



# Enterprise Digital Transformation: Inspiring Growth

Annual Report  
2017-18

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### Forward-looking Statements:

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.

# Enterprise Digital Transformation: Inspiring Growth

The world is in the midst of a digital transformation. With 75% of businesses set to transform to digital by 2020 (as per Gartner's projections), the opportunity matrix is expanding and fast.



It is an inspiring moment for us, at Mastek, as we get ready to take on the new opportunities to expand our business across sectors and regions, with a strong focus on improving lives through mission critical and enterprise digital transformation (DX) solutions.

With over three decades of experience and a comprehensive bouquet of solutions and services, we are well placed to partner businesses in their digital transformation journey.

Our excellent track record of delivery, as manifesting in our 96% delivery success ratio, has empowered us with the capability to drive the growth of our diverse clients.

While our expertise across the value chain - from design to development to deployment - makes us the preferred choice for a growing client base, our dedicated team of quality-focussed experts remains committed to always doing right for our customers.

Further facilitating our progression in expanding world of digital is our performance excellence, that continues to strengthen the trust of our customers, as reflected in the repeat business offers. In the last three years, 98% of our annual revenue has accrued from repeat business.

**Together, these strengths are Inspiring Growth @ Mastek. And we shall do so as an organisation that is more agile, more responsive to customer needs and takes them through their DX journey.**

# A Journey of Inspiration

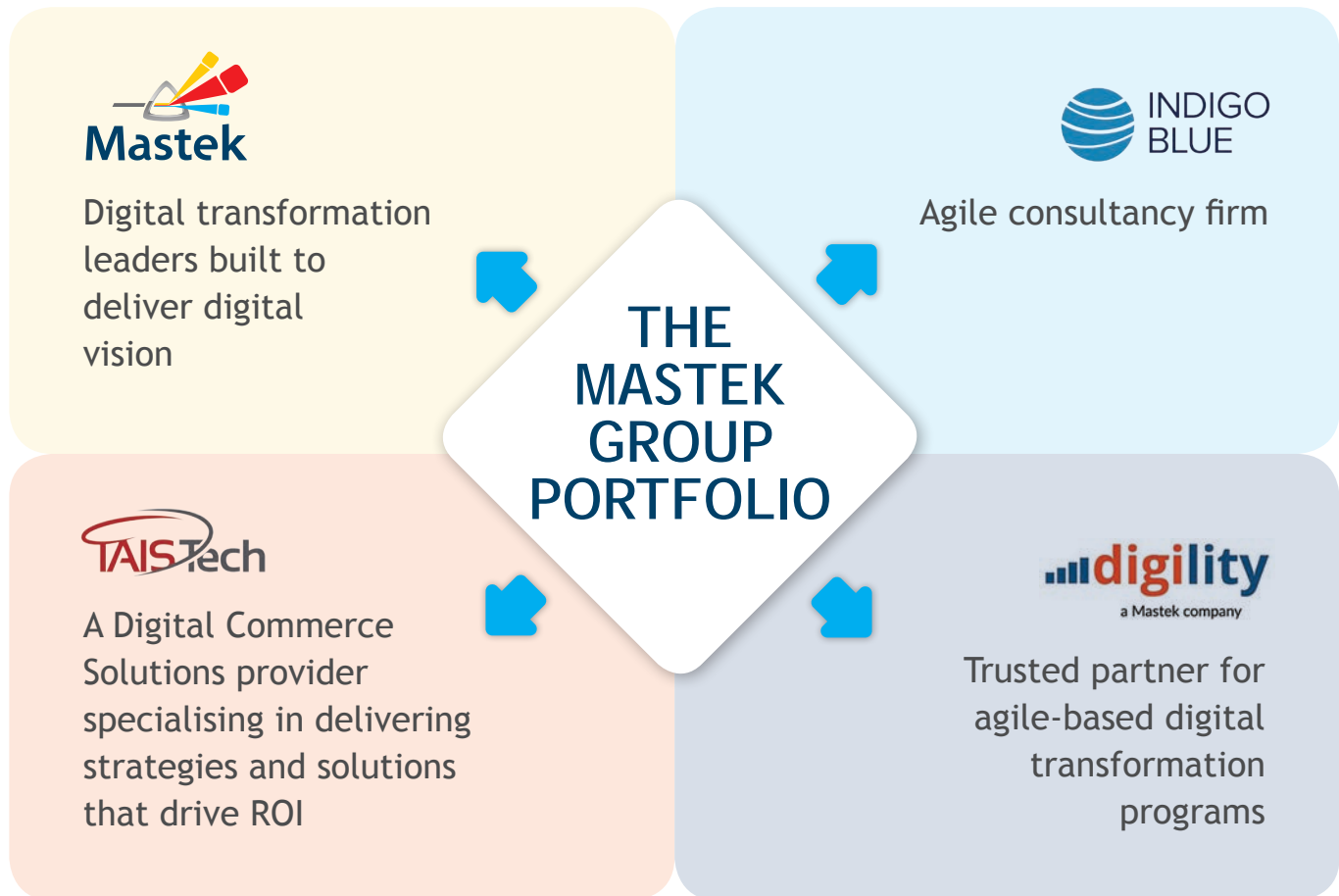
Incorporated in 1982, Mastek is engaged in providing software solutions and integration services. In recent years, we have emerged as a leading provider of Enterprise Digital Transformation services for both public and private enterprises.

