the Act	Upto 1% of the Net Profits of the Company

** Approved by the Members earlier under enabling resolution upto ₹ 15 lakhs Per Annum.*

c. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel (KMP)		Total
		Mr. Abhishek Singh (Group Chief Financial Officer)	Mr. Dinesh Kalani (Company Secretary)	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961.	1,12,35,091	29,80,035	14,215,126
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income-Tax Act, 1961.	-	-	-
2	Stock Option	64,93,350	82,500	65,75,850
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify…	-	-	-
5	Others, please specify			
	Contribution to Provident Fund & Other Fund	9,26,999	1,12,241	10,39,240
	Performance Bonus	65,66,519	4,29,987	69,96,506
	Total	2,52,21,959	36,04,763	2,88,26,722

VIII. Penalties / Punishment / Compounding of Offences

There were no penalties, punishments or compounding of offences during the financial year ended 31 March, 2019

Report on corporate governance

The Directors present the Company's Report on Corporate Governance pursuant to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations) for the financial year ended 31 March, 2019.

I. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance, is based on strong foundations of ethical values and professionalism which are being practised since the inception of the Company. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of Transparency and Business Ethics. Integrity, Transparency, Fairness and Accountability, these values are embedded in the Company's business practices. The Company's Code of Business Conduct, its Whistle Blower & other Policies and its well-defined Internal Control Systems, which are subjected to rigorous Audits periodically for their effectiveness, reinforces Accountability and Integrity of reporting and ensures Transparency and Fairness in dealing with the Company's Stakeholders. The Company's Corporate Governance philosophy has been further strengthened through the Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information and Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

Corporate Governance practised at the Company is not restricted to the Board of Directors; it is an approach to Sustainable Development. The Company's focus on its Customer Centric approach together with its value added innovative service offerings and its involvement in Corporate Social Responsibility Activities has enabled the Company to earn the trust and goodwill of its Stakeholders on a consistent basis. The Company's policy of timely disclosures, transparent accounting policies and a strong and Independent Board goes a long way in preserving Stakeholders' interest, while maximising long-term Shareholder values.

Mastek has always strived to go beyond the Statutory and Regulatory requirements of Corporate Governance. Our endeavor is to follow good governance both in letter as well as in spirit. The Company complies with the provisions of Corporate Governance specified in Regulation 34 of the SEBI Listing Regulations.

Governance Structure

Mastek's Governance structure broadly consists of the Board of Directors and the Committees of the Board at the Apex level and the Management structure at the Operational level. This layered structure brings about a harmonious blend in Governance as the Board sets the overall Corporate Objectives and gives direction and freedom to the Management to achieve these Corporate Objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable and profitable growth.

The Company has 3(three) tiers of Corporate Governance Structure, viz.:

1. **Strategic Supervision** – by the Board of Directors comprising of the Executive Director, Non-Executive Directors and Independent Directors.
2. **Executive Management** – by the Corporate Management team comprising of the Managing Director and the functional heads comprising of the Executive Committee.
3. **Operational Management** – by the Business Unit Heads of the respective geography, this includes Account Leadership Team and Geo Leadership Team looking at all the functional aspects of a customer and Geo.

The three-tier Corporate Governance Structure, besides ensuring greater Management Accountability and Credibility, facilitates increased autonomy to the businesses, performance discipline and development of business leaders, leading to an increased operational efficiency and client satisfaction.

The Compliance Framework

The Company has a robust and an effective framework for monitoring compliances with the applicable laws within the organisation and also to provide regular updates through Senior Management to the Board and Governance Committee on a quarterly basis. The Audit & Governance Committees and the Board collectively reviews the status of compliances with the applicable laws and provide valuable guidance to the Management team, wherever necessary.

Report on corporate governance

II. Board of Directors

1. Size and Composition of the Board

The Composition of the Board of Directors is made up of eminent and qualified persons who ensures that the long-standing culture of maintaining high standards of Corporate Governance is further nurtured. The Company has a very balanced and diverse Board composition, including one Independent Woman Director and has a combination of Executive, Non-Executive and Independent Directors. The Composition of the Board primarily takes care of the business needs and Stakeholders' interest. The Non-Executive Directors including Independent Directors on the Board are well qualified, experienced, competent and highly renowned persons with varied professional background in the field of Information Technology (IT), Finance, General Management, Marketing and Strategy and Planning, Mergers and Acquisitions, Brand development, Risk management, etc. They take active part at the Board and Committee Meetings by providing valuable guidance & expert advice to the Management on various aspects of Business, Policy direction, Governance, Compliance, etc. and play a critical role on strategic issues, which enhances the transparency and adds value in the decision making process of the Board of Directors.

Skills / Expertise / Core Competencies of the Board

The Board of the Company is structured having requisite level of education/qualifications, professional background, sector expertise, special skills, nationality and geography. The Board after taking into consideration the Company's nature of business, core competencies and key characteristics has identified the following core skills/ expertise/ competencies as required in the context of its business(es) & sector(s) for it to function effectively and which are currently available with the Board.

- Technology
- Global business perspective
- Strategy and Planning
- Governance and Compliance
- Risk Management
- Financial Management
- Operations and General Management
- Mergers and Acquisitions

As on 31 March, 2019 the Board had 6 (six) members, of which 2 (two) are Promoter-Directors and the rest 4 (four) are Independent Directors including 1 (one) Woman Director.

The Chairman of the Board is Non-Executive Independent Director. The Composition of the Board of Directors is in conformity with the requirement of Regulation 17 of the SEBI Listing Regulations as well as the Companies Act, 2013 read with Rules framed thereunder.

2. Profile of the Board of Directors

The brief profile of each Director as mentioned below gives an insight into the education, expertise, skills and experience possessed by them. None of the Directors has any inter-se relationship among themselves.

a. Mr. S. Sandilya - Non-Executive Chairman and Independent Director (DIN: 00037542)

Mr. S. Sandilya is a Commerce Graduate from Madras University and holds an MBA from the Indian Institute of Management (IIM), Ahmedabad and he holds 5 decades of rich and diverse professional experience. Mr. Sandilya is presently the Non-Executive Chairman of Eicher Group. He joined Eicher Group in 1975 and has held various responsibilities in the areas of Group Finance including Information Technology, Strategy and Planning, Manufacturing and General Management. He was the Group Chairman and Chief Executive for 6 years before becoming the Non-Executive Chairman, the post he continues to hold. He is also Independent Director on the Boards of couple of Companies.

Additionally, Mr. Sandilya is a Past Member of the Board of Lean Global Network USA, Past President of Society of Indian Automobile Manufacturers and was also the President of International Motorcycle Manufacturers Association, Geneva for the period from 2012 to 2014.

He has been a National Council Member of Confederation of Indian Industries (CII) for many years. He has been an Executive Member of the Society of Indian Automobile Manufacturers. He is also providing his services as the Non-Executive President of SOS Children's Villages of India, a Non-Profit Organisation providing care for parentless, abandoned and vulnerable children.

Report on corporate governance

Mr. Sandilya is the Chairman of the Board, Audit Committee, Stakeholders Relationship Committee and a Member of Nomination and Remuneration Committee of the Company.

Mr. Sandilya joined the Mastek Board on 19 January, 2012 and holds 26,000 (0.11%) Equity Shares in the Company.

The list of Directorships he holds in other Companies is as follows:

- Eicher Motors Limited
- GMR Infrastructure Limited
- Rane Brake Lining Limited
- GMR Generation Assets Limited
- SOS Children's Villages of India
- Lean Management Institute of India

b. **Mr. Sudhakar Ram - Vice- Chairman and Managing Director (DIN: 00101473)**

Mr. Sudhakar Ram is a veteran of the Information Technology industry and is also a keen observer of Domestic and Global IT business trends.

He is a silver medalist of Indian Institute of Management (IIM), Calcutta (IIM-C ranks among the Top 5 Management Institutes in India). He holds a Bachelor of Commerce from Chennai University and a PGDM from IIM Calcutta.

He is a Co-Founder of Mastek and has been serving as a member of the Board of Mastek since October 1985. He currently serves as Vice Chairman and Managing Director of Mastek, having previously served as Managing Director & Group CEO of Mastek.

He has also handled the additional responsibilities of leading Mastek's business in the UK as CEO for Mastek (UK) Ltd. (Wholly owned Subsidiary of Mastek Limited) from 2013 until March 2015. He was also on the Board of various overseas Wholly owned Subsidiary/Joint Venture of Mastek in the past and contributed significantly towards establishment and growth in the respective geographies.

He has nearly 4 decades of rich and diverse experience in Information Technology Industry. He was at the helm of several strategic initiatives that helped the Company to achieve its vision of becoming an excellent provider of Vertical Enterprise Platforms and Applications that enable Digital Transformation. Within the Mastek organisation, his focus is on bringing about a marked shift in Leadership, Commitment, Creativity and Culture with a view to accelerate increase in value delivery

before joining Mastek, from 1982 until 1984, he was the CIO of Rediffusion Dentsu Young & Rubicam (part of the Young & Rubicam network held by WPP plc), a communication media Company.

He has received CNBC Asia's "India Business Leader of the Year" award in 2007.

He is a Member of Stakeholder Relationship Committee, Corporate Social Responsibility Committee and Governance Committee of the Company.

He holds (including family members & Private Family Trust) 28,55,608 (11.91%) Equity Shares in the Company.

The list of Directorships he holds in other Companies is as follows:

- Cashless Technologies India Private Limited – Founder and Managing Director- An E-commerce/M-commerce Company
- Trans American Information Systems Private Limited – Wholly owned Subsidiary of Mastek Limited
- Ruralshores Business Services Private Limited– A Process Outsourcing Company
- Majesco– An Insurance Technology Systems & Solutions Company
- Bhavitha Foundation – Supports various educational and social welfare initiatives focused on under-privileged children and youth.

c. **Mr. Ashank Desai - Non-Executive Director (DIN: 00017767)**

Mr. Ashank Desai, is an Information Technology Industrialist and has done B.E. from Mumbai University and in graduating year, held the second rank in the University. He holds a M. Tech Degree from the Indian Institute of Technology (IIT), Mumbai. He also holds Post Graduate Diploma in Business Management (PGDBM) from the Indian Institute of Management (IIM), Ahmedabad. He has worked with Godrej and Boyce before founding the Mastek. He is actively associated with several government bodies and trade associations.

Mr. Desai is the Principal Founder and Former Chairman of Mastek and has more than 4 decades of rich and diverse experience in IT industry. He also guides as a Trustee to Mastek Foundation, whose mission is to enable "Informed Giving and Responsible Receiving".

Mr. Desai is widely recognised as an IT industry veteran and one of the most respected business personalities in India. He is one of the founder members & Past Chairman of NASSCOM. He was a former President of Asian Oceanian Computing Industry Organisation (ASOCIO), an Association of 20 countries in this region. He also served as Vice-Chairman, Society for Innovation and Entrepreneurship (SINE) at his alma mater IIT Mumbai.

Mr. Desai is actively involved in the field of education and is a Member of Governing Board of IIM Ahmedabad, a Member of Governing Board of Goa Institute of Management (GIM), Vice Chairman of Rashtriya Uchchatar Shiksha Abhiyan (RUSA) for Goa Government. He is also the Vice-Chairman, Governing Board of Bombay First, an NGO working on the mission to make Mumbai a world-class city.

Mr. Desai's other public contributions includes serving as Member of the Maharashtra State Security Council. He is involved in CII & FICCI both at the Regional as well as at National Level. He was an earlier Member, of International Team on Economic Reforms for the President of Zambia.

Prime Minister Shri Narendra Modi has felicitated him for his contribution to NASSCOM & IT Industry for the last 25 years. He has been conferred with the "Distinguished Alumnus" Award from IIT Bombay and the Computer Society of India (CSI) "Fellow of the Society" honor in recognition of his services to the Indian Information Technology Industry as an Entrepreneur and for his contribution to the growth of education. He has also been presented with the Honorable Contributors Award by ASOCIO - the only Indian to receive this recognition twice. He was conferred with the much-coveted Outstanding Entrepreneur Award at the Asia Pacific Entrepreneurship Awards (APEA) 2010 India.

He is also the Founder of Avanti Foundation an NGO which provides leadership training to low income group girls to become leaders. He is also the Co-founder of PARFI NGO which provides vocational training to high school dropouts. He is on Board of an NGO which trains deserving under privileged students to get admissions to IITs and Engineering colleges. He is also on the Board of Government bodies and Non- Profit Organisations and advise them in the sectors like Urbanization, IT, Health and Education etc. He is a philanthropist and strongly believes in giving back to the society in whatever way he can.

Mr. Desai is a Chairman of Governance Committee and a Member of Audit Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee of the Company.

Mr. Desai joined the Mastek Board on 6 June, 1982 and holds (including family members) 34,07,952 (14.22%) Equity Shares in the Company.

The list of Directorships he holds in other Companies is as follows:

- NRB Bearings Limited – Independent Director
- Trans American Information Systems Private Limited – Wholly Owned Subsidiary of Mastek Limited
- Mastek Foundation
- Avanti Foundation

d. **Ms. Priti Rao - Non-Executive and Independent Director (DIN: 03352049)**

Ms. Priti Rao is a postgraduate in Computer Science from Indian Institute of Technology (IIT), Mumbai.

In her 2.5 decades of diverse experience in building and delivering a range of IT services for customers located across 5 continents. Ms. Rao has held very senior positions with global teams for best of breed Information Technology Companies. She has had long innings with Infosys as a Senior Executive heading the Pune development center and heading their infrastructure services business and with Dell as Vice-President for global operations. She runs her own venture, Pumpkin Patch Daycare to cater needs of young parents, who needs a trusted place to keep their

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children and be able to focus on their careers. India lacks such world class infrastructure for a crèche facilities, where love, safety, care are most important aspects. Her personal mission is to help 1,000 + young women go back to work.

She is also Founder and Chairperson of Aatmaja foundation, Non Profit Organisation, focused on enabling young girls from disadvantaged background to become successful professionals.

Ms. Rao is widely recognised as an accomplished Business Leader and was conferred with the prestigious "**IT woman of the year award**" in year 2002 by the Computer Society of India and was honored with the title of "**Pune Super achiever**" in year 2007.

Ms. Rao is a Chairperson of Corporate Social Responsibility Committee and a Member of Governance Committee and Audit Committee of the Company.

Ms. Rao joined the Mastek Board on 17 January, 2011 and holds 29,600 (0.12%) Equity Shares in the Company.

The list of Directorships she holds in other Companies is as follows:

- Quick Heal Technologies Limited - Independent Director
- Pumpkin Patch Daycare – Founder
- Aatmaja Foundation – Founder and Chairperson

e. **Mr. Atul Kanagat - Non- Executive and Independent Director (DIN: 06452489)**

Mr. Atul Kanagat is a B. Tech in Mechanical Engineering from Indian Institute of Technology (IIT), Mumbai and an MBA from Harvard Business School, Boston, Massachusetts.

Mr. Kanagat has nearly 3.7 decades of experience in Consulting and Multinational Companies.

Mr. Kanagat initially joined Hindustan Lever Ltd., the Indian Subsidiary of Unilever. He spent 2 years as Management Trainee doing assignments in multiple functions of the Company. He then spent a year as Materials Manager for Hindustan Lever's Ltd's Calcutta Manufacturing complex.

After completing his MBA at Harvard, in 1982, Mr. Kanagat joined McKinsey & Company in Chicago. He was elected as Partner in 1988, Director in 1994 and thereafter as Managing Director of the Seattle office during the period from 1995 to 2003.

During the period from 1996 to 2003, Mr. Kanagat was a Member of the Boards of the following Institutions:

- Seattle Symphony
- Fred Hutch Cancer Research Center
- Greater Seattle Chamber of Commerce
- During the period from 2003 to 2009, Mr. Kanagat was also on the Board of Liberty Science Center in Jersey City, USA.

During the period 2010 to 2011, Mr. Kanagat worked for Harman International as Vice-President - Strategy and Mergers & Acquisitions.

Mr. Kanagat is Chairman of Nomination and Remuneration Committee and a Member of Audit Committee and Stakeholders Relationship Committee of the Company.

Mr. Kanagat joined the Mastek Board on 21 January, 2013 and holds 19,600 (0.08%) Equity Shares in the Company.

The list of Directorships he holds in other Companies is as follows:

- Mastek Inc.- Step down Subsidiary of Mastek Limited
- Majesco
- Trans American Information Systems Inc.- Step down Subsidiary of Mastek Limited

f. **Mr. Keith Bogg - Non- Executive and Independent Director (DIN: 07658511)**

Mr. Keith Bogg has more than 4 decades of rich and diverse experience as a Business change leader. Mr. Bogg, A level Economist from University of Hertfordshire, is an experienced London based Company Director and Business change leader operating across multiple functions and sectors with a focus on Strategy, Restructuring, Growth and Shareholder Value. At Marks and Spencer, he held multiple roles including Global CIO, Director of Supply Chain and Logistics and Retail Board Director in addition to the Direct Marketing Function. Mr. Bogg has also held Senior business change relationship roles with BBC Technology, Catlin Insurance group and as a public and private sector client facing Strategic advisor for Gartner. Most recently, he held the Non-Executive Chairman role with Data & Research Services PLC., and currently holds advisory roles with the Civil Aviation Authority and the Grosvenor Group, UK.

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Mr. Bogg is a Member of Audit Committee and Governance Committee of the Company.

Mr. Bogg joined the Mastek Board on 17 January, 2017 and does not hold any shares in the Company.

The list of Directorships he holds in other Companies is as follows:

- Unineed Group Ltd.
- Mastek (UK) Limited - Wholly owned Subsidiary of Mastek Limited

3. Board Diversity

Your Company over the years has been fortunate to have eminent persons from diverse fields as Directors on its Board. Pursuant to the SEBI Listing Regulations, the Nomination and Remuneration Committee has formalised a policy on Board Diversity to ensure diversity of experience, knowledge, perspective, background, gender, age and culture. The policy is posted on the website of the Company at web link https://www.mastek.com/corporate-governance.

4. Board Procedure

The meetings of the Board of Directors are generally held at the Company's office situated at Mahape, Navi Mumbai. The meetings are scheduled well in advance. In case of exigencies or urgency, resolutions are passed by circulation. The Board meets at least once a quarter to review the quarterly performance and the financial results. The time gap between 2 meetings was not more than 100 days. The Company Secretary in consultation with the Chairperson / Executive team prepare the Agenda for the meetings. The Agenda papers are circulated well in advance before each meeting to all the Directors. All material information are circulated to the directors well before the meeting or placed at the meeting, including minimum information required to be made available to the Board. The members of the Board have access to all the information and are free to recommend inclusion of any matter in the Agenda for discussion. Executive Team are invited to attend the Board / Committee meetings and provide clarification as and when required. Action Taken Reports (ATR) are put up to the Board / Committee periodically. To enable better and more focused attention on the affairs of the Company, the Board delegates certain matters to Committees of the Board set up for the purpose.

The meetings of the Board are governed by a structured Agenda. All Board members have access to accurate, relevant and timely information to fulfill their responsibilities. The Board members in consultation with the Chairman may bring up other matters for consideration at the Board meetings. All the Necessary information as required under the Companies Act, 2013 and the SEBI Listing Regulations have been placed before and reviewed by the Board from time to time.

The Company adheres to the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Secretarial Standards and the SEBI Listing Regulations with respect to convening and holding the meetings of the Board of Directors, its Committees and the General Meetings of the members of the Company.

5. Information placed before the Board of Directors

All such matters as are statutorily required to be placed before the Board as mandated under Part A of Schedule II of sub regulation 7 of Regulation 17 of the SEBI Listing Regulations are also regularly placed before the Board for its consideration.

The Board periodically reviews Compliance reports of all laws applicable concerning the business and affairs of the Company and steps taken by the Company to rectify instances of non-compliance, if any.

Additional Agenda items in the form of "Other matters" are included with the permission of the Chairman and majority of the Directors present at the meeting.

6. Number of Board Meetings

A calendar of Board and Committee meetings is agreed and circulated in advance to the Directors. During the financial year ended 31 March, 2019, 5 (Five) Board Meetings were held on 18 April, 2018, 18 July, 2018, 25 October, 2018, 17 January, 2019 and on 27 March, 2019.

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7. Composition and Category of Directors / Attendance of each Director at the Board Meetings and the last Annual General Meeting / Number of other Board or Committees in which a Director is a Member or Chairperson

Name of Directors	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM on 19 July, 2018	Date of Appointment / Re-appointment in the current term	No. of other Directorship held in Listed Entity (including Mastek)	No. of Committees Memberships (including Mastek)	No. of Committees Chairmanship (including Mastek)
*Mr. S. Sandilya	Non-Executive Chairman and Independent Director	5 of 5	Yes	01-04-2019	4	1	4
Mr. Sudhakar Ram	Vice-Chairman and Managing Director (Promoter)	4 of 5	Yes	01-07-2017	1	1	-
Mr. Ashank Desai	Non-Executive Director (Promoter)	5 of 5	Yes	12-01-2007	2	3	-
*Ms. Priti Rao	Non-Executive Director (Independent)	5 of 5	No	01-04-2019	2	2	-
*Mr. Atul Kanagat	Non-Executive Director (Independent)	4 of 5	No	01-04-2019	1	2	-
Mr. Keith Bogg	Non-Executive Director (Independent)	4 of 5	Yes	17-01-2017	1	1	-

**Re-appointed as Independent Non-Executive Director with effect from 1 April, 2019 for their second term of 5 consecutive years till 31 March, 2024 subject to approval of the members at the ensuing Annual General Meeting.*

Notes:

a. *None of the Directors is a member of more than 10 Board-level Committees, or a Chairperson of more than 5 such Committees, which is, in compliance with the SEBI Listing Regulations and Companies Act, 2013. Further, none of the Directors acts as Independent Director in more than 7 Listed Companies.*

b. *Particulars of Directors retiring by rotation and seeking re-appointment have been given in the Notice convening the Annual General Meeting attached thereto.*

c. *The Committees considered for the purpose of calculation of Membership and / or Chairmanship as discussed above are those as specified in the SEBI Listing Regulations i.e. Audit Committee and Stakeholders Relationship Committee only.*

d. *As prescribed under Section 165 of Companies Act, 2013 in calculating the number of Directorships, Private Limited Companies, which are neither a Subsidiary, nor a Holding Company of Public Ltd. Co., have been excluded. In addition, Directorship held in Foreign Companies and Section 8 Companies have also been excluded.*

e. *Video / tele-conferencing facilities are also used to facilitate Directors travelling / residing abroad or at other locations to participate in the meetings*

f. *None of the Directors has any inter-se relationship among themselves.*

8. Independent Directors

Independent Directors play a vital role in the governance process of the Board and its Committees. With their expertise in various fields, they enrich the decision making process at the Board and the Committees level.

The Appointment / Re-appointment of Independent Directors is carried out in a structured manner in accordance with the Provisions of the Companies Act, 2013 and the SEBI Listing Regulations. The Nomination and Remuneration Committee identifies potential candidates based on certain criteria and considers the Diversity of the Board and accordingly makes such recommendations to the Board.

Mr. S. Sandilya, Ms. Priti Rao and Mr. Atul Kanagat, Independent Directors of the Company have completed their first term of Appointment on 31 March, 2019 in terms of the requirements under the Companies Act, 2013 and the SEBI Listing Regulations. It is proposed to re-appoint all of them for second term of 5 consecutive years i.e. from 1 April, 2019 to 31 March, 2024 subject to approval of the members by Special Resolution at the ensuing Annual General Meeting.

Mr. S. Sandilya who is being re-appointed as Independent Director of the Company will be attaining the age of 75 years during his renewed second term. The Board considering his rich and diverse experience in the areas of Mergers and Acquisitions, Strategy and Financial matters and the immense benefits derived by the Company from his experience approved unanimously the continuation of the Directorship of Mr. Sandilya even after him attaining the age of 75 Years on 11 April, 2023 during continuation of his ongoing second term in accordance with the SEBI Listing Regulations (Amendment), 2018.

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In view of the above, the Board based on the Performance Evaluation and the recommendation of the Nomination and Remuneration Committee, at its meeting held on 27 March, 2019, recommended the members for approval at the ensuing Annual General Meeting, the re-appointment of the following persons as Independent Directors from 1 April, 2019 for a consecutive period of 5 years till 31 March, 2024:

- Mr. S. Sandilya
- Ms. Priti Rao, and
- Mr. Atul Kanagat

The detailed profile of each of the directors proposed to be re-appointed has been provided as part of the Corporate Governance Report and also in the Explanatory Statement accompanying the Notice for the ensuing Annual General Meeting.

Confirmation as regards to independence of Independent Directors

The Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI Listing Regulations. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI Listing Regulations and are independent of the Management.

Separate Meetings of the Independent Directors

During the year under review, the Independent Directors met amongst themselves without the presence of the Company Executives on 18 April, 2018 and 17 January, 2019 and discussed / assessed the following items:

- the financials of the Company;
- the quality, quantity and timelines of flow of information between the Company Management and the Board that is necessary for the Board Members to effectively and reasonably perform their duties;
- Evaluation of Performance of Non-Independent Directors and the Board as whole;
- Evaluation of Performance of Chairperson of the Company, taking into account the views of Executive Director and Non-Executive Directors; and
- Other related matters;

All the Independent Directors were present throughout at each of the Meetings. They expressed satisfaction on the Board Member's freedom to express views on the business transacted at the various Board and Committee meetings and the openness with which the Management discussed various subject matters on the agenda of the meetings.

9. Induction Programme for New Directors and On-going Familiarisation Programme for Existing Independent and Non-Independent Directors

An appropriate induction Programme for new Directors and an On-going Familiarisation Programme with respect to the business of the Company for all the Directors is provided so that meaningful Board level deliberations are held and sound business decisions are taken.

At the time of Appointment / Re-appointment of a Director, a formal letter of Appointment / Re-appointment is issued to the Director. The letter of Appointment / Re-Appointment inter-alia includes the Role, Function, Duties and Responsibilities of the Director and the Board's expectations from the Director. The Director is also explained the various Compliances required from them under the Companies Act, 2013, the SEBI Listing Regulations and other relevant applicable Regulations.

Every new Director of the Board needs to attend an Orientation Program organised by the Company. Managing Director, Group CEO, Group CFO and Senior Management Team, provides an overview of Strategy, Operations and Functions of the Company by making presentations. An opportunity is provided to the Directors to interact with Senior Leadership Team of the Company and help them to get ground level information on the Company's services offering, Markets, Software Delivery, Organisation Structure, Finance, HR, Technology, Quality Facilities, Risk Management and Regulatory Compliances.

The above initiatives help the Directors to understand the Company, its business and the Regulatory framework in which the Company operates and equips them to effectively fulfil their Role as a Director of the Company.

Further, as an on-going process, the Board of Directors is updated on a quarterly basis through presentations and discussions on the overall economic trends, the performance

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of the IT Industry and that of the Company, analysis of the circumstances which helped or adversely impacted the Company's performance and the initiatives taken / proposed to be taken to bring about an overall improvement in the performance of the Company, comparison of the Company's performance with its peers in the Industry as available in public domain, Marketing strategy, Business risks and Mitigation plan, etc. The Directors are periodically updated on the regulatory changes and their impact on the Company.

Details of the Programme for Familiarisation of Independent Directors with the working of the Company are available on the website of the Company at web link https://www.mastek.com/corporate-governance

10. Manner of Performance Evaluation of the Board, Committees and Directors

In compliance with Companies Act, 2013 and the SEBI Listing Regulations, the Board of Directors has carried out an Annual Evaluation of its own performance, Board Committees, Individual Directors, Chairpersons and the Managing Director for the year under review.

In respect of individual Directors including the Non-Executive Chairman and the Managing Director, their personal performance was carried out using a peer review process, facilitated by an outside subject matter Expert with Confidential processing of inputs, interpretation of findings followed by one-on-one meeting with the individual Directors, and concluding with an aggregate presentation to the entire Board.

Board and Committees functioning were reviewed and evaluated on the basis of responses from Directors, Committee Members and the Managing Director to structured questionnaires, covering various aspects of the composition and functioning of the Board and its Committees.

In a separate meeting of the Independent Directors, performance of Non-Independent Director, performance of the Board as a whole and performance of the Chairman were also evaluated, taking into account the views of Executive Director and Non-Executive Directors. The Directors were asked to provide their valuable feedback and suggestions about the overall functioning of the Board and its Committees and its areas of improvement for a higher degree of engagement with the Management.

The Board expressed its satisfaction with the Evaluation results, which reflects the high degree of engagement of the Board and its Committees with the Company and its Management. Based on the outcome of the Performance Evaluation and assessment cum feedback of the Directors, the Board and the Management have also agreed on some action points, which will be implemented over an agreed time frame.

The Nomination and Remuneration Committee of the Company identifies and ascertains the Integrity, Qualification, Expertise, Positive attributes and Experience of persons for Appointment as Directors and thereafter recommends the candidature for election as a Director on the Board of the Company. The Committee follows defined criteria in the process of obtaining optimal Board diversity, which, inter alia, includes optimum combination of Executive and Non-Executive Director, Appointment based on specific needs and business of the Company, qualification, knowledge, experience and skill of the proposed appointee, etc. The manner of Appointment and Removal of Directors / Key Managerial Personnel / Senior Management and their remuneration thereof forms part of the Nomination and Remuneration Policy of the Company, which is available on the website of the Company at web link https://www.mastek.com/corporate-governance where it can be accessed.

11. Code of Conduct for Directors and Senior Management

The Company has prescribed a Code of Conduct for Directors and Senior Management of the Company. The said code is available on the website of the Company at web link https://www.mastek.com/corporate-governance where it can be accessed. The Code lays down the Code of Conduct which is expected to be followed by the Directors and the Designated persons in their business dealings and in particular on matters relating to integrity at work place, in business practices and in dealing with Stakeholders.

Managing Director declares that the members of the Board of Directors and Senior Management Personnel have affirmed Compliance with the Code during the financial year under review.

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III. Remuneration of Directors and Key Managerial Personnel

The Nomination and Remuneration Committee has devised the policy which deals with the manner of selection of Board of Directors and Key Managerial Personnel and their Remuneration.

1. Pecuniary Relationship or Transactions with Non-Executive Directors.

In terms of the enabling Member's resolution passed at the 36th Annual General Meeting, Mr. Ashank Desai, Non-Executive Director was provided certain benefit / perquisites such as re-imbursement of telephone / mobile bills, credit card fees, premium for Mediclaim and Personal Accident Policy (including his family) etc., over and above the payment of sitting fees and eligible commission aggregating to ₹ 91,085/- for the year ended 31 March, 2019 was paid for rendering professional services.

During the year, there were no pecuniary relationships or transactions entered into between the Company and any of its Non-Executive / Independent Directors apart from payment of sitting fees and / or commission /perquisites as approved by the members.

2. Criteria of selection of Non-Executive Directors

- Non-Executive Independent Directors are expected to bring in objectivity and independence during Board deliberations around the Company's Strategic approach, Performance and Risk Management. They must also ensure very high standards of Financial Probity and Corporate Governance.
- The Independent Directors are also expected to commit and allocate sufficient time to meet the expectations of their Role as Non-Executive Independent Directors, to the satisfaction of the Board.
- **Conflict of Interest:** The Independent Directors are not to involve themselves in situations, which may, directly or indirectly conflict with the interests of the Company. It is accepted and acknowledged that they may have business interests, other than those of the Company. As a pre-condition to their Appointment / Re-appointment as Independent Directors, they shall be required to declare any such conflicts to the Board, in writing at the time of their Appointment / Re-appointment and / or as and when there is any changes in the directorship and also on yearly basis.
- The key elements in which every Independent Director will be expected to contribute are: Strategy, Performance, Risk, People, Reporting and Compliance.

3. Nomination and Remuneration Policy for the Directors, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs)

In determining the remuneration of Directors, KMPs and SMPs, the Nomination and Remuneration Committee shall ensure / consider the following:

- While fixing the Remuneration of Directors, KMPs and SMPs the Company shall consider industry benchmarks and the competence of the persons and ensure that the level and composition of the Remuneration is reasonable and sufficient to attract, retain and motivate them.
- The compensation structure of Directors, KMPs and SMPs will be benchmarked with industry salary trends and will have components of fixed / basic salary as well as variable pay. The variable pay will be linked to business performance parameters, as separately outlined in Variable Pay Plan guidelines of the Company. The Policy of the Company on Remuneration for Board of Directors, KMPs and SMPs as required under Section 178 of the Companies Act, 2013, is available on the website of the Company and can be accessed at web link https://www.mastek.com/corporate- governance.

The policy has been amended effective 1 April, 2019. We affirm that the remuneration paid to the Directors, KMPs and SMPs are as per the policy.

4. Criteria of making payment of Remuneration by way of Commission to Non-Executive Directors

The Board of Directors decides and members approves the Remuneration of Non-Executive Directors based on the recommendation from Nomination and Remuneration Committee.

Subject to availability of profits, calculated under Section 197 read with Section 198 of the Companies Act, 2013, the Non-Executive

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Directors of the Company are also entitled to Commission and the same is being paid taking into consideration the amount of time spent on the critical policy decisions and higher degree of engagement by the members.

Further, the members have approved the payment of remuneration by way of Commission to Non-Executive Directors for 5 (five) years from 1 April, 2018 till 31 March, 2023, a sum not exceeding 1% (one percent) per annum of the Net Profits of the Company (Sitting fees excluded) calculated in accordance with the provisions of Section 198 of the Companies Act 2013, be paid to and distributed amongst the Non-Executive Directors of the Company (other than the Managing Director) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year.

Details of Remuneration paid to Non-Executive Directors for the financial year ended 31 March, 2019 are stated below:

Sr. No.	Name of the Directors	Perquisites (₹)	Commission Payable* (₹)	Total (₹)
1.	Mr. Ashank Desai	91,085	-	91,085
2.	Mr. S. Sandilya	-	12,50,000	12,50,000
3.	Ms. Priti Rao	-	10,50,000	10,50,000
4.	Mr. Keith Bogg	-	3,30,000	3,30,000
5.	Mr. Atul Kanagat	-	-	-
	Total	91,085	26,30,000	27,21,085

**Commission for financial year 2018 –19 has been provided in the accounts under review and will be paid after ensuing Annual General Meeting.*

Details of Number of Equity Shares held by the Directors as on 31 March, 2019 are stated below:

Sr. No.	Name of the Directors	No. of Equity Shares Held
1.	Mr. Ashank Desai- along with his family members	34,07,952 (14.22%)
2.	Mr. S. Sandilya	26,000 (0.11%)
3.	Mr. Sudhakar Ram along with his family members (including private family trust)	28,55,608 (11.91%)
4.	Ms. Priti Rao	29,600 (0.12%)
5.	Mr. Keith Bogg	-
6.	Mr. Atul Kanagat	19,600 (0.08%)

5. Details of Sitting Fees paid to Non-Executive Directors for the financial year ended 31 March, 2019 are stated below:

Sr. No.	Name of the Directors	Sitting Fees (₹)
1.	Mr. S. Sandilya	*19,50,000
2.	Mr. Ashank Desai	22,00,000
3.	Ms. Priti Rao	14,50,000
4.	Mr. Atul Kanagat	14,00,000
5.	Mr. Keith Bogg	12,00,000
	Total	82,00,000

** Includes sitting fees of ₹ 2 lakhs paid for attending Ad-hoc Committee meetings held during the year.*

6. Details of Remuneration Paid to Vice Chairman & Managing Director:

The Remuneration paid to Mr. Sudhakar Ram - Vice Chairman and Managing Director, is given in notes to Accounts. The details are as follows:

Sr. No.	Particulars of Remuneration	Amount in ₹
1.	Gross salary	70,36,800
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
5.	Others, please specify (Perquisites)	39,600
6.	Contribution to Provident Fund & Other Fund	8,44,416
7.	Performance Bonus	15,00,000
	Total	94,20,816

Note: The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance.

An Employment Agreement have been entered between the Company and Mr. Sudhakar Ram for re-appointing him as Vice-Chairman and Managing Director of the Company for a period of 3 (three) years i.e. from 1 July, 2017 to 30 June, 2020, the re-appointment was approved by the members at 35th Annual General Meeting of the Company. The said Employment Agreement provides for termination by either party by giving 3 months' notice to the other party.

Mr. Sudhakar Ram is also a Founder and Managing Director of Cashless Technologies India Private Limited (CTIPL) and has not drawn any remuneration from CTIPL during the financial year 2018 –19. His total remuneration is within the overall ceiling limit prescribed under the Companies Act, 2013.

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IV. Committees of the Board:

The Committees of the Board play an important role in the Governance and focus on specific areas and make informed decisions within the delegated authority. Each Committee, guided by its Terms of Reference, which provides for the Composition, Scope, Powers Duties and Responsibilities is explained hereunder. The Recommendation and / or Observations and Decisions are placed before the Board for information or approval. The meetings of each of these Committees are convened by the respective Chairpersons, who also apprise the Board about the summary of discussions held at their meetings. The Minutes of the Committee meetings are sent to all Directors individually for their approval / comments as per prescribed Secretarial Standards and after the Minutes are duly approved, these are circulated to the Board of Directors and tabled at the Board Meetings. The Board has constituted the following Mandatory and Non-mandatory Committees.

The Board of Directors of the Company have, inter alia, revised the terms of reference effective 1 April, 2019 of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Governance Committee of the Board of Directors of the Company in view of amendments to the SEBI Listing Regulations by way of notification of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and also amendments under the Companies Act, 2013.

<table>
<tr><th>Terms of Reference</th><th>The Composition of the Audit Committee and the Attendance</th><th>Other details</th></tr>
<tr><th>(A.)</th><th>Audit Committee (Mandatory Committee)</th><th></th></tr>
<tr>
<td>
a. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
b. Recommendation for Appointment, Remuneration and Scope of Auditors (Internal / Statutory / Secretarial)
c. Reviewing with the Management the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:-
• matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
• changes, if any, in Accounting policies and practices and reasons for the same;
• major accounting entries involving estimates based on the exercise of judgment by Management;
• significant adjustments made in the Financial Statements arising out of Audit findings;
• Compliance with listing and other legal requirements relating to financial statements;
• disclosure of any Related Party Transactions
• modified opinion(s) in the draft Audit Report
d. Reviewing with the Auditor and Management the quarterly / half yearly / Annual financial statements before submission to the Board for approval
e. Reviewing with the Management the statement of uses / application of funds raised through an Issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter, if any
</td>
<td>
Audit Committee currently comprises of four Independent Directors and one Non-Executive Director (Non-Independent). The Independent Directors are accomplished professionals from the corporate fields. The Managing Director and Group Chief Financial Officer attend the Audit Committee meetings as permanent invitees. The Chairman of the Committee is Non-Executive and Independent Director. The Company Secretary acts as the Secretary to the Committee.