The past 35 years have seen the Company work closely with marquee global clients in their transformation journeys. 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 across the UK, US and India.

We spearhead our global operations from our principal offshore delivery facility based in Mumbai, India. Staying at the forefront of technology, we have made significant investments in creating intellectual property which, along with proven methodologies and processes, as well as well-entrenched onsite and offsite deliveries, helps in generating greater value for our customers.

Steering our journey of success is our ability to solve problems, deliver and innovate for our clients, who look to us for outcome-focused solutions.



## Our Certifications

- The first and only Indian company accredited with JSP440 for the UK Ministry of Defence
- ISO 20000:2011 ITIL certified

## Our Offices



- India (six centres including the headquarters in Mumbai)



- U.K. (three centres)



- U.S. (two centres)





## Our Service Offerings

We offer comprehensive services covering the full range of software development process - from an initial agile consulting exercise, to application development, testing and ongoing support as well as maintenance. Our offerings are aligned with our goal of being recognised as a leader in delivering digital transformation services by helping customers understand their challenges, creating a roadmap, and delivering state-of-the-art transformational programs projected towards business outcomes.

- **Agile Consulting** - Enabling our clients to deliver digital change
- **Business Intelligence and Analytics** - Offering pragmatic analytics for business priorities
- **Application Development** - Delivering robust, scalable and secure applications
- **Application Support & Maintenance** - Bridging the business and IT gap
- **Assurance & Testing** - Extending iterative, agile testing approach scaled to business needs
- **Digital Commerce** - Providing Omni channel e-commerce innovation

## Mastek in Numbers

**36 years**

Experience in delivering mission-critical enterprise applications

**c. 46%**

Y-o-Y revenue growth in FY 2017-18

**96%**

Program delivery rate v/s industry standard of 81%

**6.5 million**

Secure healthcare transactions processed daily

**>22k**

School administrative systems

**#1**

Supplier of agile development services to UK Government on G-Cloud

**5+ years**

Average customer relationship

**83%**

Mastekeers hold an engineering degree

**91%**

Customer advocacy rate

**2000+**

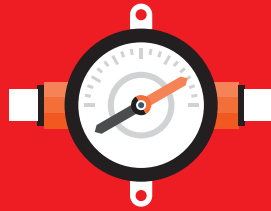
Team strength

**80%**

Customer retention rate

## Vision 2020

To make Mastek a global leader in Enterprise Digital Transformation



## Core Values

Our people, referred to as Masteekers, 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), 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 Masteekers 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 Masteekers, enabling quicker and better integration of new Masteekers 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 earning trust and delivering exceptional results for our stakeholders.

**Sustainable** - We increase our social dividend, investing as much in our communities as in business improvements.

# Inspiring Growth Leveraging Unique Strengths


A deeply-ingrained set of unique strengths propels our journey, as we move proactively towards capturing the digital transformational opportunities around the world. Leveraging these core strengths, we are continuously sharpening our competitive edge to translate it into a compelling advantage for our clients.

**Agility** - We deploy an incremental agile approach for all projects. By breaking each project into short small tasks, we get the flexibility to review the project at every step, as it evolves. With robust test assurance, quality controls and governance at every stage, we are able to ensure real-time responses to project requirements. This enables us to maintain project quality and timelines.

**People excellence** - We are proud to be driven by the very talented people in the industry. Recruited from the best universities after a rigorous assessment process, the Mastek team is proficient in meeting project expectations. Our focussed investments in our people help nurture their talent, with regular training programmes to upgrade their skills and capabilities. Our learning and development programmes are aimed at helping our people evolve as competent professionals, equipped with the necessary competencies to keep pace with the transforming market needs and trends.

**State-of-the-art back-end** - We embrace and employ futuristic technologies for successful digital transformation. Keeping a watch on trends in Blockchain and Internet of Things, we have made investment in these technologies to build our capabilities and serve our customers. Several advanced cloud platforms and micro-service architecture are also used to facilitate successful digital transformation.

**Strong client relationship** - Our innate ability to understand the challenges of our customers, across sectors, enables us to craft insightful and impactful solutions. We command an outstanding program delivery rate of 96% versus an industry standard of 81%. Our average customer relationship length is five years, and continues to grow. The final validation of our lasting customer relationships and enduring trust is the fact that 98% of our annual revenue is from repeat business.



“The professionalism and dedication of Mastekers to go the extra mile is what differentiates them from other organisations.”

*Nick Cooper, Head of Projects, Morrisons,  
(U.K.'s leading supermarket chain)*

“Mastek adds value to our business. They are a key IT partner, now and in the longer term.”

*Simon Carter, IT Director, Together, U.K.*



# Inspiring Growth Working with Diverse Enterprises

With our ability to recover troubled/stalled DX projects, modernise legacy environments and create new digital interfaces, we have built long-standing relationships with marquee clients across sectors.

Government	Retail	Financial Services
Home Office	Morrisons Supermarket	International Personal Finance
NHS Digital	BrandsMart USA	Together Financial Services
British Army Information Application Services	rue21	Yorkshire Building Society

## Inspired to Foster Alliances with Leading Partners

Microsoft
IBM
Oracle
Logi Analytics
Red Hat
Liferay
MapR
Creative Virtual
Talend
Denodo



# Managing Director's Message



## *Dear Shareholders,*

It is my privilege to present to you the Annual Report of Mastek for the year ended 31 March, 2018. We achieved robust growth in revenue, operating profit and earnings per share, and continue to generate consistent and sustainable value for our shareholders. More importantly, we are successfully executing against the roadmap outlined under our three year plan to become a global leader in enterprise digital transformation.

Businesses across the globe recognise the imperative to leverage new and emerging technologies to drive efficiencies. While in many cases existing legacy business systems are being modernised, yet in other cases,

new disruptive business models are being embraced to achieve the desired outcomes. In fact, it would be fair to say that almost every corporate company is pursuing digital transformation at some level. As per a recent global study, large organisations are annually spending around USD 400 billion on digital and analytic business transformations. However, according to Forbes, more than 84% of digital transformation projects fail to meet expectations. As businesses struggle to implement digital transformation, at Mastek, with our proven capabilities in delivering large and complex enterprise-wide transformation projects, we are well-placed to successfully partner businesses from end-to-end in their transformational journeys.

The global momentum is also skewed in our favour