During the year under review, the Committee met 5 (five) times on 18 April, 2018, 18 July, 2018, 25 October, 2018, 17 January, 2019 and 27 March, 2019, the maximum gap between any two meetings was not more than 100 days and the requisite quorum as prescribed under the SEBI Listing Regulations was present.

The Composition of the Audit Committee and the attendance of the members at the meetings held are as follows:
<table>
<tr><th>Sr. No.</th><th>Name of the Members</th><th>Category</th><th>Status</th><th>No. of Meetings Attended</th></tr>
<tr><td>1.</td><td>Mr. S. Sandilya</td><td>Non-Executive / Independent</td><td>Chairman</td><td>5 of 5</td></tr>
<tr><td>2.</td><td>Mr. Ashank Desai</td><td>Non-Executive / Non-Independent</td><td>Member</td><td>5 of 5</td></tr>
<tr><td>3.</td><td>Ms. Priti Rao</td><td>Non-Executive / Independent</td><td>Member</td><td>5 of 5</td></tr>
<tr><td>4.</td><td>Mr. Atul Kanagat</td><td>Non-Executive / Independent</td><td>Member</td><td>4 of 5</td></tr>
<tr><td>5.</td><td>Mr. Keith Bogg</td><td>Non-Executive / Independent</td><td>Member</td><td>4 of 5</td></tr>
</table>
</td>
<td>
• The Company has constituted an Audit Committee. The Role, Powers and Functions of the Committee is in accordance with Regulation 18 (Part C of schedule 11) of SEBI Listing Regulations and Section 177 of the Companies Act, 2013 as applicable, besides other terms as referred by the Board of Directors.
• The Audit Committee ensures prudent financial and accounting practices, fiscal discipline and transparency in financial reporting. In terms of one of its important terms of reference, the quarterly financial statements are reviewed by the Audit Committee and recommended to the Board for its adoption. The members of the Committee possess sound knowledge on Accounts, Audit, Finance, Taxation, Internal Controls etc.
</td>
</tr>
</table>

Report on corporate governance

<table>
<tr><th>Terms of Reference</th><th>The Composition of the Audit Committee and the Attendance</th><th>Other details</th></tr>
<tr><td>(A.)</td><td colspan="2">Audit Committee (Mandatory Committees)</td></tr>
<tr><td>f. Reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process
g. Approval of any subsequent modification of transactions of the Company with Related parties
h. Valuation of undertakings or assets of the Company, wherever necessary
i. Reviewing, with the Management, performance of Statutory Auditors and Internal Auditors of the Company and adequacy of the Internal Financial Controls and Risk management impacting financial numbers
j. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors; if any
k. To review the functioning of the whistle blower mechanism and complaints; if any
l. Approval of Appointment and Remuneration of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate
m. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors or its group firms
n. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern; if any
o. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
p. Reviewing the significant findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board
q. Reviewing the utilisation of loans and / or advances from / investment by the Holding Company in the Subsidiary exceeding Rupees 100 Crore or 10% of the asset size of the Subsidiary, whichever is lower including existing loans / advances / investments
r. Review at least once in a financial year Compliance with the Code of Conduct for regulating, monitoring and reporting of trading by insiders and Code of Fair Disclosure of the Company and shall verify that the systems for Internal Control to comply with the Codes are adequate and are operating effectively
s. All other matters incidental or related to the above issues
t. Carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notifications, amendments as may be applicable</td><td>The Chairman of the Committee was present at the 36th Annual General Meeting of the Company held on 19 July, 2018.

Representatives of the Internal Auditors and Statutory Auditors also attend the Audit Committee Meetings. The Committee's observations are followed up with the respective departments and the follow-up actions are reported to the Committee at the subsequent Committee meetings. The Committee, along with the Statutory Auditors, reviews the quarterly, half-yearly and Annual Results at the Audit Committee meetings before recommending them to the Board of Directors.

All the recommendations of the Committee have been accepted by the Board, during the year.</td><td>• Related Party Transactions
The Company has revised the policy on materiality of Related Party Transactions and on dealing with Related Party Transactions in terms of the new amendments. This has been posted on the website of the Company at https://www.mastek.com/corporate-governance. The Company places the disclosure regarding the details of all the transactions with related parties on quarterly basis to Audit Committee and Board. Further suitable disclosure as required by the Accounting Standard (Ind AS-24) has been made in the notes to the Financial Statements.</td></tr>
</table>

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<table>
<tr><th>Terms of Reference</th><th>The Composition of the Nomination and Remuneration Committee and the Attendance</th><th>Other details</th></tr>
<tr><td>(B.)</td><td colspan="2">Nomination and Remuneration Committee (Mandatory Committees)</td></tr>
<tr><td>a. Quorum
i) The quorum for a meeting of the Committee shall be either three members or 1 / 3 of the members of the Committee, whichever is greater, including at least one Independent Director in attendance and the Committee shall meet at least once in a year
ii) The Chairperson of the Committee shall be an Independent Director and all Directors of the Committee shall be Non-Executive Directors; and
iii) At least fifty percent of the Directors shall be Independent Directors.
b. To recommend to the board, all Remuneration / Compensation and the terms of it in whatever form payable to Directors / KMP / Senior Management and other Senior Employees of the organisation to ensure that :
• the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, of the quality required to run the company successfully
• relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
• remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
c. To identify the persons who are qualified to become Director, or who may be appointed in Senior Management of the Company and shall specify the manner for effective Evaluation of Performance of Board, its Committees and Individual Directors & CEO to be carried out either by the Board, by the Committee or by an independent external professional / agency and review its implementation and Compliance
d. To review;
• all documents pertaining to candidates and conduct Evaluation of candidates in accordance with a process and if deemed fit and appropriate, make recommendation for the nomination to the Board or for the Senior Management of the Company and their removal, if any and oversee the implementation thereof.
• and formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the Remuneration for the Directors, Key Managerial Personnel and Senior Employees.</td><td>Nomination and Remuneration Committee currently comprises of three Non – Executive Directors. The Chairman of the Committee is Non-Executive and Independent Director. The Managing Director and Group Chief Financial Officer are permanent invitees to the meetings of the Committee. The Company Secretary acts as the Secretary to the Committee

During the year under review, the Committee met 5 (five) times on 17 April, 2018, 16 July, 2018, 24 October, 2018, 16 January, 2019 and 27 March, 2019 and the requisite quorum was present.

The Composition of Nomination & Remuneration Committee and the attendance of the Members at the meetings held are as follows:
<table>
<tr><th>Sr. No.</th><th>Name of the Members</th><th>Category</th><th>Status</th><th>No. of Meetings Attended</th></tr>
<tr><td>1.</td><td>Mr. Atul Kanagat</td><td>Non-Executive / Independent</td><td>Chairman</td><td>4 of 5</td></tr>
<tr><td>2.</td><td>Mr. S. Sandilya</td><td>Non-Executive / Independent</td><td>Member</td><td>5 of 5</td></tr>
<tr><td>3.</td><td>Mr. Ashank Desai</td><td>Non-Executive / Non-Independent</td><td>Member</td><td>5 of 5</td></tr>
</table>
The Chairman of the Committee was not present at 36th Annual General Meeting of the Company since he was out of the Country and the declaration for the same was received from him and he had authorised Mr. S. Sandilya, Member of the Committee to respond to the queries, if any, of the Members with respect to functioning of the Nomination and Remuneration Committee at the 36th Annual General Meeting.

All the recommendations of the Committee have been accepted by the Board during the year.</td><td>• The Company has constituted a Nomination and Remuneration Committee & the Role, Powers and Functions of the Committee are in accordance with the Regulation 19 (clause A of part D of schedule 11 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013 as applicable, besides other terms as referred by the Board of Directors.</td></tr>
</table>

Report on corporate governance

Terms of Reference	The Composition of the Nomination and Remuneration Committee and the Attendance	Other details
(B.)	**Nomination and Remuneration Committee (Mandatory Committees)**	
e. To decide and formulate or clarify detailed terms and conditions of the Employees Stock Option Plan, governed by the guidelines issued by SEBI and as amended from time to time (including extension due to sabbatical leaves / acceleration of the ESOP and issuance of RSUs etc. f. To approve; • the new ESOP / RSUs plans for implementation including its framework • the new Stock Options to be granted to the eligible employees of the Company / Group under the scheme. g. To frame policy and recommend the amount of Bonus / Variable Pay / Performance award / incentive plan to be paid to Whole Time Director & eligible employees. h. To recommend; • The perquisites / sitting fees for Non-Executive Directors for attending Board as well as Committee Meetings • Yearly Commission to be paid to Non-Executive Directors out of the distributable profits of the Company i. To consider Succession planning of the Board of Directors, Key / Senior Management personnel. j. All other matters incidental or related to the above issues k. Carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notifications / amendments as may be applicable.		

Report on corporate governance

Terms of Reference | **The Composition of the Stakeholders Relationship Committee and the Attendance** | **Other details**

(C.) **Stakeholders Relationship Committee (Mandatory Committees)**

Terms of Reference

a. The Committee shall meet at least once in a year. The Chairperson of the Committee shall be a Non-Executive Director and at least one being an Independent Director, shall be member of the Committee.

b. To resolve the grievances of the security holders including complaints related to transfer / transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of split / duplicate share certificates for shares reported lost / defaced / destroyed, as per the laid down procedure and to authorise the Company Secretary and Registrar and Share Transfer Agent to attend to such matters.

c. To review the measures taken by the Company for effective exercise of Voting Rights by members

d. To review adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent (RTA)

e. To review measures / initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / Annual Reports / statutory notices by the members of the Company

f. To issue and allot shares on exercise of vested Stock Options by Employees under various ESOP Schemes, subject to completion of necessary formalities

g. To issue and allot right shares / bonus shares pursuant to a Rights / Bonus Issue subject to such approvals as may be required;

h. To approve and monitor dematerialisation /rematerialisation of shares and all such matters incidental thereto and authorise the Company Secretary and RTA to attend to such matters

i. All other matters incidental or related to issued securities of the Company

j. Carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notifications / amendments as may be applicable.

The Composition of the Stakeholders Relationship Committee and the Attendance

Stakeholder Relationship Committee currently comprises three Non-Executive Directors and one Executive Director. The Chairman of the Committee is Non-Executive and Independent Director.

During the year ended 31 March, 2019, the Committee met 5 times on 17 April, 2018, 16 July, 2018, 24 October, 2018, 16 January, 2019 and 27 March, 2019, and the requisite Quorum was present.

The Composition of the Stakeholder Relationship Committee and the attendance of the members at the meetings held are as follows:

Sr. No.	Name of the Members	Category	Status	No. of Meetings Attended
1.	Mr. S. Sandilya	Non-Executive / Independent	Chairman	5 of 5
2.	Mr. Ashank Desai	Non-Executive / Non Independent	Member	5 of 5
3.	Mr. Atul Kanagat	Non-Executive / Independent	Member	4 of 5
4.	Mr. Sudhakar Ram	Executive / Non Independent	Member	5 of 5

All the recommendations of the Committee have been accepted by the Board during the year.

Other details

- The Company has constituted a Stakeholders Relationship Committee & the Role, Powers and Functions of the Committee is in accordance with Regulation 20 (Clause B of Part D of Schedule II) of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, besides other terms as referred by the Board of Directors.
- The details of investors' complaints received and resolved during the year under review are as under:

No. of Investors' Complaints received during the year 2018–19	No. of Investors' Complaints resolved during the year 2018–19	No. of Investors' Complaints pending as on 31 March, 2019
02	02	NIL

There were no pending transfers / grievances as on 31 March, 2019.

- The Secretarial Department of the Company and the RTA, attend to all grievances of the members received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. The Minutes of the Stakeholders Relationship Committee Meetings are circulated to the Board and noted by the Board of Directors.
- Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Members are requested to furnish their updated telephone numbers and E-mail addresses to facilitate prompt action.

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<table>
<tr><th>Terms of Reference</th><th>The Composition of the Corporate Responsibility Committee and the Attendance</th><th>Other details</th></tr>
<tr><td>(D.)</td><td colspan="2">Corporate Social Responsibility Committee (Mandatory Committees)</td></tr>
<tr><td>a. Review the existing Corporate Social Responsibility Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
b. Decide CSR projects or programmes or activities to be taken up by the company;
c. Place before the board the CSR activities proposed to be taken up by the company for approval each year;
d. Oversee the progress of the initiatives rolled out under this policy on half yearly basis;
e. Define and monitor the budgets for carrying out the initiatives;
f. Submit a report to the Board of Directors on all CSR activities during the financial year;
g. Monitor and review the implementation of the CSR policy.</td><td>Corporate Social Responsibility Committee comprises of two Non-Executive Directors and one Executive Director. The Chairperson of the Committee is Non-Executive and Independent Director. The Company Secretary acts as the Secretary to the Committee.

During the year under review, the Committee met 1 (one) time on 17 April, 2018.

The Composition of the Corporate Social Responsibility Committee and the attendance of the members at the meetings held are as follows:
<table>
<tr><th>Sr. No.</th><th>Name of the Members</th><th>Category</th><th>Status</th><th>No. of Meetings Attended</th></tr>
<tr><td>1.</td><td>Ms. Priti Rao</td><td>Non-Executive / Independent</td><td>Chairman</td><td>1 of 1</td></tr>
<tr><td>2.</td><td>Mr. Ashank Desai</td><td>Non-Executive / Non-Independent</td><td>Member</td><td>1 of 1</td></tr>
<tr><td>3.</td><td>Mr. Sudhakar Ram</td><td>Executive / Non- Independent</td><td>Member</td><td>1 of 1</td></tr>
</table></td><td>• The Company has constituted a Corporate Social Responsibility Committee and the Role, Powers and Functions of the Committee are in accordance with the Section 135 of the Companies Act, 2013 and rules framed under Schedule VII as applicable, besides other terms as referred by the Board of Directors.</td></tr>
<tr><td></td><td>All the recommendations of the Committee have been accepted by the Board during the year.</td><td></td></tr>
</table>

<table>
<tr><th>Terms of Reference</th><th>The Composition of the Governance Committee and the Attendance</th><th>Other details</th></tr>
<tr><td>(E.)</td><td colspan="2">Governance Committee (Non-Mandatory Committee)</td></tr>
<tr><td>a. To develop & review a set of compliances and Corporate Governance Principles, Policies and Processes for Group Entities in order to improve monitoring and ongoing business related concerns.
b. To review Plans / Status / Concerns on Internal Information Security (IIS) and Technology Information Services (TIS) including cyber security issues.
c. To develop norms for evaluation of the Board / Directors / Chairperson / Committees and to recommend the areas of training needed for Board members.
d. To review Enterprise Risk Management (ERM), its framework and related matters and also the Business Continuity Process (BCP) Disaster Recovery process (DR) / Client Satisfaction Survey (CSS) / Employee Satisfaction Survey, (ESS) activities, etc.
e. To review ongoing Legal compliances, Court cases and any business / legal dispute related matters with stakeholders
f. To review physical infrastructure planning & crisis management
g. All other matters incidental or related to the above issues
h. Carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notifications / amendments as may be applicable.</td><td>Governance Committee comprises of one Non-Executive / Non-Independent Director, one Executive Director and two Non-Executive / Independent Directors.

During the year ended 31 March, 2019, the Committee met 4 (four) times on 17 April, 2018, 16 July, 2018, 24 October, 2018 and 16 January, 2019.

The Composition of the Governance Committee and the attendance of the members at the meetings held are as follows:
<table>
<tr><th>Sr. No.</th><th>Name of the Members</th><th>Category</th><th>Status</th><th>No. of Meetings Attended</th></tr>
<tr><td>1.</td><td>Mr. Ashank Desai</td><td>Non-Executive / Non-Independent</td><td>Chairman</td><td>4 of 4</td></tr>
<tr><td>2.</td><td>Ms. Priti Rao</td><td>Non-Executive / Independent</td><td>Member</td><td>4 of 4</td></tr>
<tr><td>3.</td><td>Mr. Keith Bogg</td><td>Non-Executive / Independent</td><td>Member</td><td>4 of 4</td></tr>
<tr><td>4.</td><td>Mr. Sudhakar Ram</td><td>Executive Director</td><td>Member</td><td>4 of 4</td></tr>
</table></td><td>This Committee periodically monitors the group governance business & compliance through the set of Business Governance Policies and Practices.

• Enterprise Risk Management
Mastek is committed to effective management of risks across the organization by aligning its risk management strategy to its business objectives and by instituting a risk management structure and framework for timely identification, assessment, mitigating, monitoring and reporting of risks. Accordingly, a robust Enterprise Risk Management framework have been designed and deployed. The status of Risk and its Management is presented to the Governance Committee and Board of Directors of the Company at periodic intervals.</td></tr>
</table>

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V. General Body Meetings

1. Details of Date, Time, Location and Special Resolutions Passed during last 3 years:

Financial Year	Date	Time	Location	Special Resolutions Passed
2017–18	19 July, 2018	11.00 A. M.	Ahmedabad Management Association, H.T. Parekh Hall, Ahmedabad - 380015, Gujarat	• Payment of Profit related Commission to Non-Executive Directors including Independent Directors for a period of 5 financial years commencing from 1 April, 2018 to 31 March, 2023. • Payment of certain Benefits / Perquisites to Mr. Ashank Desai - Non-Executive Director for a period of 3 years effective from 1 July, 2018 to 30 June, 2021.
2016–17	22 June, 2017			• Re-appointment of Mr. Sudhakar Ram as Vice-Chairman and Managing Director for a period of 3 years from 1 July, 2017 up to 30 June, 2020 and Remuneration to be paid to him. • Enabling Resolution for Loans and Guarantees and make investment in securities. (upto ₹ 250 crores.) • Enabling Resolution for Creation of Charge / Mortgage on the Assets of the Company, both present and future (upto ₹ 250 crores.) • Enabling Resolution for borrowings to be made by the Company (upto ₹ 250 crores.)
2015–16	25 July, 2016			• Substitution of then existing Articles of Association of the Company with the new set of Articles of Association due to the introduction of new Companies Act, 2013

All the above mentioned special resolutions as set out in the respective notices were passed with requisite majority by the members of the Company.

2. Details of Resolution passed through Postal ballot, the person who conducted the Postal Ballot exercise and details of the voting pattern:

During the year under review, no resolution has been passed through the exercise of Postal Ballot. As on date, the Company does not have any proposal to pass any resolution by way of Postal Ballot.

3. Extra Ordinary General Meeting

There was no Extra Ordinary General Meeting held during the year under review.

VI. Means of Communication

1. Extracts of the Quarterly / Half-yearly / Annual results subjected to Limited Review / Audit Report by Statutory Auditors are generally published in the Free Press Journal (English) and Navshakti Times (Marathi) at Mumbai and in Financial Express Ahmedabad (Gujarati). These along with the Press Releases and Analyst Presentation are made available on the website of the Company at web link https://www.mastek.com/financial-information. Other information relating to Shareholding Patterns, Compliance with the requirements of Corporate Governance etc. are uploaded on BSE / NSE Portals and on Company's website at https://www.mastek.com/investor-information.
2. Official Press releases and transcripts of conference calls with the Analysts after the quarterly results are displayed on the website of the Company at web link https://www.mastek.com/financial-information. The Company has disclosed and complied with all the mandatory requirements as stipulated

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under the SEBI Listing Regulations. The details of these compliances have been given above in the relevant sections of this report.

3. The Presentations, Intimations of Analyst or Institutional Investors meet are also uploaded on the website of the Company at web link https://www.mastek.com/investor-information as well as sent to the Stock Exchanges. No unpublished price sensitive information or future financial projections are discussed in presentations made to Institutional Investors and Financial Analysts.

4. NSE Electronic Application Processing System (NEAPS) and BSE's Listing Centre is a web-based application designed by NSE and BSE respectively for Corporates and are used for periodical Compliance filings like Quarterly Results, Shareholding Pattern, Corporate Governance report, Media releases, Statement of Investor Complaints, among others are in accordance with the SEBI Listing Regulations filed electronically.

5. SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATR) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Communication with the Members

- The Unaudited Quarterly / Half-yearly and Annual Audited Results are announced generally within 30 days from the close of the quarter and financial year respectively, which is within the requirements of the SEBI Listing Regulations. The aforesaid financial results are sent to / uploaded on website of BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board. The results are thereafter given by way of a Press Release to various News agencies / Analysts and are published within 48 hours in leading English and Gujarati / Marathi daily newspapers. The Annual audited financial statements forms a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.
- The Company also informs by way of intimation to BSE and NSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members including Press Release and Credit Ratings.
- The Annual Report of the Company, the Quarterly / half yearly and the Annual Results and the Press Releases of the Company are also placed on the website of the Company at web link https://www.mastek.com/financial-information.
- A separate dedicated section under Unpaid Dividends on the website of the Company at web link https://www.mastek.com/investor-information gives information on unclaimed dividends and also equity shares transferred to IEPF Authority for those shareholder who had not claimed their unpaid dividend for last consecutive seven years.

VII. General Shareholder Information

1. Annual General Meeting:

Date and Time :	**Tuesday, 23 July, 2019 at 11.00 a.m.**
Venue :	**H.T. Parekh Auditorium, AMA Complex, ATIRA. Dr. Vikram Sarabhai Marg, Ahmedabad 380015, Gujarat**

2. Financial year and tentative calendar:

The Company follows the period of 1 April to 31 March, as the financial year.

Tentative schedule of Financial reporting for the quarters ending –	
30 June, 2019	22 July, 2019
30 September, 2019	16 October, 2019
31 December, 2019	20 January, 2020
31 March, 2020	15 April, 2020

3. Book closure date: **Monday, 15 July, 2019** and **Tuesday, 16 July, 2019**.

4. Dividend payment date:

Final dividend payment of ₹ 5/- per Equity Share (face value of ₹ 5/- each) (@100%) will be paid within 15 days from the date of the Annual General Meeting subject to the approval of the members at the ensuing Annual General Meeting.

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5. Listing of shares and stock code:

The equity shares having a face value of ₹ 5/- each are listed at the following Stock Exchanges:

Name of the Exchange	Script Code	Reuters	Bloomberg	ISIN
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	523704	MAST.BO	MAST:IN	
National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C / 1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.	MASTEK	MAST.NS	NMAST:IN	INE759A01021

6. Listing fees to Stock Exchanges and Annual Custodial fees to Depositories:

All the Listing fees and the Custodial fees are paid upto 31 March, 2019.

The Company will pay on or before the due date annual listing fees and custodial fees for the financial year 2019–2020 to the concerned Stock Exchanges and the depositories.

7. Capital structure:

Authorised Capital	Equity ₹ 20,00,00,000/- (4,00,00,000 Equity shares of ₹ 5/- each) Preference ₹ 20,00,00,000/- (20,00,000 Preference shares of ₹ 100/- each)
Issued, Subscribed and Paid-up Capital	₹ 11,98,64,015 (2,39,72,803 Equity Shares of ₹ 5/- each)

8. Distribution of Shareholding

Distribution of Shareholding as on 31 March:

Range no. of shares	2019				2018			
	Shareholder Numbers	%	No. of shares	%	Shareholder Numbers	%	No. of shares	%
1 - 500	17,903	88.94	15,89,689	6.63	17,293	88.46	15,00,785	6.33
501 - 1000	1,160	5.76	8,77,142	3.66	1,171	5.99	8,81,862	3.72
1001 - 5000	824	4.09	17,80,785	7.43	805	4.12	16,87,923	7.12
5001 - 10000	99	0.49	7,12,621	2.97	121	0.62	8,97,455	3.79
10001 - above	143	0.71	1,90,12,566	79.31	159	0.81	1,87,24,031	79.04
Total	20,129	100.00	2,39,72,803	100.00	19,549	100.00	2,36,92,056	100.00

9. Monthly Volumes and Prices: Financial year 2018 –19

Month and Year	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume (Total Traded Quantity)	High (₹)	Low (₹)	Volume (Total Traded Quantity)
April 2018	619.30	527.95	19,38,283	620.00	527.15	86,05,818
May 2018	588.00	495.50	5,52,631	589.00	497.05	25,17,935
June 2018	559.90	465.65	5,56,663	559.00	465.60	23,91,042
July 2018	575.00	488.25	3,83,825	573.95	489.05	33,34,444
August 2018	569.40	522.05	3,21,356	568.00	521.00	24,85,898
September 2018	643.90	431.00	7,45,760	644.50	428.05	55,14,588
October 2018	512.50	366.00	5,01,218	502.80	365.00	36,98,001
November 2018	495.80	426.00	2,18,702	495.00	425.00	11,00,327
December 2018	482.00	421.65	4,54,099	483.50	423.25	11,91,810
January 2019	460.00	393.00	2,24,054	458.75	394.10	18,42,722
February 2019	437.00	365.20	1,00,083	437.80	365.00	14,68,186
March 2019	468.45	369.30	4,18,620	469.00	372.05	25,31,139

Source: BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com)

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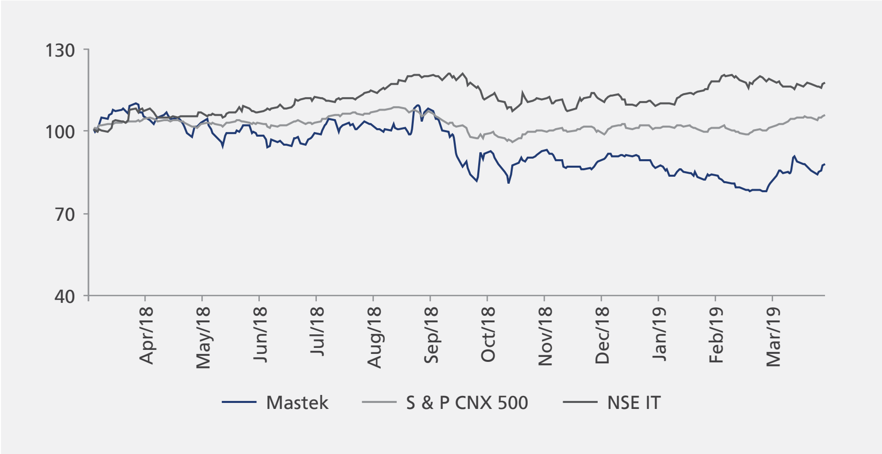
10. Mastek Share Price Performance versus NSE's S&P CNX 500

Relative Price Performance Mastek v/s NSE Indices



Note: Daily Closing Prices on the NSE have been considered for the comparison in above chart (www.nseindia.com)

11. In case the securities of the Company are suspended from trading, the reasons thereof

The Securities of the Company are not suspended from trading on the stock exchanges.

12. Share Transfer System / Unclaimed Dividend and other related matters

a. Registrar and Share Transfer Agent:

All inquiries relating to the members records, transmission of shares, change of address, non-receipt of dividend, loss of share certificates, transfer of shares to IEPF Authority, etc. should be addressed to:

The Registrar and Share Transfer Agent ('RTA'):
Karvy Fintech Private Limited
Unit: Mastek Limited
Karvy Selenium, Tower B, Plot No. 31-32,
Gachibowli, Nanakramguda, Financial
District, Hyderabad – 500032, Telangana.
Tel.: +91-040-6716-1500;
Fax: +91-040-2331-1968
Toll Free no.: 1800-345-4001
E-mail: einward.ris@karvy.com

[Please note that the name of the RTA, Karvy Computershare Private Limited has been changed to Karvy Fintech Private Limited.]

b. Share Transfer System:

The Company processes shares sent for transfer, transmission, transposition, etc. every month. Transfers / transmissions which are complete in all respects are registered and returned within 15 days of lodgement. The Company has obtained the Half Yearly Certificate from Independent Company Secretary in Practice for due Compliance of share transfer formalities as per the requirements of Regulation 40(9) of the SEBI Listing Regulations and a Half Yearly Certificate duly signed by the Compliance Officer of the Company and the authorised representative of RTA as per the requirements of Regulation 7(3) of the SEBI Listing Regulations.

SEBI, vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20 April, 2018, introduced a documented framework for streamlining and strengthening the systems and processes of RTAs, Issuer Companies and Bankers to an Issue with regards to handling and maintenance of records, transfer of securities and payment of dividend, as may be applicable. In the said Circular, SEBI has suggested measures to make the systems and processes among the RTAs, Issuer Companies and Bankers, more robust and transparent.

The said SEBI Circular, inter alia, provides for some key requirements like maintenance of dividend master file, reconciliation of dividend account(s), Updation of PAN and Bank mandates by the members, wherever not available, System-Log(s), enhanced due diligence, etc. These changes suggested by SEBI in the share related functioning are forward looking and ensures that proper internal checks and controls are in place.

The RTA has confirmed its Compliance with the applicable requirements of the Framework.

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c. Nomination facility for Members

As per the provisions of the Companies Act, 2013, facility for making Nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain Nomination form, from the RTA of the Company. Members holding shares in dematerialised form should contact their Depository Participants (DP) in this regard.

d. Details of Unclaimed Dividend

Pursuant to provisions of Section 125 of the Companies Act, 2013 the amount of Dividend which has remained unclaimed / unpaid for a consecutive period of 7 years from the date of transfer of such amount to unpaid dividend account is required to be transferred to Investors Education and Protection Fund (IEPF) Authority established by Central Government. Accordingly, the unclaimed dividend pertaining to Interim and Final Dividend for the year 2009–10 on completion of 7 years was credited to IEPF during the previous year. All the members who have not encashed the dividend warrants since financial year 2012–13 and thereafter are requested to take steps to contact the RTA of the Company.

Particulars / financial year	Date of Declaration	Date of Payment	Tentative dates for transfer to IEPF
Final Dividend 2012–2013	17 July, 2013	22 July, 2013	22 August, 2020
Interim Dividend 2013–2014	24 October, 2013	11 November, 2013	29 November, 2020
Final Dividend 2013–2014	23 July, 2014	28 July, 2014	28 August, 2021
Interim Dividend 2014–2015	22 January, 2015	7 February, 2015	27 February, 2022
Final Dividend 2014–2015	17 August, 2015	28 August, 2015	23 September, 2022
1st Interim Dividend 2015–2016	14 January, 2016	4 February, 2016	19 February, 2023
2nd Interim Dividend 2015–2016	12 March, 2016	29 March, 2016	17 April, 2023
Interim Dividend 2016–2017	18 October, 2016	9 November, 2016	23 November, 2023
Final Dividend 2016–17	22 June, 2017	10 July, 2017	28 July, 2024
Interim Dividend 2017–18	26 October, 2017	15 November, 2017	02 December, 2024
Final Dividend 2017–18	19 July, 2018	31 July, 2018	24 August, 2025
Interim Dividend 2018–19	25 October, 2018	15 November, 2018	30 November, 2025

e. Transfer of Concerned Equity Shares to Investor Education and Protection Fund Authority

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, and amendments made thereunder all the concerned shares in respect of which dividend had not been claimed or remained unpaid for 7 consecutive years or more had been transferred by the Company in the name of Investor Education and Protection Fund Authority ("IEPF Authority") in their Demat Account in November, 2017 and January, 2018 (Previous year).

The Company had identified and completed the share transfer process with Depositories as and transferred 48,285 shares in November, 2017 and 7,033 shares in January, 2018 (due to be transferred to IEPF based on Interim and Final Unpaid Dividend of 2009 - 10 in November 2017 and January, 2018 respectively) to Authority Demat Account to comply with the said Rules. The List of shares transferred to IEPF Authority is available on the website of the Company at web link https://www.mastek.com/investor-information

In case the members have any queries on the subject matter and the Rules, they may contact the Company's RTA. The members who have a claim on transfered dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the

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Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend / shares so transferred. The Members / Claimants can file only one consolidated claim in a financial year as per the IEPF Rules. It is in the Members interest to claim any un-encashed dividends, and for future, to consider dematerialisation of their shares and opt for Automated Clearing House (ACH) mode, so that dividends paid by the Company are credited to the investor's account on time.

f. **Pending Investor Grievances**

Any Member / Investor, whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary at the Registered / Corporate Office with a copy of the earlier correspondences and relevant supporting's for quick resolution.

g. **Reconciliation of Share Capital Audit**

As required under Regulation 76 of the Securities & Exchange Board of India (Depositories and Participants) Regulation, 1996 as amended, quarterly audit of the Company's share capital is being carried out by Independent Company Secretary in Practice with a view to reconcile the total Share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Certificate in regard to the same has been submitted to BSE Limited and the National Stock Exchange of India Limited and is also placed before the Board of Directors.

h. **Payment of Dividend through Automated Clearing House (ACH)**

The Company provides the facility for direct credit of the dividend to the members Bank Account. The SEBI Listing Regulations also mandate Companies to credit the dividend to the members electronically. Members are therefore urged to avail of this facility to ensure safe and speedy credit of their dividend into their Bank account through the Banks' "Automated Clearing House" mode. Members who hold shares in demat mode should inform their Depository Participant, whereas Members holding shares in physical form should inform the Company about of the core banking account details allotted to them by their bankers. In cases where the core banking details are not available with the Company, then the Company will issue physical warrant / demand draft to the Members.

i. **Green Initiatives for Sending Communication**

Company sent a communication through Annual Reports to all the members requesting them to give their E-mail ID's to the Company / RTA (for physical shares held) and their Depository Participants (DPs), so that Annual report and other communications can be sent electronically to all the members. Members, who have so far not informed the E-mail ID's to their DP's, are requested to do the same in the interest of environment.

13. Shareholding Pattern as at 31 March:

Sr. No.	Category	2019		2018	
		No. of Shares	% of Holding	No. of Shares	% of Holding
1	Promoters	**1,09,53,660**	**45.69**	1,11,53,660	47.08
2	Financial Institutions / Mutual Funds / Trusts & Banks	**22,54,129**	**9.40**	12,88,806	5.44
3	FII's	**19,55,780**	**8.16**	25,97,101	10.96
4	Bodies Corporate	**12,41,886**	**5.18**	18,09,154	7.64
5	Resident Individuals	**70,82,983**	**29.55**	64,78,929	27.35
6	NRI's	**4,29,047**	**1.79**	3,09,088	1.30
7	Investor Education and Protection Fund Authority (IEPF)	**55,318**	**0.23**	55,318	0.23
	Total	**2,39,72,803**	**100.00**	2,36,92,056	100.00

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Dematerialisation of Shares: Details of shares held in physical & electronic mode

About 99.38% of total equity share capital is held in dematerialised form with NSDL and CDSL as on 31 March, 2019.

As on Date	Status of Shares - Physical versus Electronic mode		
	Physical	Electronic	Total
31 March, 2019	1,47,579 (0.62%)	2,38,25,224 (99.38%)	2,39,72,803
31 March, 2018	1,58,953 (0.67%)	2,35,33,103 (99.33%)	2,36,92,056

***Note:** 30,242 Equity Shares were allotted under ESOP scheme on 27 March, 2019. The credit of aforesaid shares by NSDL, CDSL and the listing approval from stock exchanges (BSE and NSE) was pending at year end, since received.*

SEBI vide its Circular No. SEBI/LAD-NRO/ GN/2018/24 dated 8 June, 2018, amended Regulation 40 of the SEBI Listing Regulations pursuant to which after 1 April, 2019, transfer of securities can not be processed unless the securities are held in the dematerialized form with a depository.

The Company has sent 3 reminders to those members holding shares in physical form advising them to dematerialize their holding. Members holding shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode going forward. Transfer of securities in demat form will improve ease, convenience and safety of transactions for investors.

14. Top 10 Equity Shareholders (including more than 1% Shareholding) other than Promoters of the Company as on 31 March:

Sr. No.	Name of the shareholder	2019		2018	
		No. of shares	Shares as percentage of total no. of shares	No. of shares	Shares as percentage of total no. of shares
1	IDFC Mutual Fund	1,235,237	5.15	8,59,481	3.63
2	Ashish Kacholia	6,92,204	2.89	95,363	0.40
3	Motilal Oswal Focused Emergence Fund	3,57,770	1.49	-	-
4	Abakkus Growth Fund-1	2,58,000	1.08	-	-
5	LSV Emerging Markets Small Cap Equity Fund, LP	2,35,700	0.98	2,35,700	0.99
6	Sachin Kasera	2,25,000	0.94	2,25,000	0.95
7	Globeflex Emerging Markets Small Cap, LP	2,20,320	0.92	2,96,000	1.25
8	Suresh Bhatia	2,13,500	0.89	2,25,000	0.94
9	Acadian Emerging Markets Small Cap Equity fund LLC	2,03,062	0.85	1,11,733	0.47
10	Government of the Province of Alberta	1,86,900	0.78	1,86,900	0.79

15. Outstanding GDRs / ADRs / Warrants or any Convertible instruments:

There are no outstanding GDRs / ADRs / Warrants except the Stock Options granted to the Employees of the Company and its Subsidiaries. However, the outstanding ESOP Options after vesting, when exercised, shall increase the Equity Share Capital of the Company to that extent.

16. Off-shore Development Centers:

In view of the nature of the Company's business viz. Information Technology (IT) Services the Company operates from various offices in India and abroad.

The Company has Off-Shore Software Development Centers at SEEPZ - Mumbai, Millennium Business Park - Mahape, Pune and Chennai. The full address of the Company's centres / offices is available elsewhere in the Annual Report.

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17. Compliance Officer of the Company / Address for Correspondence:

Name	Dinesh Kalani, Company Secretary
Address for correspondence	Mastek Limited, #106 / 107, SDF-IV, SEEPZ, Andheri (East), Mumbai - 400 096 Phone No: + 91-22-6722-4200 Fax: +91-22-6695-1331
E mail	investor_grievances@mastek.com
Website	www.mastek.com

18. Commodity Price Risk or Foreign Exchange Risk and Hedging activities:

Company is exposed to foreign exchange risk on account of import and export transactions entered. The Company is proactively mitigating these risks by entering into commensurate hedging transactions with banks as per applicable guidelines and group risk management instructions. Please refer notes to the Financial Statements in this regard. The Company does not have any exposure hedged through Commodity derivatives.

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated 15 November, 2018 is not required to be given for commodity hedging activities.

19. Investor Information

A. Company overview:

Mastek is a publicly held leading IT player with global operations providing Enterprise solutions to Government, Retail and Financial Services Organisations worldwide. With its principal offshore delivery facility based at Mumbai, India, Mastek also operates in the UK and USA and India. Incorporated in 1982, Mastek has been at the forefront of technology and has made significant investments in creating Intellectual Property, which along with proven methodologies and processes, increase IT value generation to its customers through onsite and offshore deliveries. The Company is a provider of vertically focused Enterprise technology solutions. The Company's offering portfolio includes business and technology services comprising of Application Development, Application Maintenance, Business Intelligence and Data Warehousing, Testing & Assurance, Digital Commerce, Agile Consulting and Legacy Modernisation. The Company carries out its operations in India and has its software development centers in India at Mumbai, Pune, Chennai and Mahape. The Company was promoted by Mr. Ashank Desai, Mr. Ketan Mehta, Mr. Radhakrishnan Sundar and Mr. Sudhakar Ram. Mastek had its Initial Public Offering (IPO) in December, 1992.

B. History of Issue of Equity Shares

Particulars	No. of shares / Face value
Prior to Initial Public offer	23,97,000 shares of ₹ 10/- each
Initial Public Offer in December, 1992	6,03,000 shares of ₹ 10/- each
Issued under Employees' Stock Option Plan till 1995	56,640 shares of ₹ 10/- each
Second Public Offer in March, 1996	4,00,000 shares of ₹ 10/- each
Bonus Shares issued in January, 2000 (1:1)	34,56,640 shares of ₹ 10/- each
Adjusted the above in view of Sub-Division of shares of ₹ 10/- each into two shares of ₹ 5/- each in 2001.	1,38,26,560 shares of ₹ 5/- each
Issued under Employees' Stock Option Plans in Financial	
Year 2000–01	57,083 shares of ₹ 5/- each
Year 2001–02	85,396 shares of ₹ 5/- each
Year 2002–03	1,44,882 shares of ₹ 5/- each
Buy-Back and Extinguishment of shares in financial year 2003–04	3,00,898 shares of ₹ 5/- each
Issued under Employees' Stock Option Plans in Financial Year 2003–04	66,913 shares of ₹ 5/- each
Buy-Back and Extinguishment of shares in financial year 2004–05	98,950 shares of ₹ 5/- each
Issued under Employees' Stock Option Plans in Financial Year 2004–05	88,412 shares of ₹ 5/- each
Bonus Shares issued in April, 2006 (1:1)	1,40,54,594 shares of ₹ 5/- each
Issued under Employees' Stock Option Plans in Financial	
Year 2005–06	2,13,642 shares of ₹ 5/- each
Year 2006–07	3,26,547 shares of ₹ 5/- each
Year 2007–08	76,115 shares of ₹ 5/- each
Buy-Back and Extinguishment of shares in financial year 2007–08	9,15,714 shares of ₹ 5/- each
Issued under Employees' Stock Option Plans in Financial Year 2008–09	19,293 shares of ₹ 5/- each
Buy-Back and Extinguishment of shares in financial year 2008–09	7,44,381 shares of ₹ 5/- each
Issued under Employees' Stock Option Plans in Financial	
Year 2009–10	44,443 shares of ₹ 5/- each
Year 2010–11	7,250 shares of ₹ 5/- each
Year 2011–12	75,000 shares of ₹ 5/- each
Buy-Back and Extinguishment of shares in financial year 2012–13	23,88,000 shares of ₹ 5/- each
Issued under Employees' Stock Option Plans in financial year Year 2013–14	6,500 shares of ₹ 5/- each
Buy-Back and Extinguishment of shares in financial year 2013–14	24,84,007 shares of ₹ 5/- each
Issued under Employees' Stock Option Plans in Financial	
Year 2014–15	3,85,992 shares of ₹ 5/- each
Year 2015–16	4,50,602 shares of ₹ 5/- each
Year 2016–17	3,80,259 shares of ₹ 5/- each
Year 2017–18	3,14,523 shares of ₹ 5/- each
Year 2018–19	2,80,747 shares of ₹ 5/- each

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C. Credit Rating

The Company enjoys a good reputation for its sound financial management and the ability to meet its financial obligations. During the year under review, ICRA Limited, a reputed Credit Rating Agency, had reaffirmed the ratings assigned for the Bank facilities as [ICRA] A+ (Positive) rating for fund-based limits and [ICRA] A1+ for non-fund based limits for the Working Capital Facilities granted to the Company by its Bankers.

VIII. Other Disclosures

1. Related Party Transactions

All the transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations during the financial year were in the ordinary course of business and on an arm's Length Pricing or fair value basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standard (Ind AS-24) has been made in the notes to the Financial Statements. There were no materially significant transactions with Related Parties during the financial year. Related Parties transactions have been disclosed under the notes forming part of the financial statements in accordance with Indian Accounting Standard (Ind AS-24). A statement in summary form of transactions with Related Parties in ordinary course of business and on an arm's length basis is periodically placed before the Audit Committee for review and recommend to the Board for their approval. As required under Regulation 23(1) of the SEBI Listing Regulation, the Company has the policy on dealing with Related Party Transactions. None of the transactions with Related Parties was in conflict with the interest of the Company. The policy has been uploaded on the website of the Company and can be accessed at web link https://www.mastek.com/corporate-governance.

2. Subsidiary Companies

The Company has a policy on Material Subsidiary and the same is placed on the website of the Company at web link http://www.mastek.com/corporate- governance.

The Un-Audited / Audited Annual Financial Statements of Subsidiary Companies including overview of financials and investments / Loans are placed / tabled at the Audit Committee and Board Meetings and placed on the website of the Company at web link https://www.mastek.com/financial-information. The copies of the Minutes of the Board Meetings of Subsidiary Companies are circulated to all the Directors and are tabled at the Board Meetings.

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3. Strictures and Penalties

The Company has complied with all requirements specified under the SEBI listing Regulations as well as other Regulations and guidelines of SEBI. No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last 3 years.

4. Compliance with Accounting Standards / Ind AS

All applicable Ind AS (including any changes as applicable for the reported financial period) have been consistently applied.

Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34, Interim Financial Reporting.

5. Internal Control System

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of Financial and Operational information and all statutory / regulatory Compliances. The Company's business processes are on SAP platform and has a robust Monitoring and Reporting process resulting in Financial discipline and Accountability.

6. Vigil Mechanism / Whistle Blower Policy

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and Stakeholder responsibility. The Company has a Whistle Blower Policy to deal with instances of Fraud and Mismanagement, leakage of Unpublished Price Sensitive Information (UPSI), if any. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns raised and also that no discrimination will be meted out to any person for a genuinely raised concern. Pursuant thereto, a dedicated hotline is provided which can be directly reached and any Whistle Blower's complaint can be registered. Calls to the Hotline during work hours will be directed by the Operator to any of the Ombudspersons or Compliance Committee members, as desired by the caller. Complainants can also raise their concern through E-mails to the Ombudspersons or Compliance Committee members or Chairperson of Audit Committee (if the complaint is against a Director or by a Director). If, for any reason, the Complainant does not wish to write to any of these entities, he / she can write an E-mail at whistleblower@mastek.com. The Company Secretary, will appropriately direct it to any of the Ombudspersons or Compliance Committee member/s or Chairperson of the Audit Committee, after ascertaining the nature, identity and sensitivity of the concern raised.

7. Prevention of Insider Trading

Pursuant to amendments to SEBI PIT Regulations, the Company has revised its "Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders" and the "Code of Practices and Procedures for Fair Disclosure of UPSI" (PIT Code) and the same has been posted on the website of the Company at web link https://www.mastek.com/corporate-governance. All the Directors, concerned Senior employees, third parties such as Statutory Auditors, Investor Relation Agency, Consultants, etc. who could have access to the (UPSI) of the Company are governed by this Code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the Code. The Company has appointed Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the Code for trading in Company's securities. During the year under review there has been due Compliance with the said code.

The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the Designated Employees while in possession of UPSI in relation to the Company and during the period when the Trading Window is closed. The Company Secretary notifies by an E-mail to all Promoters / Promoter group, Directors, Key Managerial Personnel, Senior Management and concerned third parties such as Statutory Auditors & Investor Relation Agency and other concerned personnel and Connected Employees who may be in possession of price sensitive information about trading window closure.

The Board of Directors, Designated Employees and Connected Persons have affirmed compliance with the PIT Code during the year under review.

In line with the amendments introduced recently by SEBI, the above Code is amended suitably to align it with the amendments, which are effective from 1 April, 2019.

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8. Website

The Company has its own functional website www.mastek.com as required by the SEBI Listing Regulations, where information about the Company, quarterly and Annual Audited Financial Results, Annual Reports, distribution of shareholding at the end of each quarter, official press releases, and information required to be disclosed under Regulation 30(8) and 46 of the SEBI Listing Regulations, etc. are regularly updated. All material events / information relating to the Company that could influence the market price of its securities or investment decisions are timely disclosed to the Stock Exchanges as per the Company's Policy on determination of materiality of events framed under the SEBI Listing Regulations. All disclosures under this policy are also displayed on the Company's website and hosted for a minimum period of 5 years and thereafter as per the Archival Policy of the Company. The Policy on determination of materiality of events and Archival Policy of the Company is available on the Company's website at web link https://www.mastek.com

The Company actively communicates it's Strategy and the Developments of its business to the financial markets. The Senior Executives of the Company along with M/s. Christensen Investor Relations (I) Private Limited - our Investor advisor regularly meet the Analysts. The Press release, Analysts' conference calls are organised by M/s. Christensen. Decisions in such meetings are always limited to information that is already in the public domain. Please access the homepage at http://www.mastek.com and register yourself for regular updates.

9. There is no payment made by the Company towards Royalty to any Related Party during the year under review.

10. Independent Director on the board of Subsidiary Company

The Company has complied with the requirements of nominating one Independent Director on the Board of its unlisted material subsidiary at overseas. The Company does not have any Indian material subsidiary at present hence Secretarial Audit is not applicable.

11. Total fees paid to Statutory Auditors of the Company

Total fees of ₹ 100.30 lakhs for financial year 2018–19, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

12. Certificate from Practicing Company Secretary

A Certificate has been received from Mr. Prashant Mehta, proprietor of P. Mehta and Associates, Practicing Company Secretaries that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority. **The Certificate is annexed herewith as a part of the Report.**

13. Details of preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the SEBI Listing Regulations

The Company has not raised funds through preferential allotment or qualified institutional placement.

14. Recommendations of Committees of the Board

There were no instances during the financial year 2018–19, wherein the Board had not accepted recommendations made by any committee of the Board.

15. Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2018–19 are as under:

a. Number of complaints filed during the financial year: NIL

b. Number of complaints disposed of during the financial year: NIL

c. Number of Complaints Pending at the end of the financial year: NIL

16. None of the Independent Directors of the Company have resigned before the expiry of their tenure. Thus disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them is not applicable

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IX. Compliances with Corporate Governance disclosure requirements as specified in the SEBI Listing Regulations

The Company complies with all mandatory requirements as per Regulation 17 to 27 and sub- regulation (2) of Regulation 46 of the SEBI Listing Regulation. Generally, there were no instances of Non-Compliance on any matter related to the capital markets.

X. Management Discussion & Analysis

Management Discussion & Analysis forms part of the Annual Report and annexed elsewhere in this Report.

XI. Compliance with Non-Mandatory / Discretionary Requirements

Among the adoption of Non-Mandatory / Discretionary requirements as per Part E of Schedule II to the SEBI Listing Regulations, the Company has complied with the following:

1. **The Board -** The Chairman being a Non-Executive and Independent Director has his own office. However, an office is made available for his use, if required by him, during his visit to the Company for attending meetings. The Non-Executive Chairman is not related to the Managing Director / Promoter of the Company.

2. **Shareholders Rights -** Quarterly Results are subjected to Limited Review by Statutory Auditors and are generally published in the Free Press Journal, Navshakti and Financial Express (Gujarati edition) Ahmedabad having wide circulation. The Quarterly Unaudited Results along with the Press Releases are made available on the website of the Company (https://www.mastek.com/financial-information) Other information relating to shareholding pattern, Compliance with the requirements of Corporate Governance, etc. are uploaded on BSE / NSE website and on Mastek's website in the investors section. Separate Half-yearly Financial performance report, however, has not been sent to each member.

3. **Modified Opinion(s) in Audit Report -** The Company's Financial Statements for the financial year 2018 –19 does not contain any modified audit opinion.

4. **Separate Posts of Chairman and Chief Executive Officer -** The position of Chairman and Managing Director / Chief Executive Officer is bifurcated in the Company. An Independent Non-Executive Chairman heads the Board. Managing Director is another position.

5. **Reporting of Internal Auditor -** The Internal Auditor reports directly to the Audit Committee, attends the Audit Committee meetings, and interacts directly with the Audit Committee members.

XII. Vice-Chairman and Managing Director / Group Chief Financial Officer Certification

The Vice-Chairman and Managing Director and the Group Chief Financial Officer have issued a certificate pursuant to the provisions of the SEBI Listing Regulations certifying that the Financial Statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs as at 31 March, 2019. **The said certificate is annexed and forms part of this report.**

XIII. Compliance Certificate on Corporate Governance

As required by Schedule V of the SEBI Listing Regulations; the Auditors Certificate on Corporate Governance is annexed to the Report.

XIV. Disclosures with respect to Demat Suspense Account / Unclaimed Suspense Account

As on 31 March, 2019, there are no outstanding shares credited / lying in the demat suspense account / unclaimed suspense account.

During the previous financial year 2017–18, Company had transferred 55,318 equity shares (48,285 shares in November, 2017 and 7,033 shares in January, 2018) respectively to Investor Education and Protection Fund Authority(IEPF) Demat Account in respect of the dividends, which have remained unclaimed / uncashed for last 7 consecutive years.

XV. Codes and Policies

The Board has adopted all applicable Codes and Policies in terms of the requirements of the Companies Act, 2013, the SEBI Listing Regulations and also under SEBI (Prohibition of Insider Trading) Amendment, Regulations, 2018.

The requisite Codes and / or Policies are posted on the Company's website at www.mastek.com and references to these codes and policies have been given at relevant sections in this report.

Certificate of non-disqualification of directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To the members of **Mastek Limited**,

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Mastek Limited having CIN L74140GJ1982PLC005215 and having registered office at 804/805 President House, Opp C. N. Vidyalaya, Near Ambawadi Circle, Ambawadi, Ahmedabad - 380006, Gujarat (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31 March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in the Company (as per MCA Portal)
1	Mr. S. Sandilya	00037542	19/01/2012
2	Mr. Sudhakar Ram	00101473	01/07/2014
3	Mr. Ashank Desai	00017767	06/06/1982
4	Ms. Priti Rao	03352049	17/01/2011
5	Mr. Atul Kanagat	06452489	21/01/2013
6	Mr. Keith Bogg	07658511	17/01/2017

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

For **P Mehta & Associates**
Practicing Company Secretaries

Prashant S Mehta
(Proprietor)
ACS No. 5814
C.P. No. 17341

Place: Mumbai
Date: 16 April, 2019

Declaration regarding compliance with the code of conduct of the company by the board members and senior managerial personnel

To the Members of **Mastek Limited,**

This is to confirm that the Company has adopted Code of Conduct for the Board of Directors and Senior Managerial Personnel of the Company, which is available at www.mastek.com

I declare that the Board of Directors and Senior Managerial Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31 March, 2019.

Sudhakar Ram
Vice Chairman and
Managing Director
(DIN: 00101473)

Place: Mumbai
Date: 16 April, 2019

Vice-chairman and managing director and group chief financial officer certification

We the undersigned, in our respective capacities as Vice-Chairman and Managing Director and Group Chief Financial Officer of Mastek Limited ("the Company") to the best of our knowledge and belief, certify that:

1) We have reviewed Financial Statements and the Cash Flow statement for the financial year ended 31 March, 2019 and that to the best of our knowledge and belief, we state that:
   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, laws and regulations.
2) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or which violate the Company's Code of Conduct.
3) We hereby declare that, all Board Members and Senior Managerial Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.
4) We are responsible for establishing and maintaining Internal Controls for financial reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to Financial Reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
   a) significant changes, if any, in internal controls over financial reporting during the year;
   b) significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
   c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours faithfully,

Sudhakar Ram
Vice Chairman and
Managing Director
(DIN: 00101473)

Abhishek Singh
Group Chief Financial Officer

Place: Mumbai
Date: 16 April, 2019

Certificate on corporate governance

To the members of **Mastek Limited**,

I have examined the compliance of conditions of Corporate Governance by Mastek Limited ('the Company'), for the financial year ended 31 March, 2019 as stipulated and as required under Regulation 15(2) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations).

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the Financial Statements of the Company.

In my opinion, and to the best of my information and according to the explanations given to me, I certify that the Company is generally in compliance with the conditions of Corporate Governance as stipulated under the SEBI Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **P Mehta & Associates**
Practicing Company Secretaries

Prashant S Mehta
(Proprietor)
ACS No. 5814
C.P. No. 17341

Place: Mumbai
Date: 16 April, 2019

Independent auditor's report

To the Members of Mastek Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Mastek Limited ('the Company'), which comprise the Balance Sheet as at 31 March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March, 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Independent auditor's report

Key audit matter	How our audit addressed the key audit matter
Adoption of Ind AS 115- Revenue from contracts with customers:- As described in note number 2d(Xi) to the financial statements, the company has adopted Ind AS 115 Revenue from Contracts with Customers which is the new accounting standard. Considering the nature of the industry, where revenue is recognised basis the terms of each contract with customers, these commercial arrangements can be complex and significant judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation and the appropriateness of basis used to measure revenue recognized over the time period is applied in selecting the accounting basis in each case. Additionally, new revenue accounting standard contains disclosures which involves disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. The application and transition to this accounting standard is an area of focus in the audit.	**Our responses:-** We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit procedures to address the risk of material misstatement relating to revenue recognition includes testing of design and operating effectiveness of controls and substantive procedures as follows: • Evaluated the design and operating effectiveness of internal controls relating to the implementation of new revenue standard; • Evaluated detailed analysis performed by the management on each stream of revenue contracts. • Selected samples from all streams of contracts to carry out a detailed analysis on recognition of revenue as per the five steps given in standard. Performed revenue transaction testing on samples selected from each stream of revenue where each input to revenue recognition, including estimates used, was verified from evidence to ensure that revenue recognition policy as per new standard is consistently applied. • Evaluated cumulative effect on revenue adjustment as per new standard as at 1 April, 2018. • Evaluated appropriateness of disclosure provided as per new revenue standard, its completeness and accuracy.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Standalone Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Independent auditor's report

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

14. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

15. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

16. Further to our comments in Annexure A, as required by section 143(3) of the Act, we report that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the standalone financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March, 2019 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as at 31 March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per Annexure B expressed an unmodified opinion;

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

        i) the Company has disclosed the impact of pending litigations on its financial position as at 31 March, 2019;

        ii) the Company has made provision as at 31 March, 2019, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

        iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March, 2019; and

        iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November, 2016 to 30 December, 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840

Place: Mumbai
Date: 16 April, 2019

Annexure A

to the Independent Auditor's Report of even date to the members of Mastek Limited, on the standalone financial statements for the year ended 31 March, 2019

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year. However, there is a regular program of verification once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties are held in the name of the Company.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of investments, guarantees and security. The Company did not give any loans during the year.

(v) In our opinion, the Company has not accepted any deposits during the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) The dues outstanding in respect of income tax, sales tax and value added tax on account of disputes are as follows;

Name of the statute	Nature of dues	Amount (₹) lakhs	Amount paid under Protest (₹) lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
The Maharashtra Value Added Tax Act, 2002	VAT liability including interest	895	52	FY 2006–07, FY 2009–10, FY 2012–13, FY 2013–14	Joint Commissioner of Sales Tax (Appeals), Mumbai	-
The Central Sales Tax Act, 1956	CST liability including interest	22	4	FY 2009–10, FY 2012–13, FY 2013–14	Joint Commissioner of Sales Tax (Appeals), Mumbai	-
The Income Tax Act, 1961	Income tax and interest demanded	326	-	FY 2012–13	ITAT	-
The Income Tax Act, 1961	Income tax and interest demanded	36	-	FY 2013–14	CIT (A)	-
The Income Tax Act, 1961	Income tax and interest demanded	77	-	FY 2014–15	Assessing Officer	-

Annexure A

to the Independent Auditor's Report of even date to the members of Mastek Limited, on the standalone financial statements for the year ended 31 March, 2019

There were no amounts outstanding due to disputes on account of service tax, customs duty or excise duty

(viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution during the year. The Company did not have any borrowings from any bank or government or outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. The term loans availed during the year from financial institutions were applied for the purposes for which they were raised. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) In our opinion, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid (and)/provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act, read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc, as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.

(xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840

Place: Mumbai
Date: 16 April, 2019

Annexure B

Independent Auditor’s report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

1. In conjunction with our audit of the standalone financial statements of Mastek Limited (the “Company”) as at and for the year ended 31 March, 2019, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as at that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm’s Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840

Place: Mumbai
Date: 16 April, 2019

Balance sheet

As at 31 March, 2019

(₹ in lakhs)

	Note	As at 31 March, 2019	As at 31 March, 2018
ASSETS			
Non-current assets			
Property plant and equipment, net	3(a)	**4,297**	4,269
Capital work-in-progress		**141**	208
Investment property	3(c)	**-**	-
Intangible assets, net	3(b)	**225**	279
Investment in subsidiaries	3(d)	**1,403**	1,403
Financial assets			
Investments	4(a)	**3,624**	-
Loans	4(b)	**84**	89
Other financial assets	4(c)	**444**	202
Current tax assets, net		**1,082**	871
Deferred tax assets, net	23	**2,802**	3,244
Other non-current assets	5	**64**	86
Total non-current assets		**14,166**	10,651
Current assets			
Financial Assets			
Investments	6(a)	**10,563**	11,770
Trade receivables	6(b)	**3,583**	2,750
Cash and cash equivalents	6(c)	**1,172**	1,199
Bank balances, other than cash and cash equivalent	6(c)	**44**	29
Loans	6(d)	**12**	5
Other financial assets	6(e)	**608**	372
Other current assets	7	**1,136**	1,034
Total current assets		**17,118**	17,159
Total Assets		**31,284**	27,810
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	**1,199**	1,185
Other equity	9	**24,795**	21,645
Total Equity		**25,994**	22,830
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	10(a)	**131**	73
Other financial liabilities	10(b)	**328**	760
Provisions	11	**755**	347
Total non-current liabilities		**1,214**	1,180
Current liabilities			
Financial liabilities			
Trade payables			
Dues of micro and small enterprises	32	**5**	-
Dues of creditors other than micro and small enterprises		**173**	299
Other financial liabilities	12	**3,272**	2,606
Other current liabilities	13	**503**	771
Provisions	14	**123**	124
Total current liabilities		**4,076**	3,800
Total Equity and Liabilities		**31,284**	27,810

See accompanying notes to the Standalone financial statements
This is the Balance Sheet referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N / N500013

For and on behalf of the Board of Directors of **Mastek Limited**

Adi P. Sethna
Partner
Membership No.: 108840

Sudhakar Ram
Vice Chairman and
Managing Director
DIN: 00101473

S. Sandilya
Non-Executive Chairman
and Independent Director
DIN: 00037542

Abhishek Singh
Chief Financial Officer

Dinesh Kalani
Company Secretary

Place: Mumbai
Date: 16 April, 2019

Place: Mumbai
Date: 16 April, 2019

Statement of profit and loss

For the year ended 31 March, 2019

(₹ in lakhs)

	Note	Year ended 31 March, 2019	Year ended 31 March, 2018
INCOME			
Revenue from operations	15	**18,944**	16,232
Other income	16	**3,459**	2,323
Total Income		**22,403**	18,555
EXPENSES			
Employee benefits expenses	17	**13,453**	11,367
Finance costs	18	**27**	19
Depreciation and amortization expenses	19	**1,208**	1,119
Other expenses	20	**3,799**	3,316
Total Expenses		**18,487**	15,821
Profit before tax		**3,916**	2,734
Tax expense / (credit)			
Current tax	23	**998**	742
Deferred tax		**(78)**	119
Income tax relating to earlier years		**(55)**	299
Total tax expense		**865**	1,160
Profit after tax for the year		**3,051**	1,574
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to the statement of profit and loss, (losses) / gains:			
Defined benefit plan actuarial (losses) / gains		**(8)**	390
Income tax relating to the above items, (expense) / credit		**3**	(113)
Items that will be reclassified subsequently to the statement of profit and loss, gains / (losses):			
Net change in fair value of forward contracts designated as cash flow hedges		**1,094**	(2,696)
Net change in fair value of financial instruments		**144**	292
Income tax relating to the above items, (expense) / credit		**(361)**	812
Total other comprehensive Income / (loss) for the year		**872**	(1,315)
Total comprehensive income for the year		**3,923**	259
Earnings per share	21		
(Equity shares of par value ₹ 5/- each)			
Basic		**12.81**	6.69
Diluted		**12.12**	6.33

See accompanying notes to the Standalone financial statements
This is the Statement of Profit and Loss referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N / N500013

For and on behalf of the Board of Directors of **Mastek Limited**

Adi P. Sethna
Partner
Membership No.: 108840

Sudhakar Ram
Vice Chairman and
Managing Director
DIN: 00101473

S. Sandilya
Non-Executive Chairman
and Independent Director
DIN: 00037542

Abhishek Singh
Chief Financial Officer

Dinesh Kalani
Company Secretary

Place: Mumbai
Date: 16 April, 2019

Place: Mumbai
Date: 16 April, 2019

Cash flow statement

For the year ended 31 March, 2019

(₹ in lakhs)

	Year ended	
	31 March, 2019	**31 March, 2018**
Cash flows from operating activities		
Profit for the year	3,051	1,574
Adjustments:		
Interest income	(157)	(172)
Guarantee commission	(147)	(87)
Employee stock compensation expenses	365	173
Finance costs	27	19
Depreciation and amortisation	1,208	1,119
Receivables, loans and advances doubtful of recovery / written off (net of recoveries)	-	104
Provision for cost overrun on contracts, net	248	-
Tax expense	865	1,160
Dividend from subsidiary	(1,777)	(997)
(Profit) / Loss on sale of property, plant and equipment and software, net	(46)	1
Profit on sale of current investments	(693)	(340)
Rental income	(202)	(249)
Changes in operating assets and liabilities	2,742	2,305
(Increase) in trade receivables	(834)	(1,271)
Decrease in loans and advances and other assets	52	561
Increase in trade payables, other liabilities and provisions	775	362
Cash generated from operating activities before taxes	2,735	1,957
Income taxes paid, net of refunds	(947)	253
Net cash generated from operating activities	1,788	2,210
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	67	6
Purchase of property, plant and equipment and software	(1,194)	(1,272)
Interest received	66	89
Dividend from subsidiary	1,777	997
Rental income	195	239
Guarantee commission received	297	11
Purchase of current investments	(13,706)	(11,305)
Proceeds from current investments	12,126	10,668
Net cash (used in) investing activities	(372)	(567)
Cash flows from financing activities		
Proceeds from issue of shares under the employee stock option schemes	291	243
Proceeds and repayment of borrowings, net	58	25
Dividends paid including dividend distribution tax and unclaimed dividends	(1,773)	(1,065)
Interest paid on finance lease and others	(19)	(19)
Net cash (used in) financing activities	(1,443)	(816)
Net (decrease) / increase in cash and cash equivalents during the year	(27)	827
Cash and cash equivalents at the beginning of the year	1,199	372
Cash and cash equivalents at the end of the year	1,172	1,199

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Statement of Cash Flow

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N / N500013

For and on behalf of the Board of Directors of **Mastek Limited**

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DIN: 00037542

Abhishek Singh
Chief Financial Officer

Dinesh Kalani
Company Secretary

Place: Mumbai
Date: 16 April, 2019

Place: Mumbai
Date: 16 April, 2019

Statement of changes in equity

For the year ended 31 March, 2019

(a) Equity share capital

(₹ in lakhs)

Balance as at 1 April, 2017	1,169
Add: Shares issued on exercise of stock options and restricted shares	16
Balance as at 31 March, 2018	**1,185**
Balance as at 1 April, 2018	1,185
Add: Shares issued on exercise of stock options and restricted shares	14
Balance as at 31 March, 2019	**1,199**

(b) Other Equity

(₹ in lakhs)

Particulars	Reserves and surplus				Other comprehensive income (OCI)			Total other equity
	Capital redemption reserve	Securities premium	Share options outstanding account	Retained earnings	Employee benefit expenses	Fair value of Cash Flow hedges	Fair value of changes in other financial instruments	
Balance as at 1 April, 2017	1,539	1,381	802	16,594	1	1,288	226	21,831
Issue of share capital on exercise of employee share option	-	227	-	-	-	-	-	227
Employee share-based compensation	-	-	395	-	-	-	-	395
Transferred to securities premium	-	164	(164)	-	-	-	-	-
Profit for the year	-	-	-	1,574	-	-	-	1,574
Cash dividends (including dividend distribution tax)	-	-	-	(1,067)	-	-	-	(1,067)
ESOP Adjustments*	-	-	(4)	4	-	-	-	-
Other comprehensive income (net of taxes)	-	-	-	-	264	(1,805)	226	(1,315)
Balance as at 31 March, 2018	1,539	1,772	1,029	17,105	265	(517)	452	21,645
Balance as at 1 April, 2018	1,539	1,772	1,029	17,105	265	(517)	452	21,645
Issue of share capital on exercise of employee share option	-	277	-	-	-	-	-	277
Employee share-based compensation	-	-	773	-	-	-	-	773
Transferred to securities premium	-	206	(206)	-	-	-	-	-
Profit for the year	-	-	-	3,051	-	-	-	3,051
Cash dividends (including dividend distribution tax)	-	-	-	(1,788)	-	-	-	(1,788)
ESOP Adjustments*	-	-	(54)	18	-	-	-	(36)
Other comprehensive income (net of taxes)	-	-	-	-	(5)	774	104	873
Balance as at 31 March, 2019	**1,539**	**2,255**	**1,542**	**18,386**	**260**	**257**	**556**	**24,795**

*ESOP adjustment reflects lapse of vested stock options during the year.

See accompanying notes to the Standalone financial statements
This is the Statement of Change in Equity referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N / N500013

For and on behalf of the Board of Directors of **Mastek Limited**

Adi P. Sethna
Partner
Membership No.: 108840

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Abhishek Singh
Chief Financial Officer

Dinesh Kalani
Company Secretary

Place: Mumbai
Date: 16 April, 2019

Place: Mumbai
Date: 16 April, 2019

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

1 Company Overview

Mastek Limited (the 'Company') is a public limited company domiciled in India and is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company is a provider of vertically-focused enterprise technology solutions.

The Company's offering portfolio includes business and technology services comprising of Application Development, Application Maintenance, Business Intelligence and Data Warehousing, Testing & Assurance and Legacy Modernisation. The Company carries out its operations in India and has its software development centres in India at Mumbai, Pune, Chennai and Mahape.

2 Basis of Preparation and Presentation

a. Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable.

These standalone financial statement of the Company as at and for the year ended 31 March, 2019 (including Comparatives) were approved and authorised by the Company's board of directors as on 16 April, 2019.

All amounts included in the financial statements are reported in Indian rupees (in lakhs) except share and per share data unless otherwise stated and "0" denotes amounts less than one lakh rupees.

b. Basis of Preparation

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Derivative financial instruments;

ii. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

iii. Share based payment transactions and

iv. Defined benefit and other long-term employee benefits

All the assets and liabilities have been classified as current and non-current as per the company's normal operating cycle. The company has considered an operating cycle of 12 months (maximum).

c. Use of Estimate and Judgement

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements is included in the following notes:

(i) **Revenue recognition:** The Company applies the percentage of completion method in accounting for its fixed price contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date. (Also refer (d)(xi) below).

(ii) **Income taxes:** Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

(iii) **Defined benefit plans and compensated absences:** The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

(iv) **Property, plant and equipment:** Property, plant and equipment represents a significant proportion of the asset base of the Company. The change in respect of periodic depreciation is derived after determining an estimate of an assets expected useful life and the expected residual at the end of its life. The useful lives and residual values of the Company's are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(v) **Expected credit losses on financial assets:** On application of Ind AS 109, the impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's credit-worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

(vi) **Deferred taxes:** Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(vii) **Provisions:** Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can me made. Provisions (excluding retirement obligation and compensated expenses) are not discounted to its present value and are determined based on best estimate required to settle obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

(viii) **Share-based payments:** The Grant date fair value of options granted to employees is recognised as employee expense, with corresponding increase in equity, over the period that the employee become unconditionally entitled to the option. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "share option outstanding account". The amount recognised as expense is adjusted to reflect the impact of the revision estimates based on number of options that are expected to vest, in the statement of profit and loss with a corresponding adjustment to equity.

d. Summary of Significant Accounting Policies

(i) Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

(ii) Foreign currency transactions and balances

Foreign currency transactions of the Company and of its integral foreign branch are accounted at the exchange

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

rates prevailing on the date of the transaction. Monetary assets and liabilities are translated at the rate prevailing on the Balance Sheet date whereas non-monetary assets and liabilities are translated at the rate prevailing on the date of the transaction. Gains and losses resulting from the settlement of foreign currency monetary items and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

(iii) Financial instruments

A. Initial Recognition and Measurement

The Company recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular purchase and sale of financial assets are recognised on the trade date.

B. Subsequent Measurement

1. Non-Derivative Financial Instruments

a) Financial Assets Carried at Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election to present subsequent change in the fair value of certain mutual funds in Other Comprehensive Income.

c) Financial Assets at Fair Value Through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

d) Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

e) Derivative Instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative instruments are designated as cash flow hedges.

The Hedge accounting is discontinued when the hedging instrument are expired or sold, terminated or no longer qualifies for hedge accounting. The cumulative gain / loss on the hedging instruments recognised in hedging reserve till the period hedge was effective remains in cash flow hedging reserve until the forecasted transaction occur. The cumulative gain / loss previously recognised in the cash flow hedging reserve is transferred to the statement of Profit / loss upon the occurrence of related forecasted transactions.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the statement of profit and loss.

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

C. Derecognition of Financial Instruments

The Company derecognises a financial asset when the contractual right to receive the cash flows from the financial asset expire or it transfers the financial asset. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

(iv) Property Plant and Equipment (PPE)

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Category	Useful Life
Building	25 - 30 years
Computers	2 - 4 years
Plant and equipment	2 - 5 years
Furniture and fixtures	5 years
Office equipment	5 years
Vehicles	4 - 5 years
Leasehold improvement	5 years or the primary period of lease whichever is less
Leasehold land	Lease Term ranging from 95-99 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date. Depreciation on addition / disposals is calculated pro-rata from the date of such additions / disposals.

(v) Intangible assets

Intangibles assets are stated at cost less accumulated amortisation and impairment, if any. Intangible assets are amortised pro-rata over their respective estimated useful lives on a straight line method. The estimated useful life reflects the manner in which the economic benefit is expected to be generated from that individual asset.

The estimated useful life of amortisable intangibles are reviewed and where appropriate are adjusted, annually. The estimated useful lives of the amortisable intangible assets for the current and comparative periods are as follows:

Category	Useful Life
Computer Software	1 - 5 years

(vi) Leases

Leases where significant portion of risk and reward of ownership are retained by the lessor, are classified as operating leases and lease payments are recognised as an expense on a straight line basis in Statement of Profit and Loss over the lease term.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item are capitalised at commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are recognised in finance cost in the statement of profit and loss. (Also refer note (xviii) below).

(vii) Impairment of assets

a. Non Financial Instrument

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

b. Financial instrument

The Company recognise loss allowances using the expected credit loss (ECL) model for financial assets or Company of financial assets. Loss allowances for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(viii) Employee Benefits

A. Long Term Employee Benefits

(a) Defined Contribution Plan

The Company has defined contribution plans for post employment benefits in the form of provident fund, employees' state insurance, labour welfare fund and superannuation fund in India which are administered through Government of India and / or Life Insurance Corporation of India (LIC). Under the defined contribution plans, the Company has no further obligation beyond making the contributions. Such contributions are charged to the Statement of Profit and Loss as incurred.

(b) Defined Benefit Plan

The Company has defined benefit plans for post employment benefits in the form of gratuity for its employees in India. The gratuity scheme of the Company is administered through Life Insurance Corporation of India (LIC). Liability for defined benefit plans is provided on the basis of actuarial valuations, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method.

Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income. Remeasurements comprising of actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

(c) Other long-term employee benefits

The employees of the Company are also entitled for other long-term benefit in the form of compensated absences as per the policy of the Company. Employees are entitled to accumulate leave balance up to the upper limit as per the Company's policies which can be carried forward perpetually. Leave encashment for employees gets triggered on an annual basis, if the accumulated leave balance exceeds the upper limit of leave. Further, at the time of retirement, death while in employment or on termination of employment leave encashment vests equivalent to salary payable for number of days of accumulated leave balance. Liability for such benefits is provided on the basis of actuarial valuations, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method.

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

B. Short-term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognised in the year during which the employee rendered the services. These benefits comprise compensated absences such as paid annual leave and performance incentives.

Termination benefits

Termination benefits, in the nature of voluntary retirement benefits or those arising from restructuring, are recognised in the Statement of Profit and Loss when the Company has a present obligation as a result of past event, when a reliable estimate can be made of the amount of the obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

(ix) Share Based Payments

The Company determines the compensation cost based on the fair value method in accordance with Ind AS 102 Share Based Payment. The Company grants options to its employees which will be vested in a graded manner and are to be exercised within a specified period. The compensation cost is amortised on an graded basis over the vesting period. The share based compensation expense in determined based on the Company's estimate of equity instrument that will eventually vest.

(x) Provisions & Contingent Liabilities

Provisions are recognised when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset, only when such reimbursement is virtually certain.

(xi) Revenue Recognition

Effective 1 April, 2018, Company adopted new accounting standard "IND AS 115" related to the recognition of revenues under the modified retrospective method, however, comparative period amounts are not adjusted and continued to be reported in accordance with previous year's accounting policies, except where indicated otherwise. This method was applied to contracts that were not completed as the date of initial application. Due to the nature of the contracts and identification of unit of accounting i.e. performance obligation being consistent with prior year's revenue recognition policy, the adoption impact related to the new standard was not material. The impact on adoption of new standard relates to (1) terminologies used in Ind AS 115 in accounting policy to be aligned with new standard (2) the reclassification of balances representing receivables, as defined by the new standard, from "Unbilled revenue" to "Trade receivable, net" in standalone statement of financial position, (3) the reclassification of balances representing contract assets, as defined by the new standard, from "Unbilled accounts receivable" to "Other current assets" in standalone statement of financial position.

Practical expedients applied-

Considering the nature of contracts, Company has applied the following practical expedients-

1. Company assesses the timing of the transfer of services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, Company do not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less.

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

2. Company has applied exemption from disclosure of the transaction price allocated to remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less and contracts for which Company recognise revenues based on the right to invoice for services performed typically time and material contracts.

The Company derives revenue primarily from Information Technology services which includes IT Outsourcing services, support and maintenance services. The Company recognises revenue on transfer of control of deliverables (solutions and services) to its customers in an amount reflecting the consideration to which the Company expects to be entitled. To recognise revenues, Company apply the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognise revenues when a performance obligation is satisfied.

Company accounts for a contract when it has approval and commitment from all parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collect ability of consideration is probable.

Fixed Price contracts related to Application development, consulting and other services are single performance obligation or a stand-ready performance obligation, which in either case is comprised of a series of distinct services that are substantially the same and have the same pattern of transfer to the customer (i.e. distinct days or months of service). Revenue is recognised in accordance with the methods prescribed for measuring progress i.e. percentage of completion method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. Revenues relating to time and material contracts are recognised as the related services are rendered.

Multiple element arrangements-

In contracts with multiple performance obligations, Company accounts for individual performance obligations separately if they are distinct and allocate the transaction price to each performance obligation based on its relative standalone selling price out of total consideration of the contract. Standalone selling price is determined utilising observable prices to the extent available. If the standalone selling price for a performance obligation is not directly observable, Company uses expected cost plus margin approach.

IT support and maintenance-

Contracts related to maintenance and support services are either fixed price or time and material. In these contracts, the performance obligations are satisfied, and revenues are recognised, over time as the services are provided. Revenue from maintenance contracts is recognised ratably over the period of the contract because the Company transfers the control evenly by providing stand-ready services.

The term of the maintenance contract is usually one year. Renewals of maintenance contracts create new performance obligations that are satisfied over the term with the revenues recognised ratably over the term.

Contracts may include incentives, service level penalties and rewards. The Company includes an estimate of the amount it expects to receive for the total transaction price if it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

Any modification or change in existing performance obligations is assessed whether the services added to existing contracts are distinct or not. The distinct services are accounted for as a new contract and services which are not distinct are accounted for on a cumulative catch-up basis.

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

Trade Receivable, net is primarily comprised of billed and unbilled receivables (i.e. only the passage of time is required before payment is due) for which we have an unconditional right to consideration, net of an allowance for doubtful accounts. A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets are presented in "Other current assets" in the financial statements and primarily relate to unbilled amounts on fixed-price contracts utilising the cost to cost method (POCM) of revenue recognition. Trade receivables include ₹ 278 as at 31 March, 2018, reCompanyed from unbilled revenue on adoption of new revenue standard, for aiding comparison. Contract liabilities consist of advance payments and billings in excess of revenues recognised.

The difference between opening and closing balance of the contract assets and liabilities results from the timing differences between the performances obligation and customer payment.

Cost to fulfill the contracts- Recurring operating costs for contracts with customers are recognised as incurred. Revenue recognition excludes any government taxes but includes reimbursement of out of pocket expenses.

Provision of onerous contract are recognised when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting the future obligations under the contract. The provision is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

(xii) Income Tax

Tax expense for the year comprises of current tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the taxation authorities on the taxable profits after considering tax allowances and exemptions and using applicable tax rates and laws. Deferred tax is recognised on timing differences between the accounting base and the taxable income for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the Balance Sheet date.

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset is recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred income tax liabilities are recognised for all taxable temporary differences.

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

Current tax and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the asset and liability on a net basis.

(xiii) Other Income

Other income comprises interest income on deposits, dividend income and gains / (losses) on disposal of investments except investments fair value through OCI. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

(xiv) Finance income and expenses

Finance costs comprise interest cost on borrowings, gain or losses arising on re-measurement of financial assets at

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

FVTPL, gains / (losses) on translation or settlement of foreign currency borrowings and changes in fair value and gains / (losses) on settlement of related derivative instruments. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the statement of profit and loss using the effective interest method.

(xv) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity Shareholders of the Company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity Shareholders of the Company and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

(xvi) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short term highly liquid investments with original maturities of three months or less.

(xvii) Investment Property

Property that is held either for long term rental yield or for capital appreciation or both, but not for sale in ordinary course of the business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment, if any. Depreciation is provided in a manner similar to property plant and equipment. Any gain or loss on disposal of an investment property is recognised in profit and loss.

(xviii) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from 1 April, 2019:

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

In accordance with the standard, the Company can elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments) The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

3(a) Property Plant and Equipment

Particulars	Gross Block (at cost)				Depreciation and amortisation				Net Block	
	As at 1 April, 2018	Additions	Deletions	As at 31 March, 2019	As at 1 April, 2018	For the year	Deletions	As at 31 March, 2019	As at 31 March, 2019	As at 31 March, 2018
a. Own assets :										
Buildings *	4,737	0	-	**4,737**	1,951	165	-	**2,116**	**2,621**	2,786
Computers	2,230	105	(150)	**2,185**	2,034	162	(150)	**2,046**	**139**	196
Plant and equipment	2,393	86	(210)	**2,269**	2,118	98	(203)	**2,013**	**256**	275
Furniture and fixtures	4,714	259	(238)	**4,735**	4,271	197	(238)	**4,230**	**505**	443
Vehicles	276	150	(17)	**409**	123	68	(18)	**173**	**235**	153
Office equipment	1,671	246	(97)	**1,820**	1,353	116	(96)	**1,373**	**447**	318
Total (A)	16,021	846	(712)	**16,155**	11,850	806	(705)	**11,951**	**4,203**	4,171
b. Leased assets :										
Leasehold land	386	0	-	**386**	308	3	-	**311**	**75**	78
Leasehold improvements	334	7	(12)	**328**	334	0	(12)	**322**	**6**	0
Vehicles	99	-	(11)	**88**	79	8	(11)	**76**	**13**	20
Total (B)	819	7	(23)	**802**	721	11	(23)	**709**	**94**	98
Total (A + B)	16,840	853	(735)	**16,957**	12,571	818	(728)	**12,660**	**4,297**	4,269

3(b) Intangible Assets

Particulars	Gross Block (at cost)				Amortisation				Net Block	
	As at 1 April, 2018	Additions	Deletions	As at 31 March, 2019	As at 1 April, 2018	For the year	Deletions	As at 31 March, 2019	As at 31 March, 2019	As at 31 March, 2018
Computer softwares	2,793	349	(41)	**3,101**	2,514	390	(28)	**2,876**	**225**	279
Total	2,793	349	(41)	**3,101**	2,514	390	(28)	**2,876**	**225**	279

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

For previous year ended 31 March, 2018

3(a) Property Plant and Equipment

Particulars	Gross Block (at cost)				Depreciation and amortisation				Net Block	
	As at 1 April, 2017	Additions	Deletions	As at 31 March, 2018	As at 1 April, 2017	For the year	Deletions	As at 31 March, 2018	As at 31 March, 2018	As at 31 March, 2017
a. Own assets :										
Buildings *	4,749	-	(12)	4,737	1,798	165	(12)	1,951	2,786	2,951
Computers	2,438	204	(412)	2,230	2,278	168	(412)	2,034	196	160
Plant and equipment	2,795	156	(558)	2,393	2,579	97	(558)	2,118	275	216
Furniture and fixtures	4,604	113	(3)	4,714	4,118	156	(3)	4,271	443	486
Vehicles	206	85	(15)	276	95	43	(15)	123	153	111
Office equipment	1,613	278	(220)	1,671	1,514	59	(220)	1,353	318	99
Total (A)	16,405	836	(1,220)	16,021	12,382	688	(1,220)	11,850	4,171	4,023
b. Leased assets :										
Leasehold land	386	-	-	386	304	4	-	308	78	82
Leasehold improvements	334	-	-	334	334	-	-	334	0	0
Vehicles	113	-	(14)	99	68	18	(7)	79	20	45
Total (B)	833	-	(14)	819	706	22	(7)	721	98	127
Total (A + B)	17,238	836	(1,234)	16,840	13,088	710	(1,227)	12,571	4,269	4,150

3(b) Intangible Assets

Particulars	Gross Block (at cost)				Amortisation				Net Block	
	As at 1 April, 2017	Additions	Deletions	As at 31 March, 2018	As at 1 April, 2017	For the year	Deletions	As at 31 March, 2018	As at 31 March, 2018	As at 31 March, 2017
Computer softwares	4,124	360	(1,691)	2,793	3,796	409	(1,691)	2,514	279	327
Total	4,124	360	(1,691)	2,793	3,796	409	(1,691)	2,514	279	327

** Buildings includes Pune property mortgaged as security for loan availed by subsidiary*

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

Non-current Assets

c. Investment Property

Particulars	As at 31 March, 2019	As at 31 March, 2018
Investment property (at cost less accumulated depreciation)*		
Gross block		
Opening	2	2
Additions	-	-
Closing	2	2
Less : Accumulated depreciation		
Opening	2	2
Depreciation for the year	-	-
Closing	2	2
Net Block	-	-
Aggregate amount of Investment property		

** Fair Value of the investment property as at 31 March,2019 is ₹ 4,944 lakhs*

d. Investment in Subsidiaries at cost (unquoted)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Mastek (UK) Limited 200,000 (31 March, 2018 - 200,000) equity shares of £ 1 each, fully paid up	216	216
Trans American Information Systems Private Limited 34,520 (31 March, 2018 - 34,520) equity shares of ₹ 10 each, fully paid up	1,187	1,187
	1,403	1,403

4 Financial Assets

a. Investments

Particulars	As at 31 March, 2019	As at 31 March, 2018
(A) Investment in share warrants at FVTPL (unquoted)		
Investment in Cashless Technologies India Private Limited Share warrants (8,000,000, 31 March, 2018 - 8,000,000)	-	-
(B) Investment in mutual funds at FVOCI (unquoted)		
Kotak Corporate Bond Fund Standard Growth (Regular Plan) (17,391 units, 31 March, 2018 - Nil units)	430	-
ICICI Prudential Corporate Bond Fund - Growth (62,91,134 units, 31 March, 2018 - Nil units)	1,201	-
HDFC Short Term Debt Fund - Regular Plan - Growth (59,49,282 units, 31 March, 2018 - Nil units)	1,229	-
HDFC Ultra Short Term Fund - Regular Growth (1,33,410 units, 31 March, 2018 - Nil units)	14	-
	2,874	-
(C) Investment in term deposits at cost (unquoted):		
Term deposit with PNB Housing Finance Corporation Limited	500	-
Term deposit with Ujjivani Small Finance Bank Limited	250	-
	750	-
Total (A + B + C)	3,624	-

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

b. Loans

Particulars	As at 31 March, 2019	31 March, 2018
Unsecured, considered good		
Secured deposits	84	89
	84	89

c. Other Financial Assets

Particulars	As at 31 March, 2019	31 March, 2018
Foreign exchange forward contract	146	-
Guarantee commission receivable	298	202
	444	202

5 Other Non-Current Assets

Particulars	As at 31 March, 2019	31 March, 2018
Capital advances	5	47
Prepaid expenses	2	-
Other advances	57	39
	64	86

Current Assets

6 Financial Assets

a. Investments

Particulars	As at			
	31 March, 2019		31 March, 2018	
	Units	Amount	Units	Amount
i) Investment in mutual funds				
Investment in mutual funds at FVTPL (unquoted):				
Birla Sun Life Cash Plus Fund - Growth	-	-	1,50,457	419
UTI-Fixed Income Interval Fund Quarterly Interval Plan II	-	-	9,54,827	202
HDFC FMP 92D FEBRUARY 2018(1) (7.40%)	-	-	5,00,000	50
Reliance Quarterly Interval Fund Series II	-	-	8,46,468	202
Baroda Pioneer Liquid Fund - Plan A - Growth	3,749	80	-	-
Axis Liquid Fund - Growth	5,448	112	-	-
UTI Liquid Fund Cash Plan -IP	13,345	407	-	-
Aditya Birla Sun Life Money Manager Fund-Regular	2,24,930	563	-	-
ICICI Prudential Money Market Fund - Regular Growth	85,055	220	-	-
Kotak Liquid Scheme	9,658	364	-	-
UTI Money Market Fund IP -Growth	26,392	554	-	-
IDFC Cash Fund -Growth- Regular Plan	12,247	276	-	-
SBI Debt Fund Series - C - 15 (91 Days) - Regular Growth	10,00,000	104	-	-
Total (A)		2,680		1,024
Investment in mutual funds at FVOCI (unquoted):				
UTI Short Term Income Fund	13,43,569	302	26,77,937	566
Kotak Corporate Bond Fund Standard Growth (Regular Plan)	41,894	1,035	41,894	956
HDFC Cash Management Fund - Treasury Advantage Regular Growth	-	-	23,96,953	877
IDFC Corporate Bond Fund Regular Plan Growth	14,99,617	191	79,00,114	939
IDFC Credit Opportunities Fund Regular Plan Growth	-	-	48,56,963	521
Kotak Low Duration Fund -Growth	45,658	1,043	45,658	969
Kotak Treasury Advantage Fund - Regular - Growth	-	-	20,17,768	561
Birla Sun Life Floating Rate Fund - Long Term Plan - Regular - Growth	1,22,776	282	1,22,776	261
ICICI Prudential-Flexible Income Plan - Regular - Growth	-	-	5,73,138	1,910
Reliance Corporate Bond Fund –Growth Plan	-	-	7,25,674	102
ICICI Prudential Saving fund	4,59,480	1,648	-	-
Kotak Savings Fund-Growth	20,17,768	604	-	-
UTI Treasury Advantage Fund Institutional Plan - Growth	31,134	803	1,03,699	2,484
Total (B)		5,908		10,146
Total (A + B)		8,588		11,170
ii) Investment in term deposit at cost (unquoted):				
Term deposit with Housing Development Finance Corporation Limited		1,975		600
Total		1,975		600
Aggregate market value of unquoted investments in mutual funds		8,588		11,170
Aggregate amount of unquoted investments in term deposits		1,975		600
Grand Total		10,563		11,770
		10,563		11,770

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

b. Trade Receivables

Particulars	As at 31 March, 2019	31 March, 2018
Unsecured		
Considered Good *	3,583	2,750
Considered Doubtful	248	256
Less: Allowance for doubtful debts	(248)	(256)
	3,583	2,750

** [Refer note 2(d)(xi)]*

c. Cash and Cash Equivalents

Particulars	As at 31 March, 2019	31 March, 2018
(i) Cash and cash equivalents		
Cash and hand	1	1
Bank balances		
In current accounts	1,171	1,198
	1,172	1,199
(ii) Other bank balances	44	29
Unclaimed dividend account*	44	29
	1,216	1,228

** Other bank balances represents earmarked balances in respect of unclaimed dividend*

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

d. Loans

Particulars	As at 31 March, 2019	 31 March, 2018
Unsecured, considered good		
Security deposits	**12**	5
	12	5

e. Other Financial Assets

Particulars	As at 31 March, 2019	 31 March, 2018
Advances to employees	**19**	40
Interest accrued on fixed deposits	**94**	46
Margin money deposit	**1**	1
Foreign exchange forward contract	**202**	-
Guarantee commission receivable	**114**	87
Reimbursable expenses receivable	**5**	81
Other receivable from subsidiary	**173**	117
	608	372

7 Other Current Assets

Particulars	As at 31 March, 2019	 31 March, 2018
Unbilled revenue [Refer note 2(d)(xi)]	**208**	272
Surplus contribution to employee benefit plan - gratuity (Refer Note 22)	**-**	73
Prepaid expenses	**143**	237
Input tax credit receivable	**440**	276
Advances to suppliers	**236**	176
Interest on income tax refunds	**109**	-
	1,136	1,034

8 Equity Share Capital

Particulars	As at 31 March, 2019	 31 March, 2018
Authorised:		
40,000,000 (31 March, 2018: 40,000,000) equity shares of ₹ 5/- each	**2,000**	2,000
2,000,000 (31 March, 2018: 2,000,000) preference shares of ₹ 100/- each	**2,000**	2,000
	4,000	4,000
Issued, subscribed and fully paid up :		
23,972,803 (31 March, 2018: 23,692,056) equity shares of ₹ 5/- each fully paid	**1,199**	1,185
Total	**1,199**	1,185

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

(a) Reconciliation of the number of equity shares outstanding at the beginning and end of the year are as given below:

Particulars	As at 31 March, 2019 No. of shares	 Amount	 31 March, 2018 No. of shares	 Amount
Equity Shares				
Balance as at the beginning of the year	**2,36,92,056**	**1,185**	2,33,77,533	1,169
Add: On account of exercise of employee stock option plans	**2,80,747**	**14**	3,14,523	16
Balance as at the end of the year	**2,39,72,803**	**1,199**	2,36,92,056	1,185

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 5/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 March, 2019 No. of shares	 % of holding	 31 March, 2018 No. of shares	 % of holding
Ashank Desai	**30,99,552**	**12.9%**	30,99,552	13.1%
Sudhakar Ram	**15,88,680**	**6.6%**	15,88,680	6.7%
Ketan Mehta	**22,74,100**	**9.5%**	23,99,100	10.1%
Radhakrishnan Sundar	**13,40,800**	**5.6%**	14,15,800	6.0%
IDFC Mutual Fund*	**12,35,237**	**5.2%**	-	-

**Shareholding as at 31 March, 2018 was less than 5%*

(d) Shares reserved for issue under options

Particulars	As at 31 March, 2019	 31 March, 2018
Number of shares to be issued under the employee stock option plans	**22,04,419**	23,24,638

9 Other Equity

Particulars	As at 31 March, 2019	 31 March, 2018
a) Capital redemption reserve	**1,539**	1,539
Non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares.		
b) Security Premium	**2,255**	1,772
Amount received (on issue of shares) in excess of the par value has been classified as securities premium		

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

Particulars	As at	
	31 March, 2019	31 March, 2018
c) Employee stock options outstanding account	**1,542**	1,029
The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to general reserve		
d) Retained earnings	**18,386**	17,105
Retained earnings comprises of the prior year's undistributed earning after taxes increased by undistibuted profits for the year		
e) Other item of other comprehensive income	**1,073**	200
Other item of other comprehensive income consist of FVOCI financial assets and financial liabilities and remeasurement of defined benefit assets and liability		
Total	**24,795**	21,645

9.1 Distributions made and proposed

The Board of Directors at its meeting held on 18 April, 2018 had recommended a final dividend of 80% (₹ 4 per equity share of par value ₹ 5 each). The proposal was approved by shareholders at the Annual General Meeting held on 19 June, 2018, this has resulted in a cash outflow of ₹ 951 lakhs , inclusive of dividend distribution tax. Also, the Board of Directors at its meeting held on 25 October, 2018 had declared an interim dividend of 70% (₹ 3.5 per equity share of par value of ₹ 5 each). Further, the Board of Directors at its meeting held on 16 April, 2019 have recommended a final dividend of 100% (₹ 5 per equity share of par value ₹ 5 each) which is subject to approval of shareholders. If approved, this would result in a cash outflow of approximately ₹ 1,199 lakhs, exclusive of dividend distribution tax.

Non-current Liabilities

10 Financial Liabilities

a. Borrowings

Particulars	As at	
	31 March, 2019	31 March, 2018
Secured		
Vehicle loans from financial institution (Refer note (i) below)	**131**	73
Total	**131**	73

Nature of security	Terms of repayment
(i) Loans from financial institution are secured by hypothecation of assets (Vehicles) underlying the loans.	Monthly payment of Equated monthly instalments beginning from the month subsequent to taking the loan along with interest at 8.75% per annum till May 2024.

b. Other Financial Liabilities

Particulars	As at	
	31 March, 2019	31 March, 2018
Security and other deposits	**3**	111
Foreign exchange forward contract	**-**	409
Guarantee liability payable	**325**	240
	328	760

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

11 Provisions

Particulars	As at	
	31 March, 2019	31 March, 2018
Provision for employee benefits		
Provision for gratuity (Refer Note 22)	**135**	-
Provision for leave entitlement	**345**	321
Other Provisions		
Provision for cost overrun on contracts	**275**	26
Total	**755**	347

Current Liabilities

12 Financial Liabilities

Other Financial Liabilities	As at	
	31 March, 2019	31 March, 2018
Current maturities vehicle loans from financial institution (Secured) (Refer Note 10 (a))	**39**	18
Unclaimed dividends (Refer note (a) below)	**44**	29
Security and other deposits	**2**	2
Other payables		
Employee benefits payable	**1,284**	757
Accrued expenses	**1,810**	1,376
Foreign exchange forward contract	**-**	337
Guarantee liability payable	**93**	87
	3,272	2,606

Note:

(a) There is no amount due for payment to Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at 31 March, 2019.

13 Other Current Liabilities

Particulars	As at	
	31 March, 2019	31 March, 2018
Contract liabilities [Refer note 2(d)(xi)]	**43**	33
Deferred rent	**-**	19
Statutory dues (including stamp duty, provident fund and tax deducted at source)	**369**	526
Others	**91**	193
	503	771

14 Provisions

Particulars	As at	
	31 March, 2019	31 March, 2018
Provision for employee benefits		
Provision for leave entitlement	**123**	124
	123	124

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

15 Revenue from Operations

Particulars	For the year ended	
	31 March, 2019	**31 March, 2018**
Information technology services	**18,944**	16,232
	18,944	16,232

Disaggregated Revenue

The table below presents disaggregated revenues from contracts with customers by customer location for each of company's business segments. Company believe this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Revenue by geography

Particulars	For the year ended	
	31 March, 2019	**31 March, 2018**
UK	**15,994**	13,468
North America	**1,265**	1,072
Others	**1,685**	1,692
	18,944	16,232

Remaining performance obligation

As of 31 March, 2019, the aggregate amount of transaction price allocated to remaining performance obligations, was ₹ 1,243 lakhs, of which approximately 85% is expected to be recognised as revenues within 4 years.

16 Other Income

Particulars	For the year ended	
	31 March, 2019	**31 March, 2018**
Interest income - On fixed deposits	**115**	44
- On income tax refunds	**110**	72
- On guarantee	**40**	40
- On others	**2**	17
Profit on sale of current investments	**693**	340
Rental income	**202**	249
Profit on sale of tangible assets, net	**46**	-
Net gain on foreign currency transactions and translation	**19**	405
Dividend income from Mastek UK Limited, subsidiary	**1,777**	997
Doubtful debts / bad debts recovered	**-**	15
Guarantee commission	**147**	87
Others	**308**	57
	3,459	2,323

17 Employee Benefits Expenses

Particulars	For the year ended	
	31 March, 2019	**31 March, 2018**
Salaries, wages and performance incentives	**11,969**	10,308
Gratuity (Refer Note 22)	**201**	231
Contribution to provident and other funds	**450**	408
Employee stock compensation expenses	**365**	174
Staff welfare expense	**468**	246
	13,453	11,367

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

18 Finance Costs

Particulars	For the year ended	
	31 March, 2019	**31 March, 2018**
Interest on finance lease	**13**	5
Bank charges	**6**	4
Other finance charges	**8**	10
	27	19

19 Depreciation and Amortisation Expenses

Particulars	For the year ended	
	31 March, 2019	**31 March, 2018**
Depreciation and Amortisation on tangible assets	**818**	710
Amortisation on intangible assets	**390**	409
	1,208	1,119

20 Other Expenses

Particulars	For the year ended	
	31 March, 2019	**31 March, 2018**
Recruitment and training expenses	**173**	37
Travelling and conveyance	**483**	409
Communication charges	**112**	91
Electricity	**240**	303
Consultancy and sub-contracting charges	**439**	602
Audit Fees (Refer note 35)	**36**	47
Rates and taxes	**91**	112
Repairs to buildings	**321**	252
Repairs : others	**315**	357
Insurance	**89**	107
Printing and stationery	**13**	19
Professional fees	**910**	597
Rent	**68**	68
Advertisement and publicity	**33**	20
Receivables, loans and advances doubtful of recovery / written off (net of recoveries)	**-**	104
Hire Charges	**62**	60
Provision for cost overrun on contracts, net	**248**	-
Expenditure towards corporate social responsibility (CSR) activities (Refer Note 36)	**100**	84
Loss on sale of fixed assets, net	**-**	1
Miscellaneous expenses	**66**	46
	3,799	3,316

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

21 Earnings Per Share (EPS)

Particulars	For the year ended 31 March, 2019	31 March, 2018
The components of basic and diluted earnings per share for total operations are as follows:		
(a) Net income attributable to equity shareholders	**3,051**	1,574
(b) Weighted average number of outstanding equity shares		
Considered for basic EPS	**2,38,11,435**	2,35,21,823
Add : Effect of dilutive potential equity shares arising from outstanding stock options	**13,54,799**	13,35,225
Considered for diluted EPS	**2,51,66,234**	2,48,57,048
(c) Earnings per share (net of taxes) in ₹ (Face value per share ₹ 5/- each)		
Basic	**12.81**	6.69
Diluted	**12.12**	6.33

22 Employee Benefit Plans

[A] Amount recognised in the Statement of Profit and Loss in respect of gratuity cost (defined benefit plan) is as follows:

Particulars	For the year ended 31 March, 2019	31 March, 2018
Gratuity Cost		
Service cost	**214**	232
Net interest on net defined liability	**(13)**	(1)
Net gratuity cost	**201**	231
Actuarial (loss) / gain recognised in Other Comprehensive Income	**(8)**	390
Interest rate	**7.25%**	7.75%
Salary increase	**10%**	10%

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Mortality rate is considered as per the published rates under the Indian Assured Lives Mortality (2012-14) Ult table. Attrition rate varies between 10% to 21%.

The following table sets out the status of gratuity plan.

Particulars	As at 31 March, 2019	31 March, 2018
Obligation at the beginning of the year	**1,740**	1,920
Service cost	**214**	232
Interest cost	**125**	141
Actuarial loss / (gain)- financial assumption	**56**	(15)
Actuarial (gain)- experience	**(62)**	(142)
Actuarial loss / (gain) - Demographic assumptions	**0**	(245)
Benefits paid	**(148)**	(151)
Obligation at the end of the year	**1,925**	1,740
Change in plan assets (maintained by LIC)		
Plan assets at the beginning of the year, at fair value	**1,813**	1,835
Employer contribution	**0**	-
Interest income on plan assets	**139**	141
Remeasurement on plan assets less interest on plan assets	**(14)**	(12)
Benefits paid	**(148)**	(151)
Plan assets at the end of the year, at fair value	**1,790**	1,813

Historical information

Particulars	As at 31 March, 2019	31 March, 2018	31 March, 2017	31 March, 2016	31 March, 2015
Present value of defined benefit obligation	**1,925**	1,740	1,920	1,764	3,662
Fair value of plan assets	**1,790**	1,813	1,835	1,793	3,784
(Liability) / asset recognised	**(135)**	73	(85)	29	122

The experience adjustments, meaning difference between changes in plan assets and obligations expected on the basis of actuarial assumption and actual changes in those assets and obligations are as follows:

Particulars	As at 31 March, 2019	31 March, 2018
Experience adjustment on plan liabilities - gain	**6**	402
Experience adjustment on plan assets - (loss)	**(14)**	(12)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	For the year ended 31 March, 2019		31 March, 2018	
	Increase	Decrease	Increase	Decrease
Discount Rate(50 bps)	**(55)**	**58**	(49)	52
Salary Growth(50 bps)	**57**	**(54)**	50	(48)

Maturity profile of defined benefit obligation:

Particulars	For the year ended 31 March, 2019	31 March, 2018
1 year	**397**	260
2 year	**249**	355
3 year	**221**	219
4 year	**207**	192
5 year	**217**	176
6 year	**174**	196
7 year	**163**	146
8 year	**168**	137
9 year	**167**	142
10 years and beyond	**1,296**	1,219

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. Expected contribution to the Fund in FY 2019–20 is 200 lakhs.

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

[B] Leave Entitlement

The leave obligations cover the Company's liability and earned leave which is unfunded at present and the amount of the provision of ₹ 468 lakhs (31 March, 2018 – ₹ 445 lakhs) is recognised based on an actuarial valuation.

[C] Defined Contribution Plan

Refer notes 2 (d) (viii) A(a) and 17

23 Income Taxes

Income tax expense / (credit) in the statement of profit and loss consists of:

Particulars	For the year ended	
	31 March, 2019	31 March, 2018
Current tax	998	742
Income tax relating to earlier years	(55)	299
Deferred tax	(78)	119
Income tax expense recognised in the statement of profit or loss	**865**	**1,160**
Income tax (expense) / credit recognised in other comprehensive income	**(358)**	**699**

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	For the year ended	
	31 March, 2019	31 March, 2018
Profit before tax	3,916	2,734
Enacted income tax rate in India	29.12%	34.61%
Computed expected tax expense	1,140	946
Effect of:		
Additional Provision for earlier years on account of disallowance before Income tax authorities	(55)	299
Impact of deferred tax due to change in Income tax rate	-	128
Expenses that are not deductible in determining taxable profit	6	23
Dividend income subject to different tax rates	(207)	(172)
Others	(19)	(64)
Total income tax expense recognised in the statement of profit and loss	**865**	**1,160**

Deferred tax assets / (liabilities) as at 31 March, 2019 and 31 March, 2018 in relation to:

Particulars	As at	
	31 March, 2019	31 March, 2018
Property, plant and equipment and intangible assets	649	664
Provision for doubtful debts	75	78
Provision for compensated absence / gratuity	247	116
Net gain on fair value of mutual funds	(228)	(180)
Cash flow hedge	(101)	217
Others	30	58
MAT Credit entitlement	2,130	2,291
Total	**2,802**	**3,244**

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

24 Related Party disclosures, as per Ind AS 24

Relationships have been disclosed where transactions have taken place and relationships involving controls:

Name of Related Party	Nature of relationship	Country of Incorporation
Mastek (UK) Limited	Subsidiary	United Kingdom
Trans American Information Systems Private Limited	Subsidiary	India
IndigoBlue Consulting Limited (merged with Mastek (UK) Limited with effect from 30 June, 2018)	Step-down Subsidiary	United Kingdom
Mastek Inc. (formerly known as Digility Inc.)	Step-down Subsidiary	United States of America
Trans American Information Systems Inc.	Step-down Subsidiary	United States of America
Taistech LLC	Step-down Subsidiary	United States of America
Cashless Technologies India Private Limited	Entity with common key managerial person	India

Transactions with above related parties during the year were:-

Name of Related Party	Nature of relationship	For the year ended	
		31 March, 2019	31 March, 2018
Mastek (UK) Limited	Information Technology Services^	15,975	12,168
	Other Income	223	-
	Dividend received from subsidiary	1,777	997
	Reimbursable / Other expenses recoverable	878	1,536
	Guarantee commission^	78	-
	Guarantee given for loan availed by subsidiary^	16,710	-
IndigoBlue Consulting Limited	Reimbursable / other expenses recoverable	2	37
Mastek Inc.	Information Technology Services^	1,178	1,056
	Guarantee commission^	78	156
	Guarantee revoked for loan repaid by subsidiary^	8,856	-
	Reimbursable / other expenses recoverable	8	23
Trans American Information Systems Inc.	Reimbursable / other expenses recoverable	4	7
Taistech LLC	Information Technology Services^	87	16
	Other income	8	-
	Reimbursable / other expenses recoverable	1	6
Trans American Information Systems Private Limited	Rental income	0	1
	Reimbursements of expenses receivable	36	-
Cashless Technologies India Private Limited	Information Technology Services	-	25

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

Balances outstanding are as follows:-

Name of Related Party	Nature of relationship	For the year ended 31 March, 2019	 31 March, 2018
Mastek (UK) Limited	Trade receivables	**2,678**	1,954
	Reimbursement of expenses receivables	**138**	117
	Guarantee commission receivable ^	**412**	-
	Guarantee commission liability (at fair value) ^	**418**	-
	Guarantee given against Loan availed by subsidiary*	**6,789**	-
IndigoBlue Consulting Limited	Reimbursement of expenses receivables	**-**	1
Mastek Inc.	Guarantee commission receivable ^	**-**	289
	Guarantee commission liability (at fair value) ^	**-**	327
	Trade receivables	**76**	399
	Reimbursement of expenses (payable) / receivables	**(27)**	1
	Guarantee given against Loan availed by subsidiary*	**-**	6,518
Trans American Information Systems Inc.	Reimbursement of expenses receiveables	**0**	1
Taistech LLC	Trade receivables	**20**	16
	Reimbursement of expenses receivables	**2**	-
Trans American Information Systems Private Limited	Reimbursement of expenses receivables	**35**	-
	Security deposits	**-**	0

** The guarantees / security [refer note 3(a)(*)] have been given for loans availed by the subsidiary for acquisitions.*
^ This includes foreign exchange adjustment.

Key Management Personnel (KMP):

Sudhakar Ram , Vice Chairman and Managing Director
Ashank Desai, Non Executive Director
Atul Kanagat, Non Executive Director
Keith Bogg, Non Executive Director
Priti Rao, Non Executive Director
S. Sandilya, Non Executive Director
Abhishek Singh, Chief Financial Officer
Dinesh Kalani, Company Secretary

Compensation of key management personnel of the Company

Particulars	As at 31 March, 2019	 31 March, 2018
Short Term employee benefit	**317**	266
Share based payment transactions	**159**	7
Professional fees	**2**	-
Director sitting fees	**80**	79
Director commission	**26**	26
Compensation to key management personnel	**584**	378

25 Segment Reporting

The Company has presented the relevant information relating to its segments in its consolidated financial statements which are included in the same annual report as Mastek Limited. In terms of provisions of Indian Accounting Standard, no disclosures related to segments are therefore presented in these standalone financial statements.

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

26 Financial Instrument

The carrying value and fair value of financial instruments by categories as at 31 March, 2019 and 31 March, 2018 is as follows:

Particulars	Carrying Value		Fair Value	
	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
Financial Assets				
Amortised Cost				
Loans	**96**	**94**	96	94
Trade receivables	**3,583**	**2,750**	3,583	2,750
Cash and cash equivalents	**1,172**	**1,199**	1,172	1,199
Other bank balances	**44**	**29**	44	29
Other assets	**704**	**574**	704	574
Investment in term deposits	**2,725**	**600**	2,725	600
FVOCI				
Investment in mutual funds	**8,782**	**10,146**	8,782	10,146
Derivative Assets	**348**	**-**	348	-
FVTPL				
Investment in liquid mutual fund	**2,680**	**1,024**	2,680	1,024
Total Assets	**20,134**	**16,416**	20,134	16,416
Financial Liabilities				
Amortised Cost				
Loans and borrowing	**170**	**91**	170	91
Trade payables	**178**	**299**	178	299
Other liabilities	**3,561**	**2,602**	3,561	2,602
FVOCI				
Derivative Liabilities	**-**	**746**	-	746
Total Liabilities	**3,909**	**3,738**	3,909	3,738

27 Fair Value Hierarchy

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at 31 March, 2019 and 31 March, 2018.

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

Quantitative disclosures of fair value measurement hierarchy for financial assets as at 31 March, 2019:

Particulars	**Date of valuation**	**Total**	**Fair value measuring using**		
			Level 1	**Level 2**	**Level 3**
Financial assets measuring at fair value					
Derivative Assets Foreign exchange forward contract	31 March, 2019	348	-	348	-
FVTOCI financial assets designated at fair value					
Investment in mutual fund	31 March, 2019	8,782	8,782	-	-
FVTPL financial assets designated at fair value					
Investment in liquid mutual fund	31 March, 2019	2,680	2,680	-	-

Quantitative disclosures of fair value measurement hierarchy for financial assets as at 31 March, 2018:

Particulars	**Date of valuation**	**Total**	**Fair value measuring using**		
			Level 1	**Level 2**	**Level 3**
Financial assets measuring at fair value					
Derivative Assets Foreign exchange forward contract	31 March, 2018	746	-	746	-
FVTOCI financial assets designated at fair value					
Investment in mutual fund	31 March, 2018	10,146	10,146	-	-
FVTPL financial assets designated at fair value					
Investment in liquid mutual fund	31 March, 2018	1,024	1,024	-	-

Derivative financial instrument

The Company's risk management policy is to hedge substantial amount of forecast transactions under GBP. Hedge is broadly classified as cash flow hedge. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

Risk management is predominantly managed by the Finance department of the Company under policies developed by Mastek UK Limited, a wholly owned subsidiary ("MUK"). The Finance department identifies, evaluates and hedges financial risks under the guidance and instructions of MUK which predominantly provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk and use of derivative financial instruments.

The Company, in accordance with its risk management policies and procedures laid down by MUK, enters into foreign currency forward contracts to hedge against foreign currency exposures relating to highly probable forecast transactions. All forward contracts have been designated hedging instrument in cash flow hedge in accordance with Ind AS 109.

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

The following '' sell '' foreign exchange forward contracts are outstanding as at:

Particulars	**As at**	
	31 March, 2019	**31 March, 2018**
Non Designated derivative instrument	**12,543**	22,792
Non Designated derivative instrument in GBP lakhs	**127**	240
No. of Contracts	**152**	205
Forward Contracts covers part of the exposure during the period April 2019 – January 2023		

Mark-to-Market gains / (losses)

Particulars	**As at**	
	31 March, 2019	**31 March, 2018**
Opening balance of Mark-to-market gains / (losses) receivable on outstanding derivative contracts	**(746)**	1,950
Less: Released from Hedging reserve account to statement of profit and loss under revenue account upon occurrence of forecasted sales transactions	**(20)**	(1,300)
Add: Changes in the value of derivative instrument recognised in Hedging reserve account	**1,114**	(1,396)
Closing balance of Mark-to-market gains / (losses) receivable on outstanding derivative contracts	**348**	(746)
Disclosed under:		
Other current financial asset (Refer note 6(e))	**202**	-
Other non-current financial asset (Refer note 4(c))	**146**	-
Other current financial liabilities (Refer note 12)	**-**	(337)
Other non-currrent financial liabilities (Refer note 10(b))	**-**	(409)
	348	(746)

There were no ineffectiveness recognised in the Statement of profit and loss during the period.

28 Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivative for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Business and Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counter party credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Most of the Company doubtful debt pertains to the Public Sector which is undergoing through restructuring and therefore, the Company evaluate every receivable in the geography and create adequate provision after analysing specific risk.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

Particulars	For the year ended	
	31 March, 2019	31 March, 2018
Revenue from Top Customer	15,975	12,168
Revenue from Top 5 Customers	18,181	13,935

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilised credit limits with banks. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The Working Capital position of the Company is given Below

Particulars	As at	
	31 March, 2019	31 March, 2018
Cash and cash equivalents	1,172	1,199
Other bank balances	44	29
Investment in mutual funds	8,588	11,170
Investment in term deposits	1,975	600
Total	11,779	12,998

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March, 2019 and 31 March, 2018:

Particulars	As at 31 March, 2019	
	Less than 1 Year	1 Year and above
Borrowing	39	131
Trade payables	178	-
Other financial liabilities	3,233	328

Particulars	As at 31 March, 2018	
	Less than 1 Year	1 Year and above
Borrowing	18	73
Trade payables	299	-
Other financial liabilities	2,251	351
Derivative financial liabilities	337	409

Foreign Currency Risk

The Company's activities expose it to market risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are used to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

The Company, in accordance with its risk management policies and procedures laid down by MUK, enters into foreign currency forward contracts to hedge against foreign currency exposures relating to highly probable forecast transactions. The Company does not enter into any derivative instruments for trading or speculative purposes. The counter party is generally a bank. These contracts are for a period between one day and three years.

The following table presents foreign currency risk from non- derivative financial instrument as of 31 March, 2019 and 31 March, 2018.

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	US$ in lakhs	INR ₹	US$ in lakhs	INR ₹
Assets	1	72	6	412
Liabilities	(0)	(4)	(2)	(102)
Net Assets / (Liabilities)	1	68	5	310

As at 31 March, 2019 and 31 March, 2018 respectively, every 1% increase / decrease of the respective foreign currencies compared to functional currency of the Company would impact results by approximately ₹ 1 and ₹ 3 respectively.

29 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximise shareholder value. The capital structure is as follows:

Particulars	As at	
	31 March, 2019	31 March, 2018
Total Equity attributable to the Equity Share Holders of Company	25,994	22,830
As percentage of total Capital	99.35%	99.60%
Current loan and borrowing	39	18
Non Current loan and borrowing	131	73
Total loan and borrowing	170	91
As a percentage of total capital	0.65%	0.40%
Total capital (Loan and borrowing and equity)	26,164	22,921

The Company is predominantly equity financed which is evident from capital structure table. Further, the Company has always been in a net cash position. Cash and bank balances along with current financial assets which is predominantly includes investment in liquid and short term mutual funds are in excess of debt.

30 Employee Stock Based Compensation

i) Plan IV

The Shareholders of the Company through Postal Ballot on 9 August, 2007 approved the allocation of 1,000,000 stock options to the eligible employees of the Company and its subsidiaries. The Company subsequently established a new scheme in 2007 for granting 1,000,000 stock options to the employees referred to above, each option representing one equity share of the Company. The vesting period of stock options will range from one year to four years from the date of grant. The stock options are exercisable within a period of seven years from the date of vesting.

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

Particulars	For the year ended			
	31 March, 2019		31 March, 2018	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options at beginning of the year	**45,651**	**97**	1,47,927	99
Exercised during the year	**(3,543)**	**112**	(15,894)	116
Lapsed / Cancelled during the year	**(34,608)**	**97**	(86,382)	97
Outstanding options at end of the year	**7,500**	**88**	45,651	97
Options excercisable, end of the year	**7,500**	**88**	45,651	97

ii) Plan V

The Company introduced a new scheme in 2008 for granting 1,500,000 stock options to the employees, each option representing one equity share of the Company. The vesting period of stock options will range from one year to four years from the date of grant. The stock options are exercisable within a period of seven years from the date of vesting.

Particulars	For the year ended			
	31 March, 2019		31 March, 2018	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options at beginning of the year	**54,725**	**71**	62,225	68
Exercised during the year	**(15,000)**	**80**	(10,000)	47
Lapsed / Cancelled during the year	**(2,500)**	**47**	-	-
Cancelled revoked during the year	**-**	**-**	2,500	47
Outstanding options at end of the year	**37,225**	**69**	54,725	71
Options excercisable, end of the year	**37,225**	**69**	54,725	71

iii) Plan VI

The Company introduced a new scheme in 2010 for granting 2,000,000 stock options to the employees, each option representing one equity share of the Company. The vesting period of stock options will range from one year to four years from the date of grant. The stock options are exercisable within a period of seven years from the date of vesting.

Particulars	For the year ended			
	31 March, 2019		31 March, 2018	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options at beginning of the year	**8,01,041**	**80**	10,23,660	79
Exercised during the year	**(1,28,990)**	**76**	(1,92,744)	62
Lapsed / Cancelled during the year	**(50,980)**	**127**	(29,875)	175
Outstanding options at end of the year	**6,21,071**	**77**	8,01,041	80
Options excercisable, end of the year	**5,76,818**	**69**	6,49,506	66

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data, unless otherwise stated)

iv) Plan VII

The Company introduced a new scheme in 2013 for granting 2,500,000 stock options to its employees and employees of its subsidiaries, each option giving a right to apply for one equity share of the Company on its vesting. The vesting period of stock option will range from one year to four years from the date of grant. The stock options are exercisable within a period of seven years from the date of vesting.

Particulars	For the year ended			
	31 March, 2019		31 March, 2018	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options at beginning of the year	**14,23,221**	**133**	10,93,480	114
Granted during the year	**3,86,000**	**5**	6,65,825	218
Exercised during the year	**(1,33,214)**	**133**	(95,885)	100
Lapsed / Cancelled during the year	**(1,37,384)**	**126**	(2,40,199)	294
Outstanding options at end of the year	**15,38,623**	**102**	14,23,221	133
Options excercisable, end of the year	**6,70,537**	**104**	4,91,232	94

The following tables summarise information about the options / shares outstanding under various programs as at 31 March, 2019 and 31 March, 2018 respectively:

Particulars	As at 31 March, 2019		
	No. of share options	Weighted average remaining contractual life in years	Weighted average exercise price
Programme IV	**7,500**	**0.2**	**88**
Programme V	**37,225**	**1.4**	**69**
Programme VI	**6,21,071**	**4.1**	**77**
Programme VII	**15,38,623**	**7.1**	**102**

Particulars	As at 31 March, 2018		
	No. of share options	Weighted average remaining contractual life in years	Weighted average exercise price
Programme IV	45,651	0.5	97
Programme V	54,725	2.3	71
Programme VI	8,01,041	5.2	80
Programme VII	14,23,221	7.4	133

The weighted average fair value of each unit under the plan, granted during the year ended was ₹ 378 using the Black-Scholes model with the following assumptions:

Particulars	As at 31 March, 2019
Weighted average grant date share price	**430**
Weighted average exercise price	**5**
Dividend yield %	**2.6%**
Expected life	**3-7**
Risk free interest rate	**7.4%**
Volatility	**51.8%**

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019
(₹ in lakhs, except share and per share data, unless otherwise stated)

31 Leases

1 Operating Lease

Particulars	As at 31 March, 2019	 31 March, 2018
Lease income		
Future minimum lease income under non-cancellable operating lease (in respect of properties):		
Due within one year	6	44
Due later than one year but not later than five years	-	-
	6	44

32 Micro,Small and Medium Enterprises

The Company has certain dues to Micro and small suppliers registered as such under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act is as follows:

Particulars	As at 31 March, 2019	 31 March, 2018
a) The principal amount remaining unpaid to any supplier at the end of the year	5	-
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the company.

33 Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March, 2019 is ₹ 106 (31 March, 2018: ₹ 130)

34 Contingent Liabilities

A. Claims against Company not acknowledged as debts

Particulars	As at 31 March, 2019	 31 March, 2018
1. Sales tax matter	927	362

Significant accounting policies and notes to accounts
For the year ended 31 March, 2019
(₹ in lakhs, except share and per share data, unless otherwise stated)

(i) The Company does not expect any cash outflows or any reimbursements in respect of the above contingent liabilities.

(ii) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above, pending occurrence of the default event or resolution of respective proceedings.

2. **Provident Fund**
Based on the judgement by the Honourable Supreme Court dated 28 February, 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the Company with respect to timing and the components of its compensation structure. In absence of further clarification, the Company has been advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.

B. Guarantee given to lenders for loan availed by subsidiary (to the extent of amount outstanding)

Particulars	As at 31 March, 2019	 31 March, 2018
Guarantee given to lenders for loan availed by subsidiary (to the extent of amount outstanding)	6,789	6,518

35 Payments to the Auditor

Particulars	As at 31 March, 2019	 31 March, 2018
As auditor	34	34
Other Expenses	2	13
Total	36	47

36 Expenditure on Corporate Social Responsibilities

Particulars	As at 31 March, 2019	 31 March, 2018
Amount required to be spent as per Section 135 of the Companies Act	54	84
Amount spent during the year	100	84

In terms of our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N / N500013

Adi P. Sethna
Partner
Membership No.: 108840

For and on behalf of the Board of Directors of **Mastek Limited**

Sudhakar Ram
Vice Chairman and
Managing Director
DIN: 00101473

S. Sandilya
Non-Executive Chairman and
Independent Director
DIN: 00037542

Abhishek Singh
Chief Financial Officer

Dinesh Kalani
Company Secretary

Place: Mumbai
Date: 16 April, 2019

Place: Mumbai
Date: 16 April, 2019

Independent auditor's report

To the Members of Mastek Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Mastek Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March, 2019, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters(s) described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
(i) Goodwill on Business Combination:-	**Our responses:-**
1) As described in note no. 3(c) to the consolidated financial statements, the goodwill from business combination of its subsidiary – Taistech Group aggregates ₹ 9,752 lakhs as at 31 March, 2019. The Group has performed annual impairment test for the goodwill as required under the Ind AS. The recoverable value was assessed by the management based on certain assumptions, judgments and expectations of future events, which are believed to be reasonable by the management under the current circumstances. For this purpose, management has appointed an independent valuer.	• We have obtained the management cash flow projections with regard to recoverable value of the respective cash generating units and a report of an independent valuer appointed by the management to do the impairment testing of goodwill. • Evaluated the back ground of the independent valuer to ensure the competency. • Evaluated the reasonability of assumptions used for cash flow projections. Also verified the mathematical accuracy of cash flow projections. For ensuring reasonability we discussed in detail with management about the business plan and future opportunities and also verified the historical trend of business to evaluate the past performance for consistency.

Independent auditor's report

Key audit matter	How our audit addressed the key audit matter
Based on the impairment tests performed by the management, the carrying value of such cash generating unit does not exceed its recoverable value. There are inherent uncertainties in all such impairment test calculations, the actual results of which may differ from those forecasted. We consider impairment testing of goodwill as significant area of focus in audit.	• We have involved our internal valuation specialist to validate the valuation assumptions and methodology considered by the management to evaluate the appropriateness of recoverable amount of cash generating units.
(ii) Impairment of IndigoBlue (IB) goodwill: - Management has assessed impairment of goodwill of IndigoBlue as at 31 March, 2019 as described in note number 3(c) and 21 to the consolidated financial statements. Board of directors analysed the company's performance since acquisition and looking at future plan for business, concluded the impairment of goodwill to the extent of the entire carrying value. The impaired amount of goodwill is disclosed as an exceptional item in note number 21 to the consolidated financial statements.	**Our responses:-** • Evaluated management analysis and supporting evidence in relation to impairment of goodwill. • We have obtained a copy of the minutes of the meeting of the board of directors, noting the business performance since acquisition and conclusion thereof for impairment. • We have sighted all evidences which supports board of directors and management discussion and conclusion.
(iii) Contingent consideration written back:- As described in note 3(c) to the consolidated financial statements, the group had acquired TaisTech LLC and TaisTech Inc. for purchase consideration which included contingent consideration as well. The contingent consideration payable to promoters was based on meeting certain targeted revenue, EBITDA and cross selling, outlined in the agreement. Fair value of contingent consideration was ₹ 5,465 lacs as on 1 April, 2018. In the current year,.promoters of the company were in process to exit the company. Therefore, the Group has reassessed the criteria of meeting the contingent consideration and noted that part of the amount as at 31 March, 2019 is not payable. Company's management and board decided to pay ₹ 1,141 lakhs to promoters who exited the company and revised the remaining terms of the payment of contingent consideration. As per the revised terms, ₹ 1,685 lakhs will be paid over the period of next twelve months Accordingly, provision of contingent consideration of ₹ 2,689 lacs have been written back and disclosed as an exceptional item under note number 21 to the consolidated financial statements.	**Our responses:-** • Evaluated the management analysis on business plan i.e the cash flow projection to ensure the appropriateness of the business plan and future growth. • Evaluated the reasonability of assumptions used for cash flow projections. Also verified the mathematical accuracy of cash flow projections. For ensuring reasonability we discussed in detail with management about the business plan and future opportunities and also verified the historical trend of business to evaluate the past performance for consistency. • Evaluated and verified the mathematical accuracy of contingent consideration amount written back and payments made during the year. • Sighted the board minutes on revised terms of contingent consideration.

Independent auditor's report

Key audit matter	How our audit addressed the key audit matter
(iv) Restructuring event in Mastek, Inc:- One of the subsidiary of the group Mastek, Inc proposed a restructuring as the company was not meeting its Financial and/or Strategic objectives. The management determined, in the best interest of the Company, to restructure the business by closing down some departments and terminate some officials of the Company. Management has obtained an approval from Board of Directors on the restructuring plan and the same was put into implementation. According to the plan, a severance amount was decided as per the local employment laws and offered to the officials who were terminated/identified to be terminated. Accordingly, the company has recognised ₹ 842 lakhs restructuring provision as an exceptional item as described in note number 21 to the consolidated financial statements.	**Our responses:-** • We have sighted the restructuring plan passed by the Board and sighted all evidences which support the implementation by the management. • Evaluated that the costs disclosed as restructuring costs were attributable to the plan implemented by the management. • Evaluated the mathematical accuracy of the restructuring provision determined by the management and also ensured the compliance of relevant Ind AS.
(v) Adoption of Ind AS 115- Revenue from contracts with customers:- As described in note number 2(e)(xii) to the consolidated financial statements the company has adopted Ind AS 115 Revenue from Contracts with Customers which is the new accounting standard. Considering the nature of the industry, where revenue is recognized basis the terms of each contract with customers, these commercial arrangements can be complex and significant judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation and the appropriateness of basis used to measure revenue recognized over time are applied in selecting the accounting basis in each case. Additionally, new revenue accounting standard contains disclosures which involves disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. The application and transition to this accounting standard is an area of focus in the audit.	**Our responses:-** We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. • Evaluated the design and operating effectiveness of internal controls relating to the implementation of new revenue standard; • Evaluated detailed analysis performed by the management on each stream of revenue contracts. • Selected samples from all streams of contracts and did detailed analysis on recognition of revenue as per the five steps given in standard. • Performed revenue transaction testing on samples selected from each stream of revenue where each input to revenue recognition including estimates used; was verified from evidence to ensure that revenue recognition policy as per new standard is consistently applied; • Evaluated cumulative effect on revenue adjustment as per new standard as at 1 April, 2018. • Evaluated appropriateness of disclosure provided as per new revenue standard, its completeness and accuracy.

Independent auditor's report

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Consolidated Financial Statements

7. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

9. The Board of Directors are also responsible for overseeing the Group's financial reporting process.

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

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

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

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures

Independent auditor's report

responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit, we report that the Holding Company, and its subsidiary companies covered under the Act, paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. As required by Section 143 (3) of the Act, based on our audit we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

Independent auditor's report

    e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and its subsidiary companies covered under the Act, none of the directors of the Group companies, covered under the Act, are disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I';

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

        i) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

        ii) provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts;

        iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, covered under the Act, during the year ended 31 March, 2019;

        iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November, 2016 to 30 December, 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840

Place: Mumbai
Date: 16 April, 2019

Annexure I

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Mastek Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group') as at and for the year ended 31 March, 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and one subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and one subsidiary company as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure I

Opinion

8. In our opinion, the Holding Company and one subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March, 2019, based on the internal control over financial reporting criteria established by the Holding Company and one subsidiary company as aforesaid, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840

Place: Mumbai
Date: 16 April, 2019

Consolidated balance sheet

As at 31 March, 2019

(₹ in lakhs)

	Note	As at 31 March, 2019	As at 31 March, 2018
ASSETS			
Non-current assets			
Property plant and equipment, net	3(a)	4,555	4,589
Capital work-in-progress		141	208
Investment property	3(d)	-	-
Goodwill	3(c)	9,752	10,803
Other intangible assets, net	3(b)	2,432	2,494
Financial assets			
Investments	4(a)	28,220	16,637
Loans	4(b)	181	201
Other financial assets	4(c)	147	-
Non-current tax assets, net		1,087	839
Deferred tax assets, net	24(c)	3,672	5,304
Other non-current assets	5	64	86
Total non-current assets		50,251	41,161
Current assets			
Financial Assets			
Investments	6(a)	11,396	11,770
Trade receivables	6(b)	20,849	17,402
Cash and cash equivalents	6(c)	9,295	8,773
Bank balances, other than cash and cash equivalents	6(c)	44	29
Loans	6(d)	46	44
Other financial assets	6(e)	1,863	1,400
Other current assets	7	4,947	3,419
Total current assets		48,440	42,837
Total Assets		98,691	83,998
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	1,199	1,185
Other equity	9	70,441	53,743
Total Equity		71,640	54,928
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	10(a)	6,921	4,961
Other financial liabilities	10(b)	3	2,653
Deferred tax liabilities, net	24(c)	2,078	1,865
Provisions	11	1,166	664
Total non-current liabilities		10,168	10,143
Current liabilities			
Financial liabilities			
Borrowings	12(a)	-	391
Trade payables	12(b)	948	1,889
Other financial liabilities	12(c)	10,550	10,929
Other current liabilities	13	3,565	4,359
Provisions	14	575	474
Current tax liability (net)		1,245	885
Total current liabilities		16,883	18,927
Total Equity & liabilities		98,691	83,998

See accompanying notes to the consolidated financial statements
This is the Balance Sheet referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840

Place : Mumbai
Date : 16 April, 2019

For and on behalf of the Board of Directors of **Mastek Limited**

Sudhakar Ram
Vice Chairman and
Managing Director
DIN: 00101473

S. Sandilya
Non-Executive Chairman and
Independent Director
DIN: 00037542

Abhishek Singh
Chief Financial Officer

Dinesh Kalani
Company Secretary

Place : Mumbai
Date : 16 April, 2019

Consolidated statement of profit and loss

For the year ended 31 March, 2019

(₹ in lakhs, except per share data)

	Note	Year ended 31 March, 2019	Year ended 31 March, 2018
INCOME			
Revenue from operations	15	103,321	81,721
Other income	16	2,478	2,099
Total Income		105,799	83,820
EXPENSES			
Employee benefits expenses	17	58,717	48,094
Finance costs	18	613	586
Depreciation and amortisation expenses	19	1,735	1,876
Other expenses	20	31,450	23,661
Total Expenses		92,515	74,217
Profit before exceptional item and tax		13,284	9,603
Exceptional items - gain (net)	21	55	-
Profit before tax		13,339	9,603
Tax expense / (credit)			
Current tax	24(a)	3,419	2,426
Deferred tax		(129)	(118)
Income tax relating to earlier years		(98)	299
Total tax expense		3,192	2,607
Profit after tax for the year		10,147	6,996
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to the statement of profit and loss, (losses) / gains:			
Defined benefit plan actuarial (losses) / gains		(10)	375
Net change in fair value of financial instruments through OCI		8,377	(2,426)
Income tax relating to the above items, credit / (expense)		4	(122)
Items that will be reclassified subsequently to the statement of profit and loss, gains / (losses):			
Foreign currency translation differences		(505)	3,503
Net change in fair value of forward contracts designated as cash flow hedges		1,093	(2,696)
Net change in fair value of financial instruments		145	292
Income tax relating to the above items, (expense) / credit		(349)	826
Total other comprehensive Income / (loss) for the year		8,755	(248)
Total comprehensive income for the year		18,902	6,748
Earnings per equity share	22		
(Equity shares of par value ₹ 5/- each)			
Basic		42.61	29.74
Diluted		40.32	28.14

See accompanying notes to the consolidated financial statements
This is the Statement of Profit and Loss referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840

Place : Mumbai
Date : 16 April, 2019

For and on behalf of the Board of Directors of **Mastek Limited**

Sudhakar Ram
Vice Chairman and
Managing Director
DIN: 00101473

S. Sandilya
Non-Executive Chairman and
Independent Director
DIN: 00037542

Abhishek Singh
Chief Financial Officer

Dinesh Kalani
Company Secretary

Place : Mumbai
Date : 16 April, 2019

Consolidated cash flow statement

For the year ended 31 March, 2019

(₹ in lakhs)

	As at 31 March, 2019	As at 31 March, 2018
Cash flows from operating activities		
Profit for the year	10,147	6,996
Adjustments:		
Interest income	(156)	(80)
Employee stock compensation expenses	773	395
Finance costs	613	586
Depreciation and amortisation	1,735	1,876
Provision for cost overrun on contracts, net	248	-
Tax Expense	3,192	2,607
Exceptional Item	(55)	-
Receivables, loans and advances doubtful of recovery / written off (net of recoveries)	110	104
Loss / (Profit) on sale of property plant and equipment, net	(46)	1
Profit on sale of current investments	(726)	(340)
Rental income	(202)	(253)
Changes in operating assets and liabilities	15,633	11,892
Increase in trade receivables	(3,768)	(3,800)
Increase in loans and advances and other assets	(1,696)	(2,009)
Increase in trade payables, other liabilities and provisions	396	1,330
Cash generated from operating activities before taxes	10,565	7,413
Income taxes paid, net of refunds	(3,058)	(925)
Net cash generated from operating activities	7,507	6,488
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	67	6
Purchase of property, plant and equipment and software	(1,551)	(1,544)
Interest received	40	37
Rental income	195	243
Earnout payment on account of Business Combination	(1,703)	(552)
Purchase of current investments	(15,280)	(11,305)
Proceeds from current investments	12,902	10,668
Net cash (used in) / generated from investing activities	(5,330)	(2,447)
Cash flows from financing activities		
Proceeds from issue of shares under the employee stock option schemes	291	243
Proceeds from borrowings & finance leases	56	414
Dividends paid including dividend distribution tax and unclaimed dividends	(1,773)	(1,068)
Interest paid on loans and on finance lease	(189)	(272)
Net cash generated from / (used in) financing activities	(1,615)	(683)
Effect of changes in exchange rates for cash and cash equivalents	(40)	643
Net increase/(decrease) in cash and cash equivalents during the year	522	4,001
Cash and cash equivalents at the beginning of the year	8,773	4,772
Cash and cash equivalents at the end of the year	9,295	8,773

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Statement of Cash Flow

This is the Statement of Cash Flow referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

For and on behalf of the Board of Directors of **Mastek Limited**

Adi P. Sethna
Partner
Membership No.: 108840

Sudhakar Ram
Vice Chairman and
Managing Director
DIN: 00101473

S. Sandilya
Non-Executive Chairman and
Independent Director
DIN: 00037542

Abhishek Singh
Chief Financial Officer

Dinesh Kalani
Company Secretary

Place : Mumbai
Date : 16 April, 2019

Place : Mumbai
Date : 16 April, 2019

Consolidated statement of changes in equity

For the year ended 31 march, 2019

(A) equity share capital

(₹ In lakhs)

Balance as at 1 April, 2017	1,169
Add: Shares issued on exercise of stock options and restricted shares	16
Balance as at 31 March, 2018	1,185
Balance as at 1 April, 2018	1,185
Add: Shares issued on exercise of stock options and restricted shares	14
Balance as at 31 March, 2019	1,199

(B) other equity

(₹ In lakhs)

Particulars	Reserve & Surplus							Other Comprehensive Income					Total other equity
	Capital reserve	Capital Redemption Reserve	Securities premium	Share options outstanding account	General Reserve	Excess tax benefits from exercise of share-based option	Retained Earnings	Employee Benefit Expenses	Fair value of Cash Flow Hedge	Fair value of changes in other financial instruments	Fair value of non current Investment in Majesco USA	Foreign Currency Translation Reserve	
Balance as at 1 April, 2017	21	1,539	1,381	802	362	38	27,649	-	1,276	226	16,993	(4,550)	45,737
Issue of share capital on exercise of employee share option	-	-	227	-	-	-	-	-	-	-	-	-	227
Employee share-based compensation	-	-	-	395	-	-	-	-	-	-	-	-	395
Transferred to securities premium	-	-	164	(164)	-	-	-	-	-	-	-	-	-
Profit for the year							6,996						6,996
Cash dividends (including dividend distribution tax)	-	-	-	-	-	-	(1,068)	-	-	-	-	-	(1,068)
ESOP Adjustments*	-	-	-	(4)	-	-	4	-	-	-	-	-	-
Other comprehensive income (net of taxes)	-	-	-	-	-	-	-	253	(1,804)	226	(2,426)	3,503	(248)
Excess tax benefits from exercise of share-based options	-	-	-	-	-	1,704	-	-	-	-	-	-	1,704
Balance as at 31 March, 2018	21	1,539	1,772	1,029	362	1,742	33,581	253	(528)	452	14,567	(1,047)	53,743
Balance as at 1 April, 2018	21	1,539	1,772	1,029	362	1,742	33,581	253	(528)	452	14,567	(1,047)	53,743
Issue of share capital on exercise of employee share option	-	-	277	-	-	-	-	-	-	-	-	-	277
Employee share-based compensation	-	-	-	773	-	-	-	-	-	-	-	-	773
Transferred to securities premium	-	-	206	(206)	-	-	-	-	-	-	-	-	-
Profit for the year							10,147						10,147
Cash dividends (including dividend distribution tax)	-	-	-	-	-	-	(1,788)	-	-	-	-	-	(1,788)
ESOP Adjustments*	-	-	-	(54)	-	-	54	-	-	-	-	-	-
Other comprehensive income (net of taxes)	-	-	-	-	-	-	-	(6)	786	103	8,377	(505)	8,755
Excess tax benefits from exercise of share-based options	-	-	-	-	-	(1,466)	-	-	-	-	-	-	(1,466)
Balance as at 31 March, 2019	**21**	**1,539**	**2,255**	**1,542**	**362**	**276**	**41,994**	**247**	**258**	**555**	**22,944**	**(1,552)**	**70,441**

**Esop adjustment reflects lapse of vested stock options during the year.*

See accompanying notes to the consolidated financial statements
This is the statement of changes in equity referred to in our report of even date

For **walker chandiok & co llp**
Chartered accountants
Firm registration no: 001076n/n500013

for and on behalf of the board of directors of **mastek limited**

Adi p. Sethna
Partner
Membership no.: 108840

sudhakar ram
vice chairman and
Managing director
Din: 00101473

s. Sandilya
non-executive chairman and
independent director
din: 00037542

Abhishek singh
Chief financial officer

dinesh kalani
company secretary

Place : mumbai
Date : 16 april, 2019

place : mumbai
date : 16 april, 2019

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data unless otherwise stated)

1. Company Overview

Mastek Limited (the 'Company') is a public limited company domiciled in India and is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company and its subsidiaries (collectively referred hereinunder as "the Group") are providers of vertically-focused enterprise technology solutions.

The Group's offering portfolio includes business and technology services comprising of Application Development, Application Maintenance, Business Intelligence and Data Warehousing, Testing & Assurance, Digital Commerce, Agile Consulting and Legacy Modernisation. The Group carries out its operations in UK, USA and India and has its offshore software development centers in India at Mumbai, Gurugram, Noida, Pune, Chennai and Mahape.

The details of subsidiaries including step-down subsidiaries considered in these consolidated financial statements are:

Name of the Company	Country of Incorporation	% of voting power held as at 31 March, 2019	% of voting power held as at 31 March, 2018
Mastek (UK) Limited	UK	100%	100%
IndigoBlue Consulting Limited	UK	*	100%
Mastek Inc. **	USA	100%	100%
Trans American Information Systems Private Limited ^^	India	100%	100%
Trans American Information Systems Inc. @	USA	100%	100%
Taistech LLC @	USA	100%	100%

***Incorporated with effect from 17 November, 2015 (formally known as Digility Inc.)*

^^ Acquired with effect from 23 December, 2016

@ Acquired with effect from 23 December, 2016

**Merged into Mastek (UK) Limited with effect from 30 June, 2018*

2. Basis of Preparation and Presentation

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable.

These consolidated financial statement of the Group as at and for the year ended 31 March, 2019 (including Comparatives) were approved and authorised by the Company's board of directors as on 16 April, 2019. All amounts included in the consolidated financial statements are reported in Indian rupees (in lakhs) except share and per share data unless otherwise stated and "0" denotes amounts less than one lakh rupees.

(b) Basis of Preparation

The consolidated financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Derivative financial instruments;

ii. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

iii. Share based payment transactions;

iv. Defined benefit and other long-term employee benefits and

v. Contingent Consideration

All assets and liabilities have been classified as current and non-current as per the Group normal operating cycle. The Group has considered an operating cycle of 12 months (maximum).

(c) Use of Estimate and Judgement

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data unless otherwise stated)

i) **Revenue Recognition:** The Group applies the percentage of completion method in accounting for its fixed price contracts. Use of the percentage of completion method requires the Group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date. (Also refer (e)(xii) below).

ii) **Income taxes:** The Group's three major tax jurisdictions are India, UK and the US. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

iii) **Business Combination:** Business combinations are accounted for using Ind AS 103. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets and their estimated useful life. These valuations are conducted by independent valuation experts.

iv) **Defined Benefit Plans and Compensated Absences:** The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

v) **Property, Plant and Equipment:** Property, Plant and Equipment represent a significant proportion of the asset base of the Group. The change in respect of periodic depreciation is derived after determining an estimate of an assets expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the assets are determined by the management at the time of asset acquisition and reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

vi) **Impairment Testing:** Goodwill and Intangible assets recognised on business combination are tested for impairment at least annually or when events occur or changes in circumstances indicate that the recoverable amount of the asset or the cash generating unit (CGU) to which these pertain is less than the carrying value. The recoverable amount of the asset or the Cash Generating Units is higher of value-in-use and fair value less cost of disposal. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

vii) **Expected Credit Losses on Financial Assets:** On application of Ind AS 109, the impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Group uses judgment in making these

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data unless otherwise stated)

assumptions and selecting the inputs to the impairment calculation, based on the Group's past history of collections, customer's credit-worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

viii) **Research and Development Credit:** Research and Development credit, in accordance with Ind AS 20 are recognised only to the extent there is reasonable assurance that the related conditions will be met and amounts will be received.

ix) **Deferred Taxes:** Deferred Tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carryforwards become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

x) **Provisions:** Provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement obligation and compensated expenses) are not discounted to its present value and are determined based on best estimate required to settle obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

xi) **Share-based Payments:** The Grant date fair value of options granted to employees is recognised as employee expense, with corresponding increase in equity, over the period that the employee become unconditionally entitled to the option. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "share option outstanding account". The amount recognised as expense is adjusted to reflect the impact of the revision estimates based on number of options that are expected to vest, in the statement of profit and loss with a corresponding adjustment to equity.

(d) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control exists when the parent has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases. The financial statements of subsidiaries are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain/ loss from such transactions are eliminated upon consolidation. The financial statements are prepared by applying uniform policies in use at the Group.

(e) Summary of Significant Accounting Policies

i) Functional and Presentation Currency

Items included in the consolidated financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The consolidated financial statements are presented in Indian Rupee, the national currency of India, which is also the functional currency of the Company.

(ii) Foreign Currency Transactions and Balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data unless otherwise stated)

losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit and loss and reported within foreign exchange gains/ (losses). Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. For the purposes of presenting the consolidated financial statements, the assets and liabilities of Group's foreign operations with functional currency different from the Company are translated into Company's functional currency i.e. INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any are recognised in other comprehensive income and accumulated in equity. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the balance sheet date.

(iii) Financial Instruments

A. Initial Recognition and Measurement

The Group recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular purchase and sale of financial assets are recognised on the trade date.

B. Subsequent Measurement

1. Non-Derivative Financial Instruments

a. Financial Assets Carried at Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The group has made an irrevocable election to present subsequent changes in the fair value of certain mutual funds in other comprehensive income.

Further in cases where the Group has made an irrevocable election based on its business model, for its investment which are classified as equity instruments, the subsequent changes in fair value are recognised in OCI.

c. Financial Assets at Fair Value Through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

d. Financial Liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data unless otherwise stated)

from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

e. Derivative Financial Instruments

The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the consolidated statement of profit and loss. These derivative instruments are designated as cash flow hedge.

The hedge accounting is discontinued when the hedging instruments are expired or sold, terminated or no longer qualifies for hedge accounting. The cumulative gain and loss on the hedging instruments recognised in hedging reserve till the price hedge was effective remain in cash flow hedge reserve until the forecasted transactions occur. The cumulative gain and loss previously recognised in the cash flows hedging reserve is transferred to the statement of profit and loss upon the occurrence of related forecasted transactions.

C. Derecognition of Financial Instruments

The Group derecognises a financial asset when the contractual right to receive the cash flows from the financial asset expire or it transfers the financial asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

(iv) Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management. The cost of property, plant and equipment acquired in a business combination is recorded at fair value on the date of acquisition.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Category	Useful Life
Building	25 - 30 years
Computers	2-4 years
Plant and equipment	2 - 5 years
Furniture and fixtures	5 years
Office equipment	5 years
Vehicles	4 - 5 years
Leasehold improvement	5 -15 years or the primary period of lease whichever is less
Leasehold land	Lease Term ranging from 95-99 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date. Depreciation on addtion/ disposals is calculated pro-rata from the date of such addition/disposal.

(v) Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and impairment if any. Intangible assets are amortised pro-rata over their respective estimated useful life on a straight line basis. Estimated useful life reflects the manner in which the economic benefit is expected to be generated from that individual asset.

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data unless otherwise stated)

The estimated useful life of amortisable intangibles are reviewed and where appropriate are adjusted, annually. The estimated useful lives of the amortisable intangible assets for the current and comparative periods are as follows:

Category	Useful Life
Computer Software	1 - 5 years
Customer Contracts	1 Year
Customer Relationships	10-15 Years

vi) Business Combination

Business combinations are accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

(vii) Leases

Leases where significant portion of risk and reward of ownership are retained by the lessor, are classified as operating leases and lease payments are recognised as an expense on a straight line basis in Statement of Profit and Loss over the lease term. Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are recognised in finance cost in the statement of profit and loss. (Also refer note (xix) below).

(viii) Impairment of Assets

a. Non Financial Instrument

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

b. Financial Instrument

The Group recognise loss allowances using the expected credit loss (ECL) model for financial assets or group of financial assets. Loss allowances for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data unless otherwise stated)

(ix) Employee Benefits

A. Long Term Employee Benefits

a) Defined Contribution Plan

The Group has defined contribution plans for post employment benefits in the form of provident fund, employees' state insurance, labour welfare fund and superannuation fund in India which are administered through Government of India and/or Life Insurance Corporation of India (LIC). The Group also makes contributions towards defined contribution plans in respect of its subsidiaries and branches in foreign jurisdictions, as applicable. Under the defined contribution plans, the Group has no further obligation beyond making the contributions. Such contributions are charged to the Statement of Profit and Loss as incurred.

(b) Defined Benefit Plan

The Group has defined benefit plans for post employment benefits in the form of gratuity for its employees in India. The gratuity scheme of the Group is administered through Life Insurance Corporation of India (LIC). Liability for defined benefit plans is provided on the basis of actuarial valuations, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method.

Actuarial gains or losses are recognised in other comprehensive income. Net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising of actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

c) Other Long-Term Employee Benefits

The employees of the Group are also entitled for other long-term benefit in the form of compensated absences as per the policy of the Group. Employees are entitled to accumulate leave balance up to the upper limit as per the Group's policies which can be carried forward perpetually. Leave encashment for employees gets triggered on an annual basis, if the accumulated leave balance exceeds the upper limit of leave. Further, at the time of retirement, death while in employment or on termination of employment leave encashment vests equivalent to salary payable for number of days of accumulated leave balance. Liability for such benefits is provided on the basis of actuarial valuations, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method.

B) Short-Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognised in the year during which the employee rendered the services. These benefits comprise compensated absences such as paid annual leave and performance incentives.

a) Termination Benefits

Termination Benefits, in the nature of voluntary retirement benefits or those arising from restructuring, are recognised in the Statement of Profit and Loss when the Group has a present obligation as a result of past event, when a reliable estimate can be made of the amount of the obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

(x) Share Based Payment

The Group determines the compensation cost based on the fair value method in accordance with Ind AS 102 share based payment. The Group grants options to its employees which will be vested in a graded manner and are to be exercised within a specified period. The compensation cost is amortised on graded basis over the vesting period. The share based compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest.

(xi) Provisions & Contingent Liabilities

Provisions are recognised when the Group has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset, only when such reimbursement is virtually certain.

(xii) Revenue Recognition

Effective 1 April, 2018, Group adopted new accounting standard "IND AS 115" related to the recognition of revenues under the modified retrospective method, however, comparative period amounts are not adjusted and continued to be reported in accordance with previous year's accounting policies, except where indicated otherwise. This method was applied to contracts that were not completed as the date of initial application. Due to the nature of the contracts and identification of unit of accounting i.e. performance obligation being consistent with prior year's revenue recognition policy, the adoption impact related to the new standard was not material. The impact on adoption of new standard relates to (1) terminologies used in IND AS 115 in accounting policy to be aligned with new standard (2) the reclassification of balances representing receivables, as defined by the new standard, from "Unbilled revenue" to "Trade receivable, net" in consolidated statement of financial position, (3) the reclassification of balances representing contract assets, as defined by the new standard, from "Unbilled accounts receivable" to "Other current assets" in consolidated statement of financial position.

Practical expedients applied-

Considering the nature of contracts, Group has applied the following practical expedients-

1. Group assesses the timing of the transfer of services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, Group do not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less.
2. Group has applied exemption from disclosure of the transaction price allocated to remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less and contracts for which Group recognise revenues based on the right to invoice for services performed typically time and material contracts.

The Group derives revenue primarily from Information Technology services which includes IT Outsourcing services, support and maintenance services. The Group recognises revenue on transfer of control of deliverables (solutions and services) to its customers in an amount reflecting the consideration to which the Group expects to be entitled. To recognise revenues, Group apply the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data unless otherwise stated)

the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognise revenues when a performance obligation is satisfied. Group accounts for a contract when it has approval and commitment from all parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

Fixed Price contracts related to Application development, consulting and other services are single performance obligation or a stand-ready performance obligation, which in either case is comprised of a series of distinct services that are substantially the same and have the same pattern of transfer to the customer (i.e. distinct days or months of service). Revenue is recognised in accordance with the method prescribed for measuring progress i.e. percentage of completion method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. Revenues relating to time and material contracts are recognised as the related services are rendered.

Multiple Element Arrangements-

In contracts with multiple performance obligations, Group accounts for individual performance obligations separately if they are distinct and allocate the transaction price to each performance obligation based on its relative standalone selling price out of total consideration of the contract. Standalone selling price is determined utilising observable prices to the extent available. If the standalone selling price for a performance obligation is not directly observable, Group uses expected cost plus margin approach.

IT Support and Maintenance-

Contracts related to maintenance and support services are either fixed price or time and material. In these contracts, the performance obligations are satisfied, and revenues are recognised, over time as the services are provided. Revenue from maintenance contracts is recognised ratably over the period of the contract because the Group transfers the control evenly by providing stand-ready services.

The term of the maintenance contract is usually one year. Renewals of maintenance contracts create new performance obligations that are satisfied over the term with the revenues recognised ratably over the term.

Contracts may include incentives, service level penalties and rewards. The Group includes an estimate of the amount it expects to receive for the total transaction price if it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. Any modification or change in existing performance obligations is assessed whether the services added to existing contracts are distinct or not. The distinct services are accounted for as a new contract and services which are not distinct are accounted for on a cumulative catch up basis.

Trade Receivable, net is primarily comprised of billed and unbilled receivables (i.e. only the passage of time is required before payment is due) for which we have an unconditional right to consideration, net of an allowance for doubtful accounts. A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets are presented in "Other current assets" in the financial statements and primarily relate to unbilled amounts on fixed-price contracts utilising the cost to cost method (POCM) of revenue recognition. Trade receivables include ₹ 3,888 as at 31 march 2018, regrouped from unbilled revenue on adoption of new revenue standard, for aiding comparison. Contract liabilities consist of advance payments and billings in excess of revenues recognised.

The difference between opening and closing balance of the contract assets

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data unless otherwise stated)

and liabilities results from the timing differences between the performances obligation and customer payment. Cost to fulfill the contracts- Recurring operating costs for contracts with customers are recognised as incurred. Revenue recognition excludes any government taxes but includes reimbursement of out of pocket expenses.

Provision of onerous contract are recognised when the expected benefits to be derived by the group from a contract are lower than the unavoidable cost of meeting the future obligations under the contract. The provision is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

(xiii) Income Tax

Tax expense for the year comprises of current tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the taxation authorities on the taxable profits after considering tax allowances and exemptions and using applicable tax rates and laws. Deferred tax is recognised on timing differences between the accounting base and the taxable income for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the Balance Sheet date.

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset is recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred income tax liabilities are recognised for all taxable temporary differences.

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

Current tax and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the asset and liability on a net basis.

(xiv) Other Income

Other income comprises of interest on deposits, rentals, research and development credits, dividend income and gains / (losses) on disposal of investments except investments fair value through OCI. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

(xv) Finance Income and Expenses

Finance costs comprises interest cost on borrowings, gain or losses arising on re-measurement of financial assets at FVTPL, gains/ (losses) on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the statement of profit and loss using the effective interest method.

(xvi) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity Shareholders of the Group by the weighted average number of equity shares outstanding during the period.

Significant accounting policies and notes to accounts

For the year ended 31 March, 2019

(₹ in lakhs, except share and per share data unless otherwise stated)

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity Shareholders of the Group and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

(xvii) Cash and Cash Equivalent

Cash and cash equivalents include cash in hand, demand deposits with banks and other short term highly liquid investments with original maturities of three months or less.

(xviii) Investment Property

Property that is held either for long term rental yield or for capital appreciation or both, but not for sale in ordinary course of the business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment, if any. Depreciation is provided in a manner similar to PPE. Any gain or loss on disposal of an investment property is recognised in profit and loss.

(xix) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Group has not applied as they are effective from 1 April, 2019:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

In accordance with the standard, the Group can elect not to apply the requirements of IND AS 116 to short-term leases and leases for which the underlying asset is of low value.

The Group is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

Notes to the consolidated financial statements

For the year ended 31 March, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

3(a) Property Plant and Equipment

Particulars	Gross Block (at cost)					Depreciation and amortisation					Net Block	
	As at 1 April, 2018	Additions	Foreign Exchange Translation Adjustments	Deletions	As at 31 March, 2019	As at 1 April, 2018	For the year	Foreign Exchange Translation Adjustments	Deletions	As at 31 March, 2019	As at 31 March, 2019	As at 31 March, 2018
a. Own assets:												
Buildings*	4,737	0	(0)	-	4,737	1,952	166	(2)	-	2,116	2,621	2,785
Computers	3,009	228	(41)	(248)	2,948	2,615	326	(20)	(247)	2,674	274	394
Plant and equipment	2,501	100	(3)	(232)	2,366	2,194	109	1	(225)	2,079	287	307
Furniture and fixtures	4,858	266	(2)	(241)	4,881	4,411	200	(2)	(241)	4,368	513	447
Vehicles	247	153	-	(17)	383	98	67	-	(17)	148	235	149
Office equipment	1,779	260	0	(98)	1,941	1,391	135	(3)	(96)	1,427	514	388
Total (A)	17,131	1,007	(46)	(836)	17,256	12,661	1,003	(26)	(826)	12,812	4,444	4,470
b. Leased assets:												
Leasehold land	386	0	(0)	-	386	308	3	(0)	-	311	75	78
Leasehold improvements	374	6	2	(12)	370	353	5	0	(12)	347	23	21
Vehicles	126	-	-	(11)	115	106	7	-	(11)	102	13	20
Total (B)	886	6	2	(23)	871	767	16	1	(23)	760	111	119
Total (A + B)	18,017	1,013	(44)	(859)	18,127	13,428	1,019	(25)	(849)	13,572	4,555	4,589

3(b) Other Intangible Assets

Particulars	Gross Block (at cost)					Amortisation					Net Block	
	As at 1 April, 2018	Additions	Foreign Exchange Translation Adjustments	Deletions	As at 31 March, 2019	As at 1 April, 2018	For the year	Foreign Exchange Translation Adjustments	Deletions	As at 31 March, 2019	As at 31 March, 2019	As at 31 March, 2018
Computer softwares	2,889	518	(8)	(41)	3,358	2,603	522	(16)	(31)	3,078	280	285
Customer Contracts	561	-	34	-	595	561	-	34	-	595	-	-
Customer Relationships	2,438	-	148	-	2,586	229	194	11	-	434	2,152	2,209
Total	5,888	518	174	(41)	6,539	3,393	716	29	(31)	4,107	2,432	2,494

For previous year ended 31 March, 2018

3(a) Property Plant and Equipment

Particulars	Gross Block (at cost)					Depreciation and amortisation					Net Block	
	As at 1 April, 2017	Additions	Foreign Exchange Translation Adjustments	Deletions	As at 31 March, 2018	As at 1 April, 2017	For the year	Foreign Exchange Translation Adjustments	Deletions	As at 31 March, 2018	As at 31 March, 2018	As at 31 March, 2017
a. Own assets :												
Buildings *	4,749	-	-	(12)	4,737	1,799	165	-	(12)	1,952	2,785	2,950
Computers	2,987	389	45	(412)	3,009	2,680	311	36	(412)	2,615	394	307
Plant and equipment	2,874	172	13	(558)	2,501	2,637	106	9	(558)	2,194	307	237
Furniture and fixtures	4,733	113	15	(3)	4,858	4,242	158	15	(4)	4,411	447	491
Vehicles	206	56	-	(15)	247	70	43	-	(15)	98	149	136
Office equipment	1,652	347	-	(220)	1,779	1,544	67	-	(220)	1,391	388	108
Total (A)	17,201	1,077	73	(1,220)	17,131	12,972	850	60	(1,220)	12,661	4,470	4,229
b. Leased assets :												
Leasehold land	386	-	-	-	386	304	4	-	-	308	78	82
Leasehold improvements	348	26	-	-	374	346	7	-	-	353	21	2
Vehicles	113	27	-	(14)	126	95	18	-	(7)	106	20	18
Total (B)	847	53	-	(14)	886	745	29	-	(7)	767	119	102
Total (A + B)	18,048	1,130	73	(1,234)	18,017	13,717	879	60	(1,227)	13,428	4,589	4,331

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3(b) Other intangible assets

Particulars	Gross Block (at cost)					Amortisation					Net Block	
	As at 1 April, 2017	Additions	Foreign Exchange Translation Adjustments	Deletions	As at 31 March, 2018	As at 1 April, 2017	For the year	Foreign Exchange Translation Adjustments	Deletions	As at 31 March, 2018	As at 31 March, 2018	As at 31 March, 2017
Computer softwares	4,198	372	10	(1,691)	**2,889**	3,871	415	9	(1,691)	**2,603**	**285**	327
Customer Contracts	558	-	3	-	**561**	151	404	6	-	**561**	**-**	407
Customer Relationships	2,425	-	13	-	**2,438**	48	178	3	-	**229**	**2,209**	2,377
Total	**7,181**	**372**	**26**	**(1,691)**	**5,888**	**4,070**	**997**	**18**	**(1,691)**	**3,393**	**2,494**	**3,111**

** Buildings includes Pune property mortgaged as security for loan availed by subsidiary.*

3(c) Goodwill

Particulars	As at	
	31 March, 2019	31 March, 2018
Carrying value at the beginning	10,803	10,536
IndigoBlue Impairment (Refer note 21)	(1,792)	-
Translation differences (including adjustments)	741	267
Carrying value at the end	9,752	10,803

Impairment

For the purpose of impairment testing, goodwill is allocated to a Cash generating unit representing the lowest level within the group at which goodwill is monitored for internal management purposes, and which is not higher than the group operating segment. Goodwill is tested for impairment at least annually or whenever there is an indication that goodwill may be impaired. For goodwill impairment testing, the carrying amount of CGU's (including allocated goodwill) is compared with its recoverable amount by the Group. The recoverable amount of a CGU is the higher of its fair value less cost to sell or its value in use both of which are calculated by group using a discounted cashflow analysis. These calculation use pre-tax cash flow projections over a period of five years, based on financial estimates and growth rate approved by management. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to other assets of the CGU pro rata on the basis of the carrying amount of such assets in CGU.

The Company's is wholly owned subsidiary - Mastek (UK) Limited entered into an agreement with its wholly owned subsidiary Indigo Blue Consulting Limited U.K. ("IBCL") to merge (transfer of business, assets and liabilities) IBCL in to Mastek (UK) Limited with effect from 30 June, 2018. Subsequent to merger, both the founders of IBCL left the company, which resulted in significant deterioration in IBCL business during the fourth quarter of financial year 2019. Considering the significant drop in order book and customers , management has recognised an impairment loss on IBCL goodwill to the extent of the entire carrying value i.e. ₹ 1,792. The recognised impairment loss is shown as an exceptional item in the statement of profit & loss. Refer Note 21

Translation differences include ₹ 263 (31 March, 2018 ₹ Nil) being elimination of certain balances relating to the US operations reclassified and adjusted during the year.

During the year ended 31 March, 2017, Mastek Inc (formerly known as Digility Inc.), a wholly owned step-down subsidiary of the Company acquired 100% equity shares of Trans American Information Systems Inc. ("TA USA") and 100% membership interest of Taistech LLC ("TA LLC") on 22 December, 2016 for a total consideration of ₹ 14,115, including a contingent consideration payable over a period of three years linked to certain financial targets. The fair value of the contingent consideration liability as at 31 March, 2019 amounts to ₹ 1,685 (31 March, 2018 - ₹ 5,698). The balance of goodwill on business combination recongised after allocating purchase price to other net assets is included in the balance disclosed above.

During the year ended 31 March, 2017, Mastek Limited acquired 100% equity shares of Trans American Information Systems Private Limited, India on 22 December, 2016 for a total fixed consideration of ₹ 1,187. The balance of goodwill on business combination recongised after allocating purchase price to other net assets is included in the balance disclosed above.

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For the year ended 31 March, 2019
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Non-current Assets

3. Investment property

d. Investments

Particulars	As at	
	31 March, 2019	31 March, 2018
(A) Investment property (at cost less accumulated depreciation)*		
Gross block		
Opening	**2**	2
Closing	**2**	2
Less : Accumulated depreciation		
Opening	**2**	2
Depreciation for the year	**-**	-
Closing	**2**	2
Net Block	**-**	-
Aggregate amount of investment property		

** Fair Value of the investment property as at 31 March,2019 is ₹ 4,944 lakhs*

4. Financial Assets

a. Investments

Particulars	As at	
	31 March, 2019	31 March, 2018
(A) Investment in equity instrument at FVOCI (quoted)		
Investment in Majesco USA	**24,596**	16,637
Equity Shares (31 March, 2019 - 5,044,875, 31 March, 2018 - 5,044,875) of US $ 0.002 each, fully paid up		
	24,596	16,637
(B) Investment in share warrant at FVTPL (unquoted)		
Investment in Cashless Technologies India Private Limited	**-**	-
Share warrants (31 March, 2019- 8,000,000, 31 March, 2018 - 8,000,000)	**-**	-
(C) Investment in mutual funds at FVOCI (unquoted) :		
Kotak Corporate Bond Fund Standard Growth (Regular Plan)	**430**	-
(17,391 units, Previous year - Nil units)		
ICICI Prudential Corporate Bond Fund - Growth	**1,201**	-
(62,91,134 units, Previous year - Nil units)		
HDFC Short Term Debt Fund - Regular Plan - Growth	**1,229**	-
(59,49,282 units, Previous year - Nil units)		
HDFC Ultra Short Term Fund - Regular Growth	**14**	-
(1,33,410 units, Previous year - Nil units)		
	2,874	-
(D) Investment in term deposits at cost (unquoted):		
Term deposit with PNB Housing Finance Corporation Limited	**500**	-
Term deposit with Ujjivani Small Finance Bank Limited	**250**	-
	750	-
Total (A + B + C + D)	**28,220**	16,637
Aggregate market (book) value of quoted investments	**24,596**	16,637

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(All amounts in ₹ lakhs, unless otherwise stated)

b. Loans

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unsecured, considered good		
Secured deposits	**181**	201
	181	201

c. Other Financial Assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
Foreign exchange forward contract	**147**	-
	147	-

5. Other Non-current Assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
Capital advances	**5**	47
Prepaid expenses	**2**	-
Other advances	**57**	39
	64	86

Current Assets

6. Financial Assets

a. Investments

Particulars	31 March, 2019 Units	31 March, 2019 Amount	31 March, 2018 Units	31 March, 2018 Amount
i) Investment in mutual funds				
Investment in mutual funds at FVTPL (unquoted):				
Baroda Pioneer Liquid Fund - Plan A - Growth	**3,749**	**80**	-	-
Birla Sun Life Cash Plus Fund - Growth	**-**	**-**	150,457	419
Axis Liquid Fund - Growth	**5,448**	**113**	-	-
UTI Liquid Fund Cash Plan -IP	**13,345**	**407**	-	-
UTI-Fixed Income Interval Fund Quarterly Interval Plan II	**-**	**-**	954,827	202
HDFC FMP 92D FEBRUARY 2018(1) (7.40%)	**-**	**-**	500,000	50
Aditya Birla Sun Life Money Manager Fund-Regular	**295,823**	**740**	-	-
ICICI Prudential Money Market Fund - Regular Growth	**304,172**	**875**	-	-
Kotak Liquid Scheme	**9,658**	**364**	-	-
IDFC Yearly Series Interval Fund - Regular -Series II - Growth (9%)	**-**	**-**	1,002,363	151
UTI Money Market Fund IP -Growth	**26,392**	**554**	-	-
IDFC Cash Fund -Growth- Regular Plan	**12,247**	**277**	-	-
SBI Debt Fund Series - C - 15 (91 Days) - Regular Growth	**1,000,000**	**103**	-	-
Reliance Quarterly Interval Fund Series II	**-**	**-**	846,468	202
Total (A)		**3,513**		1,024

Notes to the consolidated financial statements

For the year ended 31 March, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	31 March, 2019 Units	31 March, 2019 Amount	31 March, 2018 Units	31 March, 2018 Amount
Investment in mutual funds at FVOCI (unquoted):				
UTI Short Term Income Fund	**1,343,569**	**302**	2,677,937	566
Kotak Corporate Bond Fund Standard Growth (Regular Plan)	**41,894**	**1,035**	41,894	956
HDFC Cash Mgmt Fund - Treasury Advantage Ret Growth	**-**	**-**	2,396,953	877
IDFC Corporate Bond Fund Regular Plan Growth	**1,499,617**	**191**	7,900,114	939
IDFC Credit Opportunities Fund Regular Plan Growth	**-**	**-**	4,856,963	521
Kotak Low Duration Fund -Growth	**45,658**	**1,043**	45,658	969
Kotak Treasury Advantage Fund - Reg - Growth	**-**	**-**	2,017,768	561
Birla Sun Life Floating Rate Fund - Long Term Plan - Regular - Growth	**122,776**	**282**	122,776	261
ICICI Prudential-Flexible Income Plan - Regular - Growth	**-**	**-**	573,138	1,910
Reliance Corporate Bond Fund –Growth Plan	**-**	**-**	725,674	102
ICICI Prudential Saving fund	**459,480**	**1,648**	-	-
Kotak Savings Fund-Growth	**2,017,768**	**604**	-	-
UTI Treasury Advantage Fund Institutional Plan - Growth	**31,134**	**803**	103,699	2,484
Total (B)		**5,908**		10,146
Total (A+B)		**9,421**		11,170
ii) Investment in term deposit at cost (unquoted):				
Term deposit with Housing Development Finance Corporation Limited		**1,975**		600
Total		**1,975**		600
Aggregate market value of unquoted investments in mutual funds		**9,421**		11,170
Aggregate amount of unquoted investments in term deposits		**1,975**		600
Grand Total		**11,396**		11,770

b. Trade Receivables

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unsecured		
Considered Good *	**20,849**	17,402
Considered Doubtful	**355**	511
Less: Allowance for doubtful debts	**(355)**	(511)
	20,849	17,402

** [Refer note 2(e)(xii)]*

Notes to the consolidated financial statements

For the year ended 31 March, 2019
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c. Cash and Cash Equivalents

Particulars	As at 31 March, 2019	As at 31 March, 2018
Cash and cash equivalents		
Cash on hand	**1**	1
Bank balances		
In current accounts	**2,508**	3,482
Fixed deposits	**6,786**	5,290
	9,295	8,773
Other bank balances		
Unclaimed dividend account*	**44**	29
	44	29
	9,339	8,802

** Other bank balance represents earmarked balance in respect of unclaimed dividend.*

d. Loans

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unsecured, Considered good		
Secured deposits	**46**	44
	46	44

e. Other Financial Assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
Advances to employees	**142**	161
Interest accrued on fixed deposits	**94**	46
Margin money deposit	**1**	1
Reimbursable expenses receivable	**30**	79
Foreign exchange forward contract	**202**	-
Research and Development credit receivable	**1,394**	1,113
	1,863	1,400

7. Other Current Assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unbilled revenue [Refer note 2(e)(xii)]	**3,590**	2,382
Prepaid expenses	**429**	404
Input tax credit receivable	**564**	439
Advances to suppliers	**236**	176
Prepaid rent	**19**	18
Interest on income tax refunds	**109**	-
	4,947	3,419

Notes to the consolidated financial statements

For the year ended 31 March, 2019
(All amounts in ₹ lakhs, unless otherwise stated)

8 Equity Share Capital

Particulars	As at 31 March, 2019	As at 31 March, 2018
Authorised:		
40,000,000 (31 March, 2018: 40,000,000) equity shares of ₹ 5/- each	**2,000**	2,000
2,000,000 (31 March, 2018: 2,000,000) preference shares of ₹ 100/- each	**2,000**	2,000
Issued, subscribed and fully paid up :		
23,972,803 (31 March, 2018: 23,692,056) equity shares of ₹ 5/- each fully paid	**1,199**	1,185
Total	**1,199**	1,185

(a) Reconciliation of the number of equity shares outstanding at the beginning and end of the year are as given below:

Particulars	31 March, 2019		31 March, 2018	
	No. of shares	Amount	No. of shares	Amount
Equity Shares				
Balance as at the beginning of the year	**23,692,056**	**1,185**	23,377,533	1,169
Add: On account of exercise of employee stock option plans	**280,747**	**14**	314,523	16
Balance as at the end of the year	**23,972,803**	**1,199**	23,692,056	1,185

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 5/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	31 March, 2019		31 March, 2018	
	No. of shares	% of holding	No. of shares	% of holding
Ashank Desai	**3,099,552**	**12.9%**	3,099,552	13.1%
Sudhakar Ram	**1,588,680**	**6.6%**	1,588,680	6.7%
Ketan Mehta	**22,74,100**	**9.5%**	2,399,100	10.1%
Radhakrishnan Sundar	**1,340,800**	**5.6%**	1,415,800	6.0%
IDFC Mutual Fund*	**12,35,237**	**5.2%**	-	-

**Shareholding as at 31 March, 2018 was less than 5%*

(d) Shares reserved for issue under options

	As at 31 March, 2019	As at 31 March, 2018
Number of shares to be issued under the employee stock option plans	**2,204,419**	2,324,638

Notes to the consolidated financial statements

For the year ended 31 March, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

9 Other Equity

Particulars	As at 31 March, 2019	As at 31 March, 2018
a) Capital reserve	**21**	21
Any profit or loss on purchase, sale, issue or cancellation of the company own equity instrument is transferred to capital reserve		
b) Capital redemption reserve	**1,539**	1,539
Non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares.		
c) Security premium	**2,255**	1,772
Amount received (on issue of shares) in excess of the par value has been classified as securities premium		
d) Employee stock options outstanding account	**1,542**	1,029
The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to retained earnings or profit & loss account.		
e) General reserve	**362**	362
This represents appropriation of profit by the company		
f) Excess tax benefits from exercise of share-based options	**276**	1,742
Future tax benefits expected to arise from difference in tax base and accounting base as per tax laws for respective countries where group operates		
g) Retained earnings	**41,994**	33,581
Retained earnings comprises of the prior years undistributed earning after taxes increased by undistibuted profits for the year		
h) Foreign currency translation reserve	**(1,552)**	(1,047)
Exchange difference relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.		
i) Equity instrument through other comprehensive income	**22,944**	14,567
Changes in the fair value of equity instruments is recognised in equity instruments through other comprehensive income (net of taxes), and presented within equity		
j) Other item of other comprehensive income	**1,060**	177
Other item of other comprehensive income consist of FVOCI financial assets and financial liabilities and remeasurement of defined benefit assets and liability		
Total	**70,441**	53,743

9.1 Distributions made and proposed

The Board of Directors at its meeting held on 18 April, 2018 had recommended a final dividend of 80% (₹ 4 per equity share of par value ₹ 5 each). The proposal was approved by shareholders at the Annual General Meeting held on 19 June, 2018, this has resulted in a cash outflow of ₹ 951 lakhs , inclusive of dividend distribution tax. Also, the Board of Directors at its meeting held on 25 October, 2018 had declared an interim dividend of 70% (₹ 3.5 per equity share of par value of ₹ 5 each). Further, the Board of Directors at its meeting held on 16 April, 2019 have recommended a final dividend of 100% (₹ 5 per equity share of par value ₹ 5 each) which is subject to approval of shareholders. If approved, this would result in a cash outflow of approximately ₹ 1,199 lakhs, exclusive of dividend distribution tax.

Notes to the consolidated financial statements

For the year ended 31 March, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Non-current Liabilities

10. Financial Liabilities

a. Borrowings

Particulars	As at 31 March, 2019	As at 31 March, 2018
Secured		
Term loan from Axis bank UK Limited (Refer note (a) below)	**-**	4,888
Term loan from Standard Chartered bank (Refer note (b) below)	**6,790**	-
Vehicle loans from financial institution (Refer note (c) below)	**131**	73
Total	**6,921**	4,961

Nature of Security	Terms of Repayment
(a) (i) Secured by pledge of all assets of Mastek Inc. (incl. shares of Trans American Information Systems Inc. and membership Interest in Taistech LLC.) and shares of Mastek Inc.	Payment in eight equal half yearly installment over a period of five years starting after the end of 18 months from the date of disbursement of loan i.e. June 2018 along with interest at 3 months US$ LIBOR + 250 basis point. The same has been repaid during the year.
(ii) Secured by mortgage of Pune property of Mastek Limited.	
(iii) Secured by corporate guarantee of US$ 12 million given by the company.	
(b) (i) Secured by floating charges on Receivables of Mastek UK and their proceeds.	Half yearly repayment of eight equal installments with 1 year moratorium-first repayment at the end of 18 months due on 14 April, 2020 along with interest at 6 months GBP LIBOR + 150 basis point.
(ii) Secured by mortgage of Pune property of Mastek Limited.	
(iii) Secured by corporate guarantee of GBP 17 million given by the company.	
(c) Loans from financial institution are secured by hypothecation of assets (Vehicles) underlying the loans.	Equated monthly instalments beginning from the month subsequent to taking the loan along with interest at 8.75% per annum till May 2024.

b. Other Financial Liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
Security and other deposits	**3**	113
Contingent consideration payable on business acquisition	**-**	2,131
Foreign exchange forward contract	**-**	409
	3	2,653

Notes to the consolidated financial statements

For the year ended 31 March, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

11. Provision

Particulars	**As at**	
	31 March, 2019	**31 March, 2018**
Provision for employee benefits		
Provision for gratuity (Refer Note 23(A))	**333**	68
Provision for leave entitlement	**558**	570
Other Provision		
Provision for cost overrun on contracts	**275**	26
	1,166	664

Current Liabilities

12. Financial Liabilities

a. Borrowings

Particulars	**As at**	
	31 March, 2019	**31 March, 2018**
Unsecured:		
Loan from bank *	**-**	391
	-	391

** Unsecured loans are fully repaid during the current year*

b. Trade Payables

Particulars	**As at**	
	31 March, 2019	**31 March, 2018**
Trade payables	**948**	1,889
	948	1,889

c. Other Financial Liabilities

Particulars	**As at**	
	31 March, 2019	**31 March, 2018**
Current maturities vehicle loans from financial institution(Secured) (Refer Note 10(a)(c))	**39**	18
Current maturities of Term loan (Refer Note 10 (a)(a))	**-**	1,629
Interest Payable on Term Loan	**77**	-
Unclaimed dividends (Refer note (a) below)	**44**	29
Security and other deposits	**2**	3
Other payables		
Employee benefits payable	**3,078**	1,900
Accrued expenses	**5,625**	3,446
Contingent consideration payable on business acquisition	**1,685**	3,567
Foreign exchange forward contract	**-**	337
	10,550	10,929

Note:

(a) There is no amount due for payment to Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at 31 March, 2019.

Notes to the consolidated financial statements

For the year ended 31 March, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

13. Other Current Liabilities

Particulars	**As at**	
	31 March, 2019	**31 March, 2018**
Contract liabilities [Refer note 2(e)(xii)]	**156**	803
Deferred rent	**-**	19
Statutory dues (including stamp duty, provident fund and tax deducted at source)	**3,318**	3,344
Others	**91**	193
	3,565	4,359

14. Provisions

Particulars	**As at**	
	31 March, 2019	**31 March, 2018**
Provision for employee benefits		
Provision for leave entitlement	**575**	474
	575	474

15. Revenue from Operations

Particulars	**As at**	
	31 March, 2019	**31 March, 2018**
Information technology services	**103,098**	81,564
Other operating revenue	**223**	157
	103,321	81,721

Disaggregated Revenue

The table below presents disaggregated revenues from contracts with customers by customer location and service line for each of our business segments. Company believe this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Revenue by Geography

Particulars	**For the year ended**	
	31 March, 2019	**31 March, 2018**
UK	**76,361**	56,315
North America	**25,275**	23,715
Others	**1,685**	1,691
	103,321	81,721

Revenue by Service Line

Particulars	**For the year ended**	
	31 March, 2019	**31 March, 2018**
Application Development	**48,917**	38,891
Digital Commerce	**23,914**	21,211
Application Support & Maintenance	**14,394**	8,008
BI & Analytics	**8,899**	6,484
Agile Consulting	**3,109**	4,771
Assurance & Testing	**4,088**	2,356
	103,321	81,721

Notes to the consolidated financial statements

For the year ended 31 March, 2019
(All amounts in ₹ lakhs, unless otherwise stated)

Remaining Performance Obligation

As of 31 March, 2019, the aggregate amount of transaction price allocated to remaining performance obligations, was ₹ 7,220 of which approximately 96.8% is expected to be recognised as revenues within 3 to 4 years.

16. Other Income

Particulars	For the year ended	
	31 March, 2019	31 March, 2018
Interest income - On fixed deposits	115	44
- On Income tax refunds	110	72
- On others	41	36
Profit on sale of current investments	726	340
Rental income	202	253
Profit on sale of tangible assets, net	46	-
Net gain on foreign currency transactions and translation	23	244
Research & Development Credit	1,119	1,031
Others	96	79
	2,478	2,099

17. Employee Benefits Expenses

Particulars	For the year ended	
	31 March, 2019	31 March, 2018
Salaries, wages and performance incentives	53,033	43,670
Gratuity (Refer Note 23(A))	262	281
Contribution to provident and other funds	3,118	2,551
Employee stock compensation expenses	773	395
Staff welfare expense	1,531	1,197
	58,717	48,094

18. Finance Costs

Particulars	For the year ended	
	31 March, 2019	31 March, 2018
Interest on term loan	247	252
Interest on finance lease	13	5
Bank charges	116	16
Other finance charges*	237	313
	613	586

**This includes interest on fair value of contingent consideration for the year ended 31 March, 2019 and 31 March, 2018*

19. Depreciation and Amortisation Expenses

Particulars	For the year ended	
	31 March, 2019	31 March, 2018
Depreciation and amortisation on tangible assets	1,019	879
Amortisation on intangible assets	716	997
	1,735	1,876

Notes to the consolidated financial statements

For the year ended 31 March, 2019
(All amounts in ₹ lakhs, unless otherwise stated)

20. Other Expenses

Particulars	For the year ended	
	31 March, 2019	31 March, 2018
Recruitment and training expenses	587	393
Travelling and conveyance	3,207	3,086
Communication charges	365	283
Electricity	280	334
Consultancy and sub-contracting charges	20,606	13,935
Rates and taxes	299	324
Repairs to buildings	479	350
Repairs : others	574	623
Insurance	249	236
Printing and stationery	83	61
Professional fees	2,100	1,625
Rent	903	876
Advertisement and publicity	323	468
Receivables, loans and advances doubtful of recovery / written off (net of recoveries)	110	104
Hire Charges	102	78
Provision for cost overrun on contracts, net	248	-
Loss on sale of fixed assets, net	-	1
Miscellaneous expenses	935	884
	31,450	23,661

21. Exceptional Items - gain / (loss), net

Particulars	For the year ended	
	31 March, 2019	31 March, 2018
a. Provision for restructuring cost	842	-
b. Impairment loss on goodwill	1,792	-
c. Fair value of contingent consideration write back	(2,689)	-
	55	-

a. Provision for restructuring cost

Based on the performance of a portion of its US operations, the Group, during the year ended 31 March, 2019, decided to carry out a restructuring plan of its activities and related management. The Board has approved the formal restructuring plan vide their meeting dated 7 February, 2019. The amounts recognised relate mainly to the compensation paid / expected to be paid and other attributable costs and provisions.

b. Impairment of loss on goodwill

The Company had recognised Goodwill on the acquistion of IndigoBlue Consulting Limited (IBCL) during the year ended 31 March, 2016. During the current year, the Company has provided for impairment loss against the entire goodwill on account of loss of revenue and earnings trigerred by the exit of the founders and customers of IBCL. [Refer note 3(c)].

Notes to the consolidated financial statements

For the year ended 31 March, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

c. Fair value of contingent consideration written back

During the year ended 31 March, 2017, the Company had acquired Trans American Information Systems Inc (TA USA) and Taistech LLC (TA LLC) for which contingent consideration payable as at 31 March, 2018 aggregated ₹ 5,698. On account of these operations achieving lower than the expected targets of revenue and earnings, the amount no longer payable has been written back during the year.[Refer note 3(c)].

22. Earnings Per Share (EPS)

Particulars	For the year ended	
	31 March, 2019	31 March, 2018
The components of basic and diluted earnings per share for total operations are as follows:		
(a) Net income attributable to equity shareholders	10,147	6,996
(b) Weighted average number of outstanding equity shares		
Considered for basic EPS	23,811,435	23,521,823
Add : Effect of dilutive potential equity shares arising from outstanding stock options	1,354,799	1,335,225
Considered for diluted EPS	25,166,234	24,857,048
(c) Earnings per share (net of taxes) in ₹		
Basic	42.61	29.74
Diluted	40.32	28.14
(Face value per share ₹ 5/- each)		

23. Employee Benefit Plans

[A] Amount recognised in the statement of profit and loss in respect of gratuity cost (defined benefit plan) is as follows:

Particulars	For the year ended	
	31 March, 2019	31 March, 2018
Gratuity cost		
Service cost	265	265
Net interest on net defined liability/(asset)	(3)	4
Past service cost	-	12
Net gratuity cost	262	281
Actuarial (loss) / gain recognised in Other Comprehensive Income	(10)	375
Interest rate	7.3%-7.9%	7.75%-8%
Salary increase	10.0%	10.0%

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Mortality rate is considered as per the published rates under the Indian Assured Lives Mortality (2012-14) Ult table. Attrition rate varies between 10% to 21%.

Notes to the consolidated financial statements

For the year ended 31 March, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

The following table sets out the status of gratuity plan.

Particulars	As at	
	31 March, 2019	31 March, 2018
Obligation at the beginning of the year	1,905	2,017
Service cost	265	265
Past service cost	-	12
Interest cost	138	149
Actuarial loss/(gain)- financial assumption	58	(35)
Actuarial (gain)- experience	(63)	(130)
Actuarial loss/(gain)- Demographic assumptions	0	(223)
Benefits paid	(156)	(150)
Obligation at the end of the year	2,147	1,905
Change in plan assets (maintained by LIC)		
Plan assets at the beginning of the year, at fair value	1,837	1,855
Employer contribution	7	-
Interest income on plan assets	141	145
Remeasurement on plan assets less interest on plan assets	(15)	(13)
Benefits paid	(156)	(150)
Plan assets at the end of the year, at fair value	1,814	1,837

Historical information

Particulars	As at				
	31 March, 2019	31 March, 2018	31 March, 2017	31 March, 2016	31 March, 2015
Present value of defined benefit obligation	2,147	1,905	2,017	1,765	3,662
Fair value of plan assets	1,814	1,837	1,855	1,794	3,784
(Liability)/asset recognised	333	68	162	(29)	(122)

The experience adjustments, meaning difference between changes in plan assets and obligations expected on the basis of actuarial assumption and actual changes in those assets and obligations are as follows:

Particulars	As at	
	31 March, 2019	31 March, 2018
Experience adjustment on plan liabilities - gain	5	388
Experience adjustment on plan assets - (loss)	(15)	(13)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	As at			
	31 March, 2019		31 March, 2018	
	Increase	Decrease	Increase	Decrease
Discount Rate (50 bps)	(67)	71	(58)	62
Salary Growth (50 bps)	67	(64)	59	(56)

The above sensitivity analysis are based on changes in assumptions while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may be correlated.

Notes to the consolidated financial statements

For the year ended 31 March, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Maturity profile of defined benefit obligation:

Particulars	As at	
	31 March, 2019	31 March, 2018
1 year	**408**	266
2 year	**262**	363
3 year	**236**	229
4 year	**224**	204
5 year	**234**	188
6 year	**191**	208
7 year	**188**	158
8 year	**185**	158
9 year	**184**	155
10 years and beyond	**1,825**	1,652

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. Expected conribution to the Fund in FY 2019–20 is 200 lakhs.

[B] Leave Entitlement

The leave obligations cover the Company's liability and earned leave which is unfunded at present and the amount of the provision of ₹ 1,133 lakhs (31 March, 2018 – ₹ 1,044 lakhs) is recognised based on an actuarial valuation, as at year end.

[C] Defined Contribution Plan

Refer notes 2 (e) (ix) A(a) and 17

24. Income Taxes

a) Income tax expense / (credit) in the statement of profit and loss consists of:

Particulars	For the year ended	
	31 March, 2019	31 March, 2018
Current tax	**3,419**	2,426
Income tax relating to earlier years	**(98)**	299
Deferred tax	**(129)**	(118)
Income tax expense recognised in the statement of profit and loss	**3,192**	2,607
Income tax (expense) / credit recognised in other comprehensive income	**(345)**	704

b) The reconciliation between the provision of income tax of the Group and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	For the year ended	
	31 March, 2019	31 March, 2018
Profit before tax	**13,339**	9,603
Enacted income tax rate in India	**29.1%**	34.6%
Computed expected tax expense	**3,884**	3,323
Effect of:		
Additional Provision for earlier years on account of disallowance before Income tax authorities	**(98)**	299
Impact on Deferred Tax due to change in income tax rate (India)	**0**	238
Expenses that are not deductible in determining taxable profit	**382**	22
Differential tax rates changes of subsidiaries operation in other jurisdictions	**(1,051)**	(1,304)
Others	**75**	29
Total income tax expense recognised in the statement of profit and loss	**3,192**	2,607

Notes to the consolidated financial statements

For the year ended 31 March, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

c) Deferred Tax Assets/ (Liabilities) in relation to:

Particulars	As at	
	31 March, 2019	31 March, 2018
Property, plant and equipment and intangible assets	**275**	711
Provision for doubtful debts	**75**	78
Others liabilities	**295**	161
Net gain on fair value of mutual funds	**(228)**	(180)
MAT Credit entitlement	**2,130**	2,291
Undistributed Profits of Subsidiaries	**(1,375)**	(1,685)
Cash flow hedges	**(101)**	217
Excess tax benefits from exercise of share-based options	**289**	1,742
Others	**234**	104
Total	**1,594**	3,439

25. Related Party disclosures, as per Ind AS 24

Relationships have been disclosed where transactions have taken place and relationships involving controls:

Key Management Personnel (KMP):	Sudhakar Ram , Vice Chairman and Managing Director
	John Owen, Group Chief Executive Officer
	Abhishek Singh, Group Chief Financial Officer
	Atul Kanagat, Non Executive Director
	Ashank Desai, Non Executive Director
	Keith Selwyn Bogg, Non Executive Director
	Priti Rao, Non Executive Director
	Srinivasan Sandilya, Non Executive Director
	Dinesh Kalani, Company Secretary
Enterprise where KMP has control:	Cashless Technologies India Private Limited
	Mastek Limited Employees Group Gratuity Assurance Scheme CA

i) Transaction with Key managerial person

Particulars	For the year ended	
	31 March, 2019	31 March, 2018
Short term employee benefit	**894**	694
Share based payment transactions	**159**	7
Director sitting fees	**80**	79
Director commission	**26**	26
Professional fees	**2**	-
Compensation paid to key management personnel	**1,162**	806

ii) Transaction with Enterprise : Cashless Technologies India Private Limited

Nature of Transaction	For the year ended	
	31 March, 2019	31 March, 2018
Income from Technology Services	**-**	25

iii) Gratuity

Nature of Transaction	For the year ended	
	31 March, 2019	31 March, 2018
Contribution made	**7**	-

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26. Segment Reporting

The CEO of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by geographical information. Accordingly, segment information has been presented for geographies where Group operates.

The organisational and reporting structure of the Group is based on geographical concept. Geographies are the operating segments for which separate financial information is available and for which operating results are evaluated regularly by CODM in deciding how to allocate resources and in assessing performance. The Group's primary reportable segments consist of three different geographies which are based on the risks and returns in different geographies and the location of the customers: North America Operations, UK Operations, and Others.

Income and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while the remainder of costs are apportioned on an appropriate basis. Certain income and expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The management therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as "unallocated" and directly charged against total income.

Property, Plant and Equipment used in the Group's business or liabilities contracted have not been identified to any of the reportable segments, as the Property, Plant and Equipment and the support services are used interchangeably between segments. Accordingly, disclosures relating to total segment assets and liabilities are not practicable.

Segment Revenue

Particulars	For the year ended	
	31 March, 2019	**31 March, 2018**
UK	**76,361**	56,315
North America	**25,275**	23,715
Others	**1,685**	1,691
Total	**103,321**	81,721

Segment Result

Particulars	For the year ended	
	31 March, 2019	**31 March, 2018**
UK	**12,690**	8,112
North America	**709**	1,550
Others	**(447)**	(503)
Total	**12,952**	9,159
Finance costs	**613**	586
Other unallocable expenditure net of unallocable income	**(945)**	(1,030)
Profit before exceptional item and tax	**13,284**	9,603
Exceptional items	**55**	-
Profit before tax	**13,339**	9,603

Revenues and expenses directly attributable to segments are reported under each reportable segment. All other costs i.e. corporate costs and support function costs, which are not directly attributable or allocable to segments have been disclosed as common unallocable expenditure, net. Similarly revenues and income not allocable to segments are disclosed as net of unallocable expenditure. The accounting policies consistently used in the preparation of the consolidated financial statements are also applied to item of revenue and expenditure in individual segments.

Notes to the consolidated financial statements

For the year ended 31 March, 2019
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27. Financial Instrument

The carrying value and fair value of financial instruments by categories as at 31 March, 2019 and 31 March, 2018 as follows:

Particulars	Carrying Value		Fair Value	
	31 March, 2019	**31 March, 2018**	**31 March, 2019**	**31 March, 2018**
Financial assets				
Amortised cost				
Loans	**227**	245	**227**	245
Trade receivables	**20,849**	17,402	**20,849**	17,402
Cash and cash equivalents	**9,295**	8,773	**9,295**	8,773
Other bank balances	**44**	29	**44**	29
Other assets	**1,661**	1,400	**1,661**	1,400
Investment in term deposits	**2,725**	600	**2,725**	600
FVOCI				
Investment in mutual funds	**8,782**	10,146	**8,782**	10,146
Derivative assets	**349**	-	**349**	-
Investment in equity shares	**24,596**	16,637	**24,596**	16,637
FVTPL			**-**	-
Investment in liquid fund	**3,513**	1,024	**3,513**	1,024
Total Assets	**72,041**	56,256	**72,041**	56,256
Financial Liabilities				
Amortised Cost				
Loans and borrowings	**6,960**	6,999	**6,960**	6,999
Trade payables	**948**	1,889	**948**	1,889
Other liabilities	**8,752**	5,491	**8,752**	5,491
FVOCI				
Derivative liabilities	**-**	746	**-**	746
FVTPL			**-**	
Contingent consideration	**1,685**	5,698	**1,685**	5,698
Total Liabilities	**18,345**	20,823	**18,345**	20,823

28. Fair Value hierarchy

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at 31 March, 2019 and 31 March, 2018

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at 31 March, 2019:

Notes to the consolidated financial statements

For the year ended 31 March, 2019
(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Date of valuation	Total	Fair value measuring using		
			Level 1	Level 2	Level 3
Financial assets measuring at fair value					
Derivative assets					
Foreign exchange forward contract	31 March, 2019	349	-	349	-
FVTOCI financial assets designated at fair value					
Investment in equity instrument	31 March, 2019	24,596	24,596	-	-
Investment in mutual fund	31 March, 2019	8,782	8,782	-	-
FVTPL financial assets designated at fair value					
Investment in liquid mutual fund	31 March, 2019	3,513	3,513	-	-
Financial liabilities designated at FVTPL					
Contingent consideration	31 March, 2019	1,685	-	-	1,685

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at 31 March, 2018:

Particulars	Date of valuation	Total	Fair value measuring using		
			Level 1	Level 2	Level 3
Financial liabilities measuring at fair value					
Derivative liabilities					
Foreign exchange forward contract	31 March, 2018	746	-	746	-
FVTOCI financial assets designated at fair value					
Investment in equity instrument	31 March, 2018	16,637	16,637	-	-
Investment in mutual fund	31 March, 2018	10,146	10,146	-	-
FVTPL financial assets designated at fair value					
Investment in liquid mutual fund	31 March, 2018	1,024	1,024	-	-
Financial liabilities designated at FVTPL					
Contingent consideration	31 March, 2018	5,698	-	-	5,698

Derivative Financial Instrument

The Group risk managment policy is to hedge substantial amount of forecast transactions under GBP. Hedge is broadly classified as cash flow hedges. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

Risk management is predominately managed by the Finance department of the Company under policies developed by Mastek UK Limited, a wholly owned subsidiary ("MUK"). The Finance department identifies, evaluates and hedges financial risks under the guidance and instructions of MUK which predominantly provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk and use of derivative financial instruments.

The Group, in accordance with its risk management policies and procedures laid down by MUK, enters into foreign currency forward contracts to hedge against foreign currency exposures relating to highly probable forecast transactions. All forward contracts have been designated hedging instrument in cash flow hedge in accordance with Ind AS 109.

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

Notes to the consolidated financial statements

For the year ended 31 March, 2019
(All amounts in ₹ lakhs, unless otherwise stated)

The following table presents the aggregate contracted principal amounts of the Group's derivative contracts outstanding:

The following '' sell '' foreign exchange forward contracts are outstanding as at:

Particulars	As at	
	31 March, 2019	31 March, 2018
Non Designated derivative instrument	**12,543**	22,792
Non Designated derivative instrument in GBP lakhs	**127**	240
No. of Contracts	**152**	205

Forward Contracts covers part of the exposure during the period April 2019 -August 2022

Mark-to-Market (gains) / losses

Particulars	As at	
	31 March, 2019	31 March, 2018
Opening balance of Mark-to-market gains receivable on outstanding derivative contracts	**(746)**	1,950
Less: Reclassified from Hedging reserve account to statement of profit and loss	**(19)**	(1,300)
Add: Changes in the fair value of derivative instrument recognised in OCI	**1,114**	(1,396)
Closing balance of Mark-to-market gains receivable on outstanding derivative contracts	**349**	(746)
Disclosed under:		
Other current financial assets	**202**	-
Other non-current financial assets	**147**	-
Other current financial liabilities	**-**	(337)
Other non-current financial liabilities	**-**	(409)
	349	(746)

There were no ineffectiveness recognised in the Statement of profit and loss during the period.

29. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivative for speculative purposes may be undertaken. The Board of Directors and audit committee reviews and agrees policies for managing each of these risks, which are summarised below:

Business and Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counter party credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Notes to the consolidated financial statements

For the year ended 31 March, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Most of the Group doubtful debt pertains to the Public Sector which is undergoing through restructuring and therefore, the Company evaluate every receivable in the geography and create adequate provision after analysing specific risk.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

Particulars	For the year ended	
	31 March, 2019	31 March, 2018
Revenue from Top Customer	**12,814**	9,085
Revenue from Top 5 Customers	**42,530**	30,527

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Group has unutilised credit limits with banks. The Group's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The Working Capital position of the Group is given Below

Particulars of current financials assets	As at	
	31 March, 2019	31 March, 2018
Cash and cash equivalents	**9,295**	8,773
Other bank balances	**44**	29
Investment in mutual funds	**9,421**	11,170
Investment in term deposits	**1,975**	600
Total	**20,735**	20,572

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March, 2019 and 31 March, 2018:

Particulars	As at 31 March, 2019	
	Less than 1 Year	1 Year and above
Borrowing	**39**	**6,921**
Trade payables	**948**	**-**
Other financial liabilities	**10,434**	**3**

Particulars	As at 31 March, 2018	
	Less than 1 Year	1 Year and above
Borrowing	2,038	4,961
Trade payable	1,889	-
Other financial liabilities	8,945	2,244
Derivative financial instruments	337	409

Notes to the consolidated financial statements

For the year ended 31 March, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Foreign Currency Risk

The Group's activities expose it to market risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are used to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Group, in accordance with its risk management policies and procedures laid down by MUK, enters into foreign currency forward contracts to hedge against foreign currency exposures relating to highly probable forecast transactions. The Group does not enter into any derivative instruments for trading or speculative purposes. The counter party is generally a bank. These contracts are for a period between one day and three years.

The following table presents foreign currency risk from non- derivative financial instrument as of 31 March, 2019 and 31 March, 2018.

Particulars	As at 31 March, 2019		
	US$	GBP £	INR ₹
Financial Assets	**100**	**563**	**57,900**
Financial Liabilities	**46**	**181**	**(19,594)**
Net Assets/(Liabilities)			**38,306**

Particulars	As at 31 March, 2019		
	US$	GBP £	INR ₹
Financial Assets	**124**	**397**	**44,655**
Financial Liabilities	**202**	**105**	**(22,804)**
Net Assets/(Liabilities)			**21,851**

As at 31 March, 2019 and 31 March, 2018 respectively, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact results by approximately ₹ 383 and ₹ 219 respectively.

30. Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective when managing capital is to maintain an optimal structure so as to maximise shareholder value.

Particulars	As at	
	31 March, 2019	31 March, 2018
Total Equity attributable to the Equity Share Holders of Group	**71,640**	54,928
As percentage of total Capital	**91%**	89%
Current borrowing	**39**	2,038
Non-current borrowing	**6,921**	4,961
Total loan and borrowing	**6,960**	6,999
As a percentage of total Capital	**9%**	11%
Total Capital (borrowing and equity)	**78,600**	61,927

The Group is predominantly equity financed which is evident from capital structure table. Further, the Group has always been a net cash position with cash and bank balances along with current financial assets which predominantly includes investment in liquid and short term mutual funds are in excess of debt.

Notes to the consolidated financial statements

For the year ended 31 March, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

31. Employee Stock Based Compensation

i) Plan IV

The Shareholders of the Company through Postal Ballot on 9 August, 2007 approved the allocation of 1,000,000 stock options to the eligible employees of the Company and its subsidiaries. The Company subsequently established a new scheme in 2007 for granting 1,000,000 stock options to the employees referred to above, each option representing one equity share of the Company. The vesting period of stock options will range from one year to four years from the date of grant. The stock options are exercisable within a period of seven years from the date of vesting.

Particulars	Year ended			
	31 March, 2019		31 March, 2018	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options, beginnning of the year	45,651	97	147,927	99
Granted during the year	-	-	-	-
Exercised during the year	(3,543)	112	(15,894)	116
Lapsed/Cancelled during the year	(34,608)	97	(86,382)	97
Outstanding options, end of the year	7,500	88	45,651	97
Options excercisable, end of the year	7,500	88	45,651	97

ii) Plan V

The Company introduced a new scheme in 2008 for granting 1,500,000 stock options to the employees, each option representing one equity share of the Company. The vesting period of stock options will range from one year to four years from the date of grant. The stock options are exercisable within a period of seven years from the date of vesting.

Particulars	Year ended			
	31 March, 2019		31 March, 2018	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options, beginnning of the year	54,725	71	62,225	68
Granted during the year	-	-	-	-
Exercised during the year	(15,000)	80	(10,000)	47
Lapsed/Cancelled during the year	(2,500)	47	-	-
Cancelled revoked during the year	-	-	2,500	47
Outstanding options, end of the year	37,225	69	54,725	71
Options excercisable, end of the year	37,225	69	54,725	71

iii) Plan VI

The Company introduced a new scheme in 2010 for granting 2,000,000 stock options to the employees, each option representing one equity share of the company. The vesting period of stock options will range from one year to four years from the date of grant. The stock options are exercisable within a period of seven years from the date of vesting.

Particulars	Year ended			
	31 March, 2019		31 March, 2018	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options, beginnning of the year	801,041	80	1,023,660	79
Granted during the year	-		-	-
Exercised during the year	(128,990)	76	(192,744)	62
Lapsed/Cancelled during the year	(50,980)	127	(29,875)	175
Outstanding options, end of the year	621,071	77	801,041	80
Options excercisable, end of the year	576,818	69	649,506	66

Notes to the consolidated financial statements

For the year ended 31 March, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

iv) Plan VII

The Company introduced a new scheme in 2013 for granting 2,500,000 stock options to its employees, employees of its subsidiaries, each option giving a right to apply for one equity share of the Company on its vesting. The vesting period of stock option will range from one year to four years from the date of grant. The stock options are exercisable within a period of seven years from the date of vesting.

Particulars	Year ended			
	31 March, 2019		31 March, 2018	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options, beginnning of the year	1,423,221	133	1,093,480	114
Granted during the year	386,000	5	665,825	218
Exercised during the year	(133,214)	133	(95,885)	100
Lapsed/cancelled during the year	(137,384)	126	(240,199)	294
Outstanding options, end of the year	1,538,623	102	1,423,221	133
Options excercisable, end of the year	664,537	104	491,232	94

The following tables summarise information about the options/ shares outstanding under various programs as at 31 March, 2019 and 31 March, 2018 respectively:

Particulars	As at 31 March, 2019		
	No. of share options	Weighted average remaining contractual life in years	Weighted average exercise price
Programme IV	7,500	0.2	88
Programme V	37,225	1.4	69
Programme VI	621,071	4.1	77
Programme VII	1,538,623	7.1	102

Particulars	As at 31 March, 2019		
	No. of share options	Weighted average remaining contractual life in years	Weighted average exercise price
Programme IV	45,651	0.5	97
Programme V	54,725	2.3	71
Programme VI	801,041	5.2	80
Programme VII	1,423,221	7.4	133

The weighted average fair value of each unit under the plan, granted during the year ended was ₹ 378 using the Black-Scholes model with the following assumptions:

Particulars	As at 31 March, 2019
Weighted average grant date share price	430
Weighted average exercise price	5
Dividend yield %	2.6%
Expected life	3-7
Risk free interest rate	7.40%
Volatility	51.78%

Volatility : Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure of volatility is used in Black Scholes option pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. Company considered the daily historical volatility of the Company's stock price on NSE over the expected life of each vest.

Risk free rate : The risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on zero coupon yield curve for government securities.

Notes to the consolidated financial statements

For the year ended 31 March, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Expected life of the options: Expected life of the options is the period for which the the Company expects the options to be live. The minimum life of stock options is the minimum period before which the options can't be exercised and the maximum life of the option is the maximum period after which the options can't be exercised. The Company have calculated expected life as the average of the minimum and the maximum life of the options.

Dividend yield: Expected dividend yield has ben calculated as total of interim and final dividend declared in last year preceding date of grant.

32. Leases

Operating Lease

Particulars	As at 31 March, 2019	As at 31 March, 2018
i) Lease payment		
Future minimum lease payment under non-cancellable operating lease (in respect of properties):		
Due within one year	650	554
Due later than one year but not later than five years	861	1,322
Due later than five year	-	-
Total Minimum lease payment	1,511	1,876

Particulars	As at 31 March, 2019	As at 31 March, 2018
ii) Lease income		
Future minimum lease income under non-cancellable operating lease (in respect of properties):		
Due within one year	6	44
Due later than one year but not later than five years	-	-
	6	44

33. Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March, 2019 is ₹ 125 (31 March, 2018: ₹ 130)

34. Contingent Liabilities

A. Claims against Company not acknowledged as debts

Particulars	As at 31 March, 2019	As at 31 March, 2018
Sales tax matter	927	362

(i) The Company does not expect any cash outflows or any reimbursements in respect of the above contingent liabilities.

(ii) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above, pending occurrence of the default event or resolution of respective proceedings.

B. Provident Fund

Based on the judgement by the Honourable Supreme Court dated 28 February, 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the Company with respect to timing and the components of its compensation structure. In absence of further clarification, the Company has been advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.

Notes to the consolidated financial statements

For the year ended 31 March, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

35. Net Debt Reconciliation

Particulars	As at 31 March, 2019	As at 31 March, 2018
Cash and cash equivalents	9,295	8,773
Non- current borrowings	6,921	4,961
Current borrowings	39	2,038

	Cash and cash equivalents	Non-current borrowings	Current borrowings
Net debt as at 1 April, 2017	4,772	(6,523)	(30)
Cash flows (*)	4,001	1,562	(2,008)
Net debt as at 31 March, 2018	8,773	(4,961)	(2,038)
Cash flows (*)	522	(1,960)	1,999
Net debt as at 31 March, 2019	9,295	(6,921)	(39)

** Includes non cash foreign exchange movement (loss/(gain)) 31 March, 2019 ₹ 95 (31 March, 2018 ₹ (32))*

36. Disclosure mandated by Schedule III by way of additional information

Name of Entity	As a % of consolidated net assets	₹ in lakhs	As a % of consolidated profit	₹ in lakhs	As a % of consolidated other comprehensive income	₹ in lakhs	As a % of consolidated total comprehensive income
Parent							
Mastek Limited	7.3%	5,239	(157.9%)	(16,022)	8.6%	872	(80.1%)
Subsidiaries							
Indian							
Trans American Information Systems Private Limited	(4.3%)	(3,049)	(35.2%)	(3,572)	(0.0%)	(2)	(18.9%)
Foreign							
Mastek (UK) Limited	89.9%	64,390	233.1%	23,657	78.6%	7,976	167.4%
Indigo Blue Consulting Limited	(0.2%)	(135)	(2.8%)	(283)		-	(1.5%)
Digility Inc.	(2.2%)	(1,566)	12.2%	1,243	(3.0%)	(303)	5.0%
Taistech LLC	22.4%	16,052	144.7%	14,687	(0.2%)	(17)	77.6%
Trans American Information Systems Inc	(13.0%)	(9,290)	(94.3%)	(9,564)	2.2%	227	(49.4%)

In terms of our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840

Place : Mumbai
Date : 16 April, 2019

For and on behalf of the Board of Directors of **Mastek Limited**

Sudhakar Ram
Vice Chairman and
Managing Director
DIN: 00101473

S. Sandilya
Non-Executive Chairman and
Independent Director
DIN: 00037542

Abhishek Singh
Chief Financial Officer

Dinesh Kalani
Company Secretary

Place : Mumbai
Date : 16 April, 2019

Frequently asked questions (FAQs)

Members and Investors are advised to go through the section on Management Discussion and Analysis and Investor information provided in the Report on Corporate Governance, as these and other parts of this Annual Report provide substantial information about the Company that you may find relevant and useful.

1. When was Mastek Limited incorporated and when did it have its Initial Public Offer?

Mastek Limited ("the Company") was incorporated in the name and style of "Management and Software Technology Private Limited" on 14 May, 1982. The first public offering was made in December 1992 at a price of ₹ 70/- (premium ₹ 60/-) followed by another public issue in 1996 at a price of ₹ 190/- (premium of ₹ 180/-).

2. Who are the Founder Members of the Company?

The Founder Members of the company are Mr. Ashank Desai, Mr. Ketan Mehta, Mr. Radhakrishnan Sundar and Mr. Sudhakar Ram.

3. Which are the Stock Exchanges where the Company's shares are listed?

The Company's shares are listed in India on BSE Limited since 30 March, 1993 and the National Stock Exchange of India Limited since 10 May, 1995. (NSE Code: **MASTEK**; BSE Code: **523704**).

4. What is the Company's area of operation?

Mastek is a publicly held leading IT player with global operations providing enterprise solutions to government, retail and financial services organizations worldwide. With its principal offshore delivery facility based at Mumbai, India. Mastek operates in the USA, UK and India. Incorporated in 1982, Mastek has been at the forefront of technology and has made significant investments in creating intellectual property, which along with proven methodologies and processes, increase IT value generation to its customers through onsite and offshore deliveries.

5. What is the Vision Statement of the Company?

Mastek Vision 2020 Statement is to be a global leader in digital transformation services. Mastek have been steadfast in pursuit of this vision. Innovating, developing bespoke solutions and serving clients in a rapidly changing marketplace have enabled to reposition Mastek from a commodity Indian - offshore IT services to a high-value impact and trusted digital transformation partner.

6. What are the Core Values of the Company?

Our people, referred to as Mastekeers are at the core of our inspirational growth agenda and conduct themselves by a set of defined ethical values. These values, called **PACTS (Passionate, Accountable, Collaborative, Transparent and Sustainable),** which are imbued across the organisation, and ensure that no member of the team indulges in outrageous or discriminatory behaviour towards anyone within the organisation. This value system, which all Mastekeers are required to uphold at all times, is rooted in respect for our heritage. More importantly, however, it serves as the framework for the behaviour of current and future generations of Mastekeers, enabling quicker and better integration of new Mastekeers into our family.

Passionate - We are fired-up about finding novel ways to exceed our customers' expectations.

Accountable - Mastek 4.0 (our people transformation programme) empowers us to excel and accept individual ownership.

Collaborative - Mutual respect and teamwork enrich our business outcomes with unique perspectives and experiences.

Transparent - Open and honest behaviour is core to earn trust and deliver exceptional results for our stakeholders.

Sustainable - We increase our social dividend, investing as much in our communities as in business improvements.

7. What is the Quality Policy of the Company?

At Mastek, we are committed to serve our clients by consistently providing sustainable digital services, complying with the applicable requirements and continually improving the processes to transit business models. We at Mastek understand and are committed to achieve our ambition of becoming global leader in digital transformation.

8. What are the Quality Objectives of the Company?

Endeavour to achieve client's expectations, quality and delivery performance metrics for the industries we serve as per the respective roadmaps, improve or retain our stakeholder's engagement scores. Focus on building skills and capabilities to keep abreast with the changing demands of the businesses.

Frequently asked questions (FAQs)

9. Has the Company issued any bonus shares in past? Has there been any stock split?

The Company had issued bonus shares in the ratio of 1:1 in January 2000 and also in April 2006. The Company's shares were sub divided from ₹ 10/- to ₹ 5/- since November 2000.

10. What is face value of the Company's Equity Shares and What is the Share Capital of the Company?

The face value of the Company's Equity Share is ₹ 5/- per share. The Authorized Share Capital is divided into 40,000,000 Equity Shares of ₹ 5/- each and 2,000,000 Preference Shares of ₹ 100/- each. The issued, subscribed and paid up Equity Share Capital as on 31 March, 2019 is ₹ 1,199 lakhs and comprises of fully paid 23,972,803 Equity Shares of ₹ 5/- each.

11. What are the names of the Subsidiaries of the Company and Where are they located?

The Company has the following Subsidiaries located in India, United Kingdom (UK) & United States of America (U.S.A.):

- **Trans American Information Systems Private Limited -** India (Wholly Owned Subsidiary of Mastek Limited)
- **Mastek (UK) Limited –** United Kingdom (Wholly Owned Subsidiary of Mastek Limited)
- **Indigo Blue Consulting Limited -** United Kingdom (Wholly owned subsidiary of Mastek (UK) Limited
- **Mastek Inc.** (formerly known as Digility Inc.) – U.S.A. (Wholly Owned Subsidiary of Mastek (UK) Limited)
- **TAISTech LLC,** U.S.A. - (100% membership interest held by Mastek Inc., U.S.A.)
- **Trans American Information Systems Inc.** – U.S.A -(Wholly Owned Subsidiary of Mastek Inc., U.S.A.)

12. What is the Employee strength of the Group?

As on 31 March, 2019, the Group had 2,069 employees.

13. How many Software Development Centres does the Company have?

The Company has 7 software development centers out of which 2 are located in and around Mumbai, 2 in Chennai and 1 each in Noida, Gurgaon and Pune.

14. Where are the Marketing offices situated?

The Company has Marketing offices in: UK, U.S.A and in India.

15. What is the Fiscal Year of the Company?

The Fiscal Year of the Company is 1 April - 31 March every year. The Fiscal Year of the Company was changed from 1 July - 30 June to 1 April - 31 March from April 2013 onwards after enactment of the Companies Act, 2013.

16. Where is the Registered Office and Corporate Office of the Company located?

The mailing address of the Company is:

Registered Office:
804 / 805, President House, Opposite C N Vidyalaya, Near Ambawadi Circle, Ambawadi, Ahmedabad-380006, Gujarat.
Phone: +91-79-2656-4337; **Fax:** +91-22-6695-1331;
E mail: investor_grievances@mastek.com
Website: www.mastek.com

Corporate Office:
Mastek Limited, 106/107, SDF IV, Seepz, Andheri (East), Mumbai - 400 096
Tel: +91-22-6722-4200; **Fax:** +91-22-6695-1331
E-mail: investor.relations@mastek.com

17. What is the Credit Rating of the Company?

The Company enjoys a good reputation for its sound financial management and the ability to meet its financial obligations. During the year under review, ICRA Limited, a reputed Rating Agency, had reaffirmed the ratings assigned for the bank facilities as [ICRA] A+ (Positive) rating for fund based limits and [ICRA] A1+ for non-fund based limits for the Working Capital Facilities granted to the Company by its Bankers.

Frequently asked questions (FAQs)

18. What are the Financial Highlights of the Company's Performance this year?

Particulars	Consolidated ₹ in Lakhs		Standalone ₹ in Lakhs	
	Year Ended 31 March, 2019	Year Ended 31 March, 2018	Year Ended 31 March, 2019	Year Ended 31 March, 2018
Revenue from operations	**103,321**	81,721	**18,944**	16,232
Profit after tax	**10,147**	6,996	**3,051**	1,574

19. Who are the Auditors of the Company?

M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), are the Statutory Auditors of the Company since 35th Annual General Meeting ("AGM") of the Company for a period of 5 consecutive years, commencing from the conclusion of 35th AGM till the conclusion of the 40th AGM. (Financial Year 2017–18 to Financial Year 2021-2022).

Earlier, M/s. Price Waterhouse Chartered Accountants LLP, were the Statutory Auditors of the Company for many years till 35th AGM and got retire at the conclusion of the 35th AGM due to the rotational requirements prescribed under the Companies Act, 2013.

20. What is the past years' dividend track record of the Company since Fiscal Year 2001?

Fiscal Year	Shares Outstanding (in Millions)	Dividend (₹ per share)	Total Dividends (₹ in Lakhs)
2001	13.88	2.00	27.77
2002	13.97	3.00	419.07
2003	14.11	3.00	423.42
2004	13.88	3.00	416.40
2005	13.87	7.50	1036.11
2006	28.14	6.50	1403.12
2007	28.46	7.50	2132.34
2008	27.62	10.00	2557.70
2009	26.90	10.00	2679.34
2010	26.94	3.25	876.30
2011	26.95	-	-
2012	27.02	-	-
2013	24.64	3.00	739.15
2014	22.16	4.50	1040.59
2015	22.55	2.50	563.94
2016	23.00	2.50	574.41
2017	23.38	3.50	817.41
2018	23.60	6.00	1422.00
2019*	23.98	8.50	2035.00

** Final Dividend of ₹ 5 /- per share (@100%) for Financial Year 2018–19 is proposed and is subject to the members approval at the ensuing 37th AGM of the Company.*

21. Does the Company have a dividend reinvestment program or dividend stock purchase plan?

The Company does not offer a dividend reinvestment program or dividend stock program at present.

Frequently asked questions (FAQs)

22. How does one get the Annual Report and Quarterly Results of the Company?

The Annual Report as well as Quarterly Results along with Analysis, Press Release and Analyst Presentation are available on the Company's website at https://www.mastek.com/financial-information.

These are also available on the websites of BSE Limited (www.bseindia.com) and the National Stock Exchange of India Limited (www.nseindia.com), where the shares of the Company are listed.

23. Where one can obtain details on the Company's Shareholding?

The Shareholding Pattern can be obtained from the website of the Company at https://www.mastek.com/investor-information. These are also available on the websites of BSE Limited (www.bseindia.com) and the National Stock Exchange of India Limited (www.nseindia.com), where the shares of the Company are listed.

24. Does the Company organise any Investors / Analysts meetings?

Conference calls with the Investors/Analysts are held immediately after the announcement of quarterly results and the transcript of the said calls are displayed on the Company's website at https://www.mastek.com/financial-information.

Apart from the quarterly meeting, Investors/Analysts meetings are also held with senior officials of the Company and the Intimation of the said meets are shared with the stock exchanges and also disclosed under Investor Information section on the website of the Company at https://www.mastek.com/investor-information.

25. When were the Company's last 3 AGMs held?

AGMs for the past 3 Financial Years were held on the following Dates and Location.

Financial Year	Date	Time	Location
2017–18	19 July, 2018	11.00 A.M	Ahmedabad Management Association, H.T. Parekh Hall, Ahmedabad- 380015
2016–17	22 June, 2017	11.00 A.M	Ahmedabad Management Association, H.T. Parekh Hall, Ahmedabad- 380015
2015–16	25 July, 2016	11.00 A.M	Ahmedabad Management Association, H.T. Parekh Hall, Ahmedabad- 380015

26. Who is the Registrar and Share Transfer Agent (RTA)?

The Registrar and Share Transfer Agent (RTA) of Mastek Limited since April 2016 are:
Karvy Fintech Private Limited
Unit: Mastek Limited
Address: Karvy Selenium, Tower B, Plot No. 31-32, Gachibowli, Nanakramguda,
Financial District, Hyderabad - 500032, Telangana.
Tel.: +91-040-6716-2222; **Fax:** +91-040-2342-0814;
Toll Free no.: 1800-345-4001 **E-mail:** einward.ris@karvy.com
Contact Person: Mr. Birender Thakur

27. How does one transfer his/her shares or change the address with the RTA?

For the transfer of shares in physical form and noting your change of address, you need to write to Company's RTA, (mailing address given in section 26 above).

Transfer of shares in the electronic mode is effected through your Depository Participant only.

28. Whom does one contact in case of non-receipt of dividend, loss of share certificates, etc?

You may contact Company's RTA, (mailing address given in section 26 above), who will advise you accordingly. You may also communicate with the Company in the event of any unresolved issues via Email at investor_grievances@mastek.com.

Frequently asked questions (FAQs)

29. Is Automated Clearing House (ACH) mode facility available for payment of dividend?

The Company extends ACH mode facility to all its members since longtime. The dividend amount of members availing ACH mode facility is directly credited to their Bank accounts. Members holding shares in physical form may submit a request letter with copy of cancelled cheque to RTA (mailing address given in section 26 above), for availing ACH mode facility. Those holding shares in demat form are advised to please update their Demat Account details with proper and correct Bank account details with their Depository Participant.

30. How do I buy Company's shares?

The Company's shares can be purchased in India either through a stockbroker or through any financial institution that provides brokerage services at the BSE or NSE. The Company does not offer a direct share purchase plan to outsiders.

31. Does the Company have a quiet period? When is that?

Yes. The Company follows quiet periods i.e. Trading Window Closure which is made every quarter prior to its release of quarterly results. During the quiet period, the Company or any of its designated officials will not discuss earnings expectations with any external parties. The Intimation of the Trading Window Closure is made to Stock Exchanges every quarter along with the Intimation of the Board Meeting. As per Company's Code of Conduct for Prevention of Insider Trading, the Trading Window Closure of the Company for every quarter starts from last day of any fiscal quarter and will continue till 48 hours after the disclosure of such financial results/ information to the concerned Stock Exchanges.

32. How can the shares be de-materialized and who are the Depository Participants (DP)?

The Company's shares are traded only in electronic form since June 2000. Shares can be dematerialized by opening the demat account with any of the Depository Participant (DP). DPs are some of the banks, brokers and institutions who have been registered with National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL). A comprehensive list of DPs is available at www.nsdl.com and www.cdslindia.com

33. If dividend warrant is lost / was never received / has expired, how do i get a fresh demand draft re-issued?

Please write to the Company's RTA (mailing address given in section 26 above) with details of folio numbers and cancelled cheques (in the case of physical holdings) or the DP ID and account number in the case of dematerialized holdings. After verification, they will arrange to initiate NEFT directly to your designated Bank Account through Dividend Banker.

To avoid this problem in the future, you can use the ECS/ ACH facility in which the dividend amount is automatically credited to the Bank Account of your choice. To avail of this facility, give your request to RTA in writing.

Also, you should consider dematerializing your holdings through a Depository Participant. This would not only eliminate the issues of storage and risk of loss of paper certificates but also ensure automatic crediting of dividends to your Bank Account in time.

34. Where can I find details of the dividends unclaimed for 7 consecutive years, the shares in respect of which are liable to be transferred to the Investor Education and Protection Fund Authority (IEPF Auhtority)?

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, and amendments made thereunder all the concerned shares in respect of which dividend had not been claimed or remained unencashed for 7 consecutive years or more is required to be transferred by the Company to IEPF Authority in specified Demat Account.

The web link to find out the Detailed list of Equity Shares/ Dividends transferred to IEPF Authority is available on the website of the Company at https://www.mastek.com/investor-information as mandated by Ministry of Corporate Affairs ('MCA').

The Company had already transferred 48,285 shares in November, 2017 and 7,033 shares in January, 2018 (based on transfer to IEPF of Un-Paid Interim and Final Dividend of year 2009-10 in November 2017 and January, 2018 respectively) to IEPF Authority Demat Account to comply with the said Rules.

Frequently asked questions (FAQs)

In case the members have any queries on the subject matter and the Rules, they may contact the Company's RTA, (mailing address given in section 26 above). The Members / claimants whose shares, unclaimed dividend, etc. have been transferred to IEPF can claim the concerned shares and unclaimed dividend by making an application to IEPF Authority in IEPF Form-5 (available on www.iepf.gov.in). The Member / claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules. It is in the Members interest to claim any un-encashed dividends and for future, opt for Automated Clearing House (ACH) mode, so that dividends paid by the Company are directly credited to the investor's account on time.

35. How does one inform the Company to send the Annual Report, or any other correspondence to be sent in electronic form to save the time and have speedy communication?

The simple letter can be sent to the RTA of the Company, (mailing address given in section 26 above). As a part of Green initiative by the Ministry of Corporate Affairs (MCA), now members can receive various communications and correspondence including Annual Report through electronic mode i.e. E-mail. In this connection, we request the Members to support the green initiative by registering their E-mail id's in the annexed format to receive various communications to be sent by the Company, electronically to you.

a. Members holding the shares in physical form may send the communication to the RTA of the Company, either physically or through e-mail at: (a) einward.ris@karvy.com OR (b) investor_grievances@mastek.com

b. Members holding the shares in demat form may furnish their E-mail ID details to the respective Depository Participants in their prescribed formats.

c. SEBI has mandated that the securities of listed companies can be transferred only in dematerialized form with effect from 1 April, 2019. In view of this and to avail the benefits of dematerialisation and ease of portfolio management, Members are requested to consider dematerialize shares held by them in physical form.

36. How can a Member access information about the Company?

Information about the Company is available on its website. Further, all information that is material in nature is notified to the stock exchanges and appropriate advertisements are also issued in the newspapers from time to time.

MASTEK LIMITED
Registered Office: 804/805, President House, Opp. C. N. Vidyalaya, Near Ambawadi Circle,
Ambawadi, Ahmedabad - 380 006, Gujarat.
Tel: +91-79-2656-4337; **Fax:** +91-22-6695 1331; **E mail:** investor_grievances@mastek.com; **Website:** www.mastek.com;
CIN: L74140GJ1982PLC005215

Notice

37TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 37TH (THIRTY SEVENTH) ANNUAL GENERAL MEETING OF THE MEMBERS OF **MASTEK LIMITED** WILL BE HELD ON **TUESDAY, 23 JULY, 2019 AT 11.00 A.M.** AT H.T. PAREKH AUDITORIUM, AMA COMPLEX, ATIRA. DR. VIKRAM SARABHAI MARG, AHMEDABAD - 380015, GUJARAT, TO TRANSACT THE FOLLOWING BUSINESSES:

Ordinary Business:

1. **To consider and adopt:**
   a. the Audited Standalone Financial Statements of the Company for the financial year ended 31 March, 2019, together with the Reports of the Board of Directors and Auditors thereon; and
   b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March, 2019 and the Report of the Auditors thereon.

2. To confirm the payment of Interim Dividend of ₹ 3.50/- per Equity Share and to declare a Final Dividend of ₹ 5/- per Equity Share (Face Value of ₹ 5/- each) for the financial year 2018–19.

3. To appoint a Director in place of Mr. Sudhakar Ram (DIN: 00101473), an Executive / Non-Independent Director who retires by rotation and, being eligible, offers himself for re-appointment.

Special Business:

4. **To re-appoint Mr. S. Sandilya (DIN: 00037542), as Non-Executive Independent Director of the Company to hold office for a second term of 5 consecutive years i.e. from 1 April, 2019 to 31 March, 2024.**

   To consider and if thought fit, to pass the following resolution with or without modification(s) as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and / or re-enactment(s) thereof for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, Mr. S. Sandilya (DIN: 00037542), who was appointed as Independent Director for a term of 4 years i.e. from 1 April, 2015 to 31 March, 2019, and who meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and who is eligible to be re-appointed as Independent Director of the Company, be and is hereby re-appointed for a second term of 5 consecutive years i.e. from 1 April, 2019 to 31 March, 2024 and shall not be liable to retire by rotation.

   RESOLVED FURTHER THAT pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval of the members of the Company be and is hereby also accorded for continuation of the Directorship of Mr. S. Sandilya (DIN: 00037542) even after him attaining the age of 75 years on 11 April, 2023 till the expiry of his on going second term i.e. up to 31 March, 2024.

   RESOLVED FURTHER THAT the Board of Directors and / or Company Secretary be and is hereby authorised to do all such acts, deeds, matters and things as in their absolute discretion they may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to this resolution or otherwise considered by them in the best interest of the Company."

5. **To re-appoint Ms. Priti Rao (DIN: 03352049), as Non-Executive Independent Director of the Company to hold office for a second term of 5 consecutive years i.e. from 1 April, 2019 to 31 March, 2024.**

   To consider and if thought fit, to pass the following resolution with or without modification(s) as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and / or re-enactment(s) thereof for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, Ms. Priti Rao (DIN: 03352049), who was appointed as Independent Director for a term of 4 years i.e. from 1 April, 2015 to 31 March, 2019, and who meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

   2015, and who is eligible to be re-appointed as Independent Director of the Company, be and is hereby re-appointed for a second term of 5 consecutive years i.e. from 1 April, 2019 to 31 March, 2024 and shall not be liable to retire by rotation.

   RESOLVED FURTHER THAT the Board of Directors and / or Company Secretary be and is hereby authorised to do all such acts, deeds, matters and things as in their absolute discretion they may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to this resolution or otherwise considered by them in the best interest of the Company."

6. **To re-appoint Mr. Atul Kanagat (DIN: 06452489), as Non-Executive Independent Director of the Company to hold office for a second term of 5 consecutive years i.e. from 1 April, 2019 to 31 March, 2024.**

   To consider and if thought fit, to pass the following resolution with or without modification(s) as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and / or re-enactment(s) thereof for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee and approval of Board of Directors of the Company, Mr. Atul Kanagat (DIN: 06452489) who was appointed as Independent Director for a term of 4 years i.e. from 1 April, 2015 to 31 March, 2019, and who meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and who is eligible to be re-appointed as Independent Director of the Company, be and is hereby re-appointed for a second term of 5 consecutive years i.e. from 1 April, 2019 to 31 March, 2024 and shall not be liable to retire by rotation.

   RESOLVED FURTHER THAT the Board of Directors and / or Company Secretary be and is hereby authorised to do all such acts, deeds, matters and things as in their absolute discretion they may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to this resolution or otherwise considered by them in the best interest of the Company."

Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), setting out material facts concerning the business to be transacted at the ensuing Annual General Meeting (AGM) under item nos. 4 to 6 is annexed hereto.

2. A brief resume of each of the Director proposed to be re-appointed at this AGM, nature of their expertise in specific functional areas, names of Companies in which they hold the Directorship and Membership / Chairmanships of Board Committees, Shareholding and relationship between directors inter-se as stipulated under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulation) and other requisite information as per Clause 1.2.5 of Secretarial Standard-2 on General Meetings, are attached herewith.

3. The Company's Statutory Auditors, M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration No. 001076N / N500013), were appointed as Statutory Auditors of the Company for a period of 5 consecutive years commencing from the conclusion of 35th AGM untill the conclusion of the 40th AGM, subject to ratification by members every year.

   Pursuant to the provisions Section 139 of the Act, and the Companies (Amendment) Act, 2018 effective from 7 May, 2018, the requirement of seeking ratification from the members for the continuation of re-appointment of the Statutory Auditors has been withdrawn from the Statute.

   In view of the above, ratification of the members for continuing the re-appointment of the Statutory Auditors at this AGM is not being sought. They have given a confirmation and consent under Sections 139 and 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The Board of Directors based on the recommendation of the Audit Committee shall determine the remuneration payable to the Statutory Auditors.

4. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE THIRTY SEVENTH AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED**

Notice

OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING (ON OR BEFORE 21 JULY, 2019, BY 11.00 A.M. IST).

PURSUANT TO THE PROVISIONS OF SECTION 105 OF THE ACT, A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. 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 FOR ANY OTHER PERSON OR MEMBER.

5. Corporate members intending to send their Authorised Representatives to attend the AGM pursuant to Section 113 of the Act, are requested to send a duly certified copy of the relevant Board Resolution together with the specimen signature(s) of their representative(s) who are authorised to attend and vote on their behalf at the meeting.

6. In case of joint holders attending the AGM, the joint holder who is highest in the order of names will be entitled to vote at the AGM.

7. Members, Proxies and Authorised Representatives are requested to bring to the AGM, the Attendance Slips enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No., along with their copy of the Annual Report at the time of attending the Meeting. **Please note that Annual Report copies shall not be available / distributed at the AGM Venue.**

8. The Annual Report 2018–19, the Notice of the 37th AGM, along with the Attendance Slip, Proxy Form and E-Voting particulars, are being sent through the electronic mode to members whose E-mail addresses are registered with the Company / Depository Participants, unless a member has requested for a physical copy of the Annual Report. For members who have not registered their E-mail addresses, the physical copies to them are being sent by the permitted mode. Members may also note that the Annual Report for the financial year ended 31 March, 2019 including the Notice of the 37th AGM is also available on the website of the Company at web link https://www.mastek.com/financial-information for their download.

9. Members are requested to join the Company in supporting the Green Initiative taken by Ministry of Corporate Affairs ("MCA") to effect electronic delivery of documents including the Annual Report and other documents to the members at the E-mail addresses registered for the said purpose. Members are hereby requested to register their E-mail addresses with their Depository Participant or with Karvy Fintech Private Limited, Registrar and Share Transfer Agent (RTA) of the Company, for sending various Notices, Annual Report, Dividend intimation and other documents through Electronic Mode. Those members who have changed their E-mail Addresses are requested to register their E-mail ID / New Addresses with RTA, in case the shares are held in physical form, and with the Depository Participants where shares are held in Demat mode.

10. All the relevant documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company on all working days (From Monday to Friday) during the business hours up to the date of AGM.

11. The Members, desiring any information relating to the Accounts, are requested to write to the Company Secretary at the Registered Office of the Company on or before 12 July, 2019, to enable us to keep the requisite information ready.

12. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act, will be available for inspection at the AGM.

13. Your attention is invited on the Companies (Significant Beneficial Ownership) Amendment Rules, 2019 issued by the Ministry of Corporate Affairs on 8 February, 2019. A person is considered as a Significant Beneficial Owner (SBO) if he / she, whether acting alone, together or through one or more individuals or trust holds a beneficial interest of at least 10% or more. The beneficial interest could be in the form of a Company's shares or the right to exercise significant influence or control over the Company. If any members holding shares in the Company on behalf of other or fulfilling the criteria, is required to give a declaration specifying the nature of his / her interest and other essential particulars in the prescribed manner and within the permitted time frame.

14. Book Closure and Dividend:

The Register of Members and Share Transfer Books of the Company shall remain closed on **Monday, 15 July, 2019 and Tuesday 16 July, 2019**, for ascertaining the eligibility for payment of Final Dividend, if declared, at the ensuing AGM.

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The Board of Directors of the Company at its meeting held on 16 April, 2019 has recommended a dividend of ₹ 5/- per Equity Share (@ 100%) (Face Value of ₹ 5/- each) as Final Dividend for the financial year 2018–19. The Final Dividend, if declared, at the ensuing AGM, will be paid within 15 days to those members whose names appear on the Register of Members of the Company as of the end of the day on **Saturday, 13 July, 2019**. The dividend in respect of shares held in dematerialised form in the Depository System will be paid to the beneficial owner of the shares as on **Saturday, 13 July, 2019**, as per the list to be provided by the Depositories for this purpose and to all members in respect of shares held in physical form, whose names are on the Company's Register of Members after giving effect to valid transmission and transposition request logged with the Company as of the end the day on **Saturday, 13 July, 2019**.

15. SEBI vide its Circular No. CIR/MRD/DP/10/2013 dated 21 March, 2013, has mandated usage of electronic mode for making cash payments such as dividend, etc. to the investors of Companies whose securities are listed on the Stock Exchanges. Payment of dividend through electronic mode is beneficial to the members since the risks associated with receiving payment through dividend warrants such as loss in transit / misplacement can be easily mitigated.

16. Pursuant to the SEBI Listing Regulations, the Company is required to maintain Bank details of its members for the purpose of payment of Dividends, etc. Members are requested to register / update their Bank details with the Company in case shares are held in physical form and with their Depository Participants where shares are held in dematerialised mode to enable expeditious credit of the dividend into their respective Bank accounts electronically through the Automated Clearing House (ACH) mode.

17. Share Transfer Permitted only in Demat:

SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8 June, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30 November, 2018, advised that effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1 April, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, members holding shares in physical form are requested to take action to dematerialise the Equity Shares, promptly to avoid inconvenience in future.

18. Transfer of Unclaimed Dividend Amount to the Investor Education and Protection fund (IEPF) Authority:

Pursuant to the applicable provisions of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (Including any statutory modification(s) and / or re-enactment(s) thereof for the time being in force), during the year under review there were no Unclaimed Dividend Amount due to be transferred to the IEPF Authority established by the Central Government.

19. Members who have not yet en-cashed their Final Dividends from financial year 2012-13 and thereafter are requested to make their claims to the Company / RTA. Members are requested to quote folio numbers / DP ID – Client ID in all their correspondence.

20. Transfer of Concerned Shares to the Investor Education and Protection Fund (IEPF) Authority:

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') notified by the Ministry of Corporate Affairs effective 7 September, 2016 and as per the amendment made from time to time, all underlying shares in respect of which dividend has not been encashed or claimed by the members for 7 consecutive years or more were required to be transferred to the DEMAT Account of the IEPF Authority. The Company had last year identified and completed the share transfer process with Depositories and transferred 48,285 shares in November, 2017 and 7,033 shares in January, 2018, (which was required to be transferred to IEPF Authority based on Un-Paid Interim and Final Dividends of year 2009-10 in November 2017 and January, 2018 respectively) to IEPF Demat Account to comply with the said Rules. The List of shares transferred to IEPF Authority is available on the website of the Company at web link https:// www.mastek.com/investor-information.

In case the members have any queries on the subject matter and the Rules, they may contact the Company's RTA. The members / claimants whose shares and / or, unclaimed dividend, etc. have been transferred to IEPF Authority may claim the shares and unclaimed dividend by making an application to IEPF Authority in IEPF Form-5 (available on www.iepf.gov.in). The member / claimant can file only one consolidated claim in a financial year as per the IEPF Rules. It is in the members interest to claim any un-encashed dividends from IEPF and for future dematerialisation of their shares and opt for Automated Clearing House (ACH) mode, so that dividends paid by the Company are credited to the investor's account on time.

Notice

21. Process and Manner of E-voting:

Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide the E-voting facility to members to exercise their right to vote on the resolutions proposed to be passed at the ensuing AGM by electronic means. The members, whose names appear in the Register of Members / List of Beneficial Owners as on **Tuesday, 16 July, 2019**, are entitled to vote on the Resolutions set forth in this Notice.

The members may cast their votes on electronic voting system from place other than the venue of the meeting (Remote E-voting). The Remote E-voting period will commence **on Friday, 19 July, 2019 (9.00 a.m. IST) and will end on Monday, 22 July, 2019 (5.00 p.m. IST)**. In addition, the facility for voting through electronic mode, a Ballot / Instapoll voting system shall also be made available at the AGM venue for the members attending the AGM who have not casted their votes by Remote E-voting shall be eligible to vote at the AGM venue.

The Company has appointed Mr. Prashant S. Mehta, Proprietor of P. Mehta and Associates, Practicing Company Secretaries, to act as a Scrutiniser, to scrutinise the entire E-voting process in a fair and transparent manner. The members desiring to vote through Remote E-voting are requested to refer to the detailed procedure given hereinafter.

Procedure for Remote E-voting

I. The Company has entered into an arrangement with M/s. Karvy Fintech Private Limited for facilitating Remote E-voting for AGM. The instructions for the same are as under:

(a) In case of Members receiving an E-mail from M/s. Karvy Fintech Private Limited:

- i. Launch an internet browser and open https:// evoting.karvy.com
- ii. Enter the login credentials (i.e. User ID and password). The Event No.+Folio No. or DPID Client ID will be your User ID. However, if you are already registered with Karvy for E-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering the above details Click on - Login.
- iv. Password change menu will appear. Change the password with a new password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.) The system will also prompt you to update your contact details like mobile number, Email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. You need to login again with the new credentials.
- v. On successful login, the system will prompt you to select the E-voting Event.
- vi. Select 'EVENT' of Mastek Limited and click on - Submit
- vii. Now you are ready for E-voting as 'Cast Vote' page opens.
- viii. Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.
- ix. Upon confirmation, the message 'Vote cast successfully' will be displayed.
- x. Once you have confirmed your vote on the resolution, you cannot modify your vote.
- xi. Institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF Format) of the relevant Board Resolution / Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by an E-mail at acs.pmehta@gmail.com. They may also upload the same in the E-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name EVENT NO."

Notice

(b) In case of Members receiving physical copy of the Notice of AGM and Attendance Slip:

- i Initial Password is provided, as follows, at the bottom of the Attendance Slip. (enclosed)

EVEN		
(E-voting Event Number)	USER ID	PASSWORD

- ii Please follow all steps from Sr. No. (i) to Sr. No. (x) mentioned above in clause (a), to cast vote.

II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and E-voting user manual' available in the downloads section of M/s. Karvy Fintech Private Limited's E-voting website https://evoting.karvy.com

III. The voting rights of the members shall be in proportion to the shares held by the members as on **Tuesday 16 July, 2019 being the cut-off date**. Members are eligible to cast vote electronically only if they are holding shares as on that date.

IV. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may obtain the user ID and Password by sending a request at evoting@karvy.com or investor_grievances@mastek.com.

However, if you are already registered with M/s. Karvy Fintech Private Limited for Remote E-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details / Password" option available on https://evoting.karvy.com or contact at the toll free no. 1800-345-4001.

V. 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 Scrutiniser through the Ballot / Instapoll facility, for all those members who are present at the AGM venue but have not cast their votes by availing the Remote E-voting facility.

VI. The Scrutiniser shall after the conclusion of voting at the AGM, 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 2 witnesses not in the employment of the Company and shall make, not later than 2 days from the conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, and submit to the Chairman / Company Secretary or a person authorised by the Chairman in writing, who shall countersign the same and declare the result of the E-voting forthwith.

VII. The Results declared alongwith the Report of the Scrutiniser shall be placed on the website of the Company www.mastek.com and on the website of M/s. Karvy Fintech Private Limited immediately after the declaration of result by the Chairman / Company Secretary or a person authorised by Chairman in writing. The results shall also be immediately forwarded to BSE Limited and the National Stock Exchange of India Limited where the Company's shares are listed.

22. Member(s) can opt for only one mode of voting i.e. either through Remote E-voting or Ballot / Instapoll voting at the AGM. In case a member has casted multiple votes, then voting done by E-voting will be treated as valid.

23. The resolution shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient votes through a compilation of Remote E-Voting and Voting held at the AGM.

24. A **Route Map** showing directions to the venue of the 37th AGM is annexed to the Notice as per the requirement of the Secretarial Standard - 2 on General Meetings.

Notice

Additional information on Directors recommended for Re-appointment [Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings] Item No. 3, 4, 5 & 6

Name of the Directors	Mr. Sudhakar Ram	Mr. S. Sandilya	Ms. Priti Rao	Mr. Atul Kanagat
Director Identification Number	00101473	00037542	03352049	06452489
Date of Birth	08/09/1960	11/04/1948	17/06/1959	22/08/1955
Age (in years)	58	71	59	63
Date of Appointment	01/07/2017	01/04/2015	01/04/2015	01/04/2015
Nationality	Indian	Indian	Indian	US National
Qualifications	Gold Medalist in Commerce from Loyola College, Chennai and PGDM from the Indian Institute of Management (IIM), Calcutta, graduated with a silver medal in 1982	Commerce Graduate from Madras University and an MBA from the Indian Institute of Management (IIM), Alumni of Ahmedabad	Postgraduate in Computer Science from Indian Institute of Technology (IIT), Mumbai	B. Tech in Mechanical Engineering from Indian Institute of Technology (IIT), Mumbai and an MBA from Harvard Business School, Boston, Massachusetts
Nature of Expertise in specific functional areas	Technology, Global Business Perspective, Operations and General Management, Mergers and Acquisitions, Strategy and Planning, Risk Management etc.	Technology, Global Business Perspective, Financial Management, Strategy and Planning, Operations and General Management, Risk Management, Mergers and Acquisitions, Governance and Compliance etc.	Technology, Risk Management, Operations and General Management, etc.	Technology, Global Business Perspective, Mergers and Acquisitions, Strategy and Planning, etc.
Shareholding in the Company as on 31 March, 2019	1,588,680 (6.63%)	26,000 (0.11%)	29,600 (0.12%)	19,600 (0.08%)
Directorships held in other Companies *	1. Cashless Technologies India Private Limited – Promoter and Managing Director 2. Trans American Information Systems Private Limited 3. Ruralshores Business Services Private Limited 4. Majesco 5. Bhavitha Foundation	1. Eicher Motors Limited - Chairman & Independent Director 2. Rane Brake Lining Limited - Independent Director 3. GMR Infrastructure Limited - Independent Director 4. GMR Generation Assets Limited - Independent Director 5. SOS Children's Villages of India - President 6. Lean Management Institute of India	1. Quick Heal Technologies Limited - Independent Director 2. Pumpkin Patch Daycare - Founder 3. Aatmaja Foundation - Founder and Chairperson	1. Mastek Inc. 2. Majesco 3. Trans American Information Systems, Inc.

Notice

Memberships/ Chairmanships of Committees in public Companies*	Mastek Limited • Stakeholders Relationship Committee - Member • Corporate Social Responsibility Committee - Member • Governance Committee - Member	Mastek Limited • Audit Committee – Chairman • Stakeholders Relationship Committee – Chairman • Nomination and Remuneration Committee - Member Eicher Motors Limited • Audit Committee - Chairman • Stakeholder's Relationship Committee - Member • Corporate social Responsibility Committee - Chairman • Nomination and Remuneration Committee - Member Rane Brake Lining Limited • Audit Committee - Chairman • Nomination and Remuneration Committee - Chairman	Mastek Limited • Corporate Social Responsibility Committee – Chairperson • Audit Committee – Member • Governance Committee - Member Quick Heal Technologies Limited • Corporate Social Responsibility Committee – Chairperson • Audit Committee – Member	Mastek Limited • Nomination & Remuneration Committee – Chairman • Audit Committee- Member • Stakeholders Relationship Committee- Member
Number of Board Meetings attended during the year	4 out of 5	5 out of 5	5 out of 5	4 out of 5
Relationships between Directors inter-se	No such relationship exist between the Directors inter-se			
Key terms and conditions of the Re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Sudhakar Ram was re-appointed as a Vice-Chairman and Managing Director at the Annual General Meeting held on 22 June, 2017, and is liable to retire by rotation at the meeting	As per the resolution at Item no. 4 of this Notice read with the Explanatory Statement thereto	As per the resolution at Item no. 5 of this Notice read with the Explanatory Statement thereto	As per the resolution at Item no. 6 of this Notice read with the Explanatory Statement thereto
Remuneration last drawn	Refer Corporate Governance Report			
Remuneration sought to be paid	Refer Corporate Governance Report	Independent directors are entitled to sitting fees for attending meetings of the Board & Committees thereof and also Commission		

** Based on disclosures received from Directors*

For Mastek Limited

Dinesh Kalani
Company Secretary
Membership Number: FCS 3343

Date: 16 April, 2019
Place: Mumbai
Registered Office: 804/805, President House, Opp.
C. N. Vidyalaya, Near Ambawadi Circle, Ambawadi,
Ahmedabad - 380 006, Gujarat.

Annexure to the Notice

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

Re-appointment of Mr. S. Sandilya (DIN: 00037542) as Non-Executive Independent Director of the Company for the second term of 5 consecutive years.

Mr. S. Sandilya, (DIN: 00037542) aged 71 years was appointed as Independent Director of the Company for a term of 4 years i.e. from 1 April, 2015 till 31 March, 2019 pursuant to approval of the members under the provisions of the Companies Act, 2013 at the Extra - Ordinary General Meeting held on 5 March, 2015.

As per Section 149(10) and (11) of the Companies Act, 2013, Independent Director shall hold office for a term of 5 consecutive years on the Board of the Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of 5 consecutive years. The Board on the recommendation by Nomination and Remuneration Committee and based on skills, experience, knowledge and performance evaluation conducted by the Board of Directors of the Company at their meeting held on 27 March, 2019 and in terms of the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, proposed unanimously to re-appoint him for a second term of 5 consecutive years i.e. from 1 April, 2019 to 31 March, 2024 and not liable to retire by rotation. The details of directorships he holds in other Companies is given as annexure to the Notice.

Brief Profile:

“Mr. S. Sandilya is a Commerce Graduate from Madras University and holds an MBA from the Indian Institute of Management (IIM), Ahmedabad and he has 5 decades of professional experience. Mr. Sandilya is presently the Non-Executive Chairman of Eicher Group. He joined Eicher Group in 1975 and has held various responsibilities in the areas of Group Finance including Information Technology, Strategy and Planning, Manufacturing and General Management. He was the Group Chairman and Chief Executive for 6 years before becoming the Non-Executive Chairman, the post he continues to hold. He is also Independent Director on the Boards of a couple of Companies.

Additionally, Mr. Sandilya is a Past Member of the Board of Lean Global Network USA, Past President of Society of Indian Automobile Manufacturers and was also the President of International Motorcycle Manufacturers Association, Geneva for the period from 2012 to 2014.

He has been a National Council Member of Confederation of Indian Industries (CII) for many years. He has been an Executive Member of the Society of Indian Automobile Manufacturers. He is also the Non-Executive President of SOS Children’s Villages of India, a Non-Profit Organisation providing care for parentless, abandoned and vulnerable children.”

He has submitted his declarations in the prescribed forms viz. (i) consent in writing to act as a director in Form DIR- 2 pursuant to Rule 8 of The Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR- 8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, confirming his eligibility for such re-appointment, (iii) a declaration to the effect that he meets the criteria of independence as provided in sub section (6) of Section 149 of the Companies Act, 2013 and, (iv) his disclosure of interest in prescribed Form MBP-1 that he is not having any pecuniary relationship with the existing Directors/ Management/ Promoters of the Company.

The Board is of the opinion that Mr. Sandilya is independent of the management and is a person of integrity and possesses relevant expertise and vast experience and brings an independent judgement on the Board’s discussions especially on issues related to Strategy & Planning, Finance, Risk Management, Operations Management, Mergers and Acquisitions, General Management, Technology, etc. in much diversified Indian Corporate as well as Multinational Culture.

Pursuant to the provision of Regulation 17(1A) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018, notified by the SEBI on 7 June, 2018 and which is effective from 1 April, 2019, which prescribes that no listed entity shall appoint a person or continue the directorship of any person as the Non-Executive Director who has attained the age of 75 years unless a special resolution is passed to that effect, in which case the Explanatory Statement annexed to the notice for such motion shall indicate the justification for appointing such person.

Annexure to the Notice

In view of the amendment, the Board of Directors is of the opinion that considering Mr. Sandilya’s integrity, relevant expertise, vast experience, in depth industry knowledge, continuous valuable guidance to the management and his strong Board performance , his continuous association as Non-Executive Independent Director will be beneficial and to the best interest of the Company. Accordingly the Board recommends his re-appointment for the approval of the members even after him attaining age of 75 years on 11 April, 2023 during his on-going second term till the expiry of his term i.e. on 31, March, 2024.

A copy of the letters and statutory forms etc. for the re-appointment of Mr. Sandilya as Independent Director setting out the terms and conditions are available for inspection without any fees at the Registered Office of the Company on all the working days (from Monday to Friday), between 11:00 a.m. and 1:00 p.m.

Except Mr. Sandilya, being the appointee, none of the Directors and / or Key Managerial Personnel of the Company and / or their relatives are concerned or interested, financially or otherwise in the resolution set out above.

Your Board recommends the said resolution, as special resolution for approval of the members.

ITEM NO. 5

Re-appointment of Ms. Priti Rao (DIN: 03352049) as Non-Executive Independent Director of the Company for the second term of 5 consecutive years.

Ms. Priti Rao, (DIN: 03352049) aged 59 years was appointed as Independent Director of the Company for a term of 4 years i.e. from 1 April, 2015 till 31 March, 2019 pursuant to approval of the members under the provisions of the Companies Act, 2013 at the Extra-Ordinary General Meeting held on March 5, 2015.

As per Section 149(10) and (11) of the Companies Act, 2013 Independent Director shall hold office for a term of 5 consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of 5 consecutive years. The Board on the recommendation by Nomination and Remuneration Committee and based on skills, experience, knowledge and performance evaluation conducted by them at their meeting held on 27 March, 2019 and in terms of the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Act and the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, proposed unanimously to re-appoint her for a second term of 5 consecutive years i.e. from 1 April, 2019 to 31 March, 2024 and not liable to retire by rotation. The details of directorships she holds in other Companies is given as annexure to the Notice.

Brief Profile:

“Ms. Priti Rao is a postgraduate in Computer Science from Indian Institute of Technology (IIT), Mumbai.

In her 2.5 decades of diverse experience in building and delivering a range of IT services for customers located across five continents, Ms. Rao has held very senior positions with global teams for best of breed IT Companies. She has had long innings with Infosys as a Senior Executive heading the Pune development center and heading their infrastructure services business and with Dell as Vice President for global operations. She runs her own venture, Pumpkin Patch Daycare to cater needs of young parents, who needs a trusted place to keep their children and be able to focus on their careers. India lacks such world class infrastructure for a crèche facilities, where love, safety, care are most important aspects. Her personal mission is to help 1000 + young women go back to work.

She is also Founder and Chairperson of Aatmaja Foundation, a Non - Profit Organisation, focused on enabling young girls from disadvantaged background to become successful professionals.

Ms. Rao is widely recognised as an accomplished business leader and was conferred with the prestigious “**IT Woman of the Year Award**” in year 2002 by the Computer Society of India and was honored with the title of “**Pune Super Achiever**” in year 2007.”

She has submitted her declarations in the prescribed forms viz. (i) consent in writing to act as a director in Form DIR-2 pursuant to Rule 8 of The Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR- 8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, confirming her eligibility for such re-appointment, (iii) a declaration to the effect that she meets

Annexure to the Notice

the criteria of independence as provided in sub section (6) of Section 149 of the Companies Act, 2013 and, (iv) her disclosure of interest in prescribed Form MBP-1 that she is not having any pecuniary relationship with the existing Directors/ Management/ Promoters of the Company.

In view of long, rich experience, continued valuable guidance to the management and strong Board performance, the Board is of the opinion that Ms. Rao is independent of the management and is a person of integrity and possesses relevant expertise and brings an independent judgement on the Board's discussions especially on issues related to Strategy & Planning, Governance & Compliance, Risk Management, Technology, etc.

A copy of the letters and statutory forms, etc. for the re-appointment of Ms. Rao as Independent Director setting out the terms and conditions are available for inspection without any fees at the registered office of the Company on all the working days (From Monday to Friday), between 11:00 a.m. and 1:00 p.m.

Except Ms. Rao, being the appointee, none of the Directors and / or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise in the resolution set out above.

Your Board recommends the said resolution, as special resolution for approval of the members.

ITEM NO. 6

Re-appointment of Mr. Atul Kanagat (DIN: 06452489) as Non-Executive Independent Director of the Company for the second term of 5 consecutive years.

Mr. Atul Kanagat, (DIN: 06452489) aged 63 years was appointed as Independent Director of the Company for a term of 4 years i.e. from 1 April, 2015 till 31 March, 2019 pursuant to approval of the members under the provisions of the Companies Act, 2013 at the Extra - Ordinary General Meeting held on 5 March, 2015.

As per Section 149(10) and (11) of the Companies Act, 2013 Independent Director shall hold office for a term of 5 consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of 5 consecutive years. The Board on the recommendation by Nomination and Remuneration Committee and based on skills, experience, knowledge and performance evaluation conducted by them at their meeting held on 27 March, 2019 and in terms of the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Act and the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, proposed unanimously to re-appoint him for a second term of 5 consecutive years i.e. from 1 April, 2019 to 31 March, 2024 and not liable to retire by rotation. The details directorships he holds in other Companies is given as annexure to notice

Brief Profile:

"Mr. Atul Kanagat is a B. Tech in Mechanical Engineering from Indian Institute of Technology (IIT), Mumbai and an MBA from Harvard Business School, Boston, Massachusetts.

Mr. Kanagat has nearly 3.7 decades of experience in General Management, Global Business, Technology Mergers and Acquisitions, Strategy & Planning, Risk Management in MNCs, etc.

Mr. Kanagat initially joined Hindustan Lever Ltd., the Indian subsidiary of Unilever. He spent 2 years as Management Trainee doing assignments in multiple functions of the company. He then spent a year as Materials Manager for Hindustan Lever Ltd.'s Calcutta Manufacturing complex.

After completing his MBA at Harvard, in 1982, Mr. Kanagat joined McKinsey & Company in Chicago. He was elected as Partner in 1988, Director in 1994 and thereafter as Managing Director of the Seattle office during the period from 1995 to 2003.

During the period from 1996 to 2003, Mr. Kanagat was a Member of the Boards of the following Institutions:

- Seattle Symphony
- Fred Hutch Cancer Research Center
- Greater Seattle Chamber of Commerce
- During the period from 2003 to 2009, Mr. Kanagat was also on the Board of Liberty Science Center in Jersey City.

During the period from 2010 to 2011, Mr. Kanagat worked for Harman International as Vice-President - Strategy & Mergers & Acquisition."

Annexure to the Notice

He has submitted his declarations in the prescribed forms viz. (i) consent in writing to act as a director in Form DIR- 2 pursuant to Rule 8 of The Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR- 8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, confirming his eligibility for such re-appointment, (iii) a declaration to the effect that he meets the criteria of independence as provided in sub section (6) of Section 149 of the Companies Act, 2013 and, (iv) his disclosure of interest in prescribed Form MBP-1 that he is not having any pecuniary relationship with the existing Directors/ Management/ Promoters of the Company.

In view of long, rich experience, continued valuable guidance to the management and strong Board performance the Board is of the opinion that Mr. Kanagat is independent of the management and is a person of integrity and possesses relevant expertise and brings an independent judgement on the Board's discussions especially on issues related to Technology, Global Business, General Management, Mergers and Acquisitions, Strategy & Planning and Risk Management in MNCs, etc.

A copy of the letters and statutory forms, etc. for the re-appointment of Mr. Kanagat as Independent Director setting out the terms and conditions are available for inspection without any fees at the registered office of the Company on all the working days (from Monday to Friday), between 11:00 a.m. and 1:00 p.m.

Except Mr. Kanagat, being the appointee, none of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise in the resolution set out above.

Your Board recommends the said resolution, as special resolution for approval of the members.

For Mastek Limited

Dinesh Kalani
Company Secretary
Membership Number: FCS 3343

Date: 16 April, 2019
Place: Mumbai

Registered Office: 804/805,
President House, Opp.
C. N. Vidyalaya, Near Ambawadi Circle,
Ambawadi, Ahmedabad - 380 006, Gujarat.

Route Map

37TH ANNUAL GENERAL MEETING TO BE HELD ON TUESDAY, 23 JULY, 2019
MAP SHOWING LOCATION OF THE VENUE OF ANNUAL GENERAL MEETING OF MASTEK LIMITED

Venue:

H.T. Parekh Auditorium, AMA Complex,
ATIRA. Dr. Vikram Sarabhai Marg,
Ahmedabad - 380015, Gujarat.

MASTEK LIMITED
Registered Office: 804/805, President House, Opp. C. N. Vidyalaya, Near Ambawadi Circle,
Ambawadi, Ahmedabad - 380 006, Gujarat.
Tel: +91-79-2656-4337; **Fax:** +91-22-6695 1331; **E mail:** investor_grievances@mastek.com; **Website:** www.mastek.com;
CIN: L74140GJ1982PLC005215

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s):	
Registered Address:	
E-mail ID:	
Folio/DP ID-Client ID	

I / We being the members(s) holding....................shares of Mastek Limited hereby appoint:

1. Name:……
Address:……
E-mail ID:……………………………………………………………… Signature:……………………………………………… Or failing him;

2. Name:……
Address:……
E-mail ID:……………………………………………………………… Signature:……………………………………………… Or failing him;

3. Name:……
Address:……
E-mail ID:……………………………………………………………… Signature:………………………………………………………

as my / our Proxy to attend and vote for me / us and on my / our behalf at the 37th Annual General Meeting of the Company to be held on Tuesday, 23 July, 2019 at 11.00 a.m. at H.T. Parekh Auditorium, AMA Complex, ATIRA. Dr. Vikram Sarabhai Marg, Ahmedabad 380015, Gujarat and/or at any adjournment(s) thereof in respect of the resolutions as are indicated below:

Resolution No.	Resolutions	Vote/s given	
Ordinary Business:		**For**	**Against**
1.	To consider and adopt: a. the Audited Standalone Financial Statements of the Company for the financial year ended 31 March, 2019, together with the Reports of the Board of Directors and Auditors thereon; and b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March, 2019 and the Report of the Auditors thereon.		
2.	To confirm the payment of Interim Dividend of ₹ 3.50/- per Equity Share and to declare a Final Dividend of ₹ 5/- per Equity Share (Face Value of ₹ 5/- each) for the financial year 2018–19.		
3.	To appoint a Director in place of Mr. Sudhakar Ram (DIN: 00101473), an Executive/Non-Independent Director who retires by rotation and, being eligible, offers himself for re-appointment.		
Special Business:			
4.	To re-appoint Mr. S. Sandilya, (DIN: 00037542) as Non-Executive Independent Director of the Company to hold office for a second term of 5 consecutive years i.e. from 1 April, 2019 to 31 March, 2024.		
5.	To re-appoint Ms. Priti Rao (DIN: 03352049) as Non-Executive Independent Director of the Company to hold office for a second term of 5 consecutive years i.e. from 1 April, 2019 to 31 March, 2024.		
6.	To re-appoint Mr. Atul Kanagat (DIN: 06452489) as Non-Executive Independent Director of the Company to hold office for a second term of 5 consecutive years i.e. from 1 April, 2019 to 31 March, 2024.		

Signed this……………………day of…........2019

Signature of Member……………………………………… Signature of Proxy Holder(s)……………………………

Affix
Revenue
Stamp

Notes:

1. *This form in order to be effective should be duly completed and deposited at the Registered Office of the company, not less than 48 hours before the commencement of the meeting.*
2. *For the Notes, resolutions and Explanatory Statement, please refer to the Notice of the 37th Annual General Meeting.*
3. *It is optional to put number of votes in the appropriate column against the Resolutions indicated in the Box, so that the Proxy should vote accordingly. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate. Please note that the total number of votes given cannot exceed the number of shares held for each and every resolution.*
4. *Please complete all details of member(s) in the above box before submission.*

E-COMMUNICATION REGISTRATION FORM
(FOR PHYSICAL HOLDER OF SHARES / FOR MEMBERS NOT YET UPDATED THEIR E-MAIL ID OR BANK ACCOUNT DETAILS WITH THE COMPANY)

To,
KARVY FINTECH PRIVATE LIMITED
(Unit: MASTEK LIMITED)
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad – 500 032
Toll Free No.: 1800-3454-001
Email : einward.ris@karvy.com

Folio No. / DP ID & Client ID	
Name of the sole / first named Member	
Name of joint holder(s)	
Registered Address of Member	
E Mail ID to be registered	
Mobile No (optional)	

Bank Account Details : (for electronic credit of unpaid dividends and all future dividends)									
Name of the Bank									
Name of the Branch									
Account Number (as appearing in your cheque book)									
Account Type (Saving / Current / Cash Credit)	**Saving**			**Current**			**Cash Credit**		
9 Digit MICR Number (as appearing on the MICR cheque issued by the bank) Please enclose a photocopy of a cheque for verification									

11 Digit IFSC Code											

Date: __ __\\ 20__ **Signature of the Member:____________________**

Note:

1. *Members holding shares in demat form are requested to fill up prescribed registration form with their Depository Participant (DP).*
2. *Members are requested to keep DP / RTA / Company informed as and when there is any change in the Email address. Unless the E-mail ID given above is changed by you by sending another communication in writing / E-mail, the Company will continue to send the documents to you on the above mentioned E-mail ID.*
3. *Members hereby authorize Company to send all the correspondence on the above mentioned E-mail ID.*
4. *Please enclose a self-attested copy of PAN card of the members, original cancelled cheque leaf, Bank pass book and address proof viz., Aadhaar card as required for updating of the details along with this form.*

Mastek Limited and its subsidiaries offices

India offices

Mumbai

#106/107/122/122 C
SDF IV, Seepz, Andheri (East),
Mumbai - 400 096
Tel: +91-22-6722-4200
Fax: +91-22-6695-1331

IT 5/6/7/8, SDF VII,
Seepz, Andheri (East),
Mumbai - 400 096
Tel: +91-22-6722-4200
Fax: +91-22-6695-1334

#183, SDF VI, Seepz,
Andheri (East),
Mumbai - 400 096
Tel: +91-22-6722-4200
Fax: +91-22-6695-1332

Navi Mumbai

#A/7, Mastek Millennium Centre
illennium Business Park, Mahape,
TTC, Off Thane Belapur Road
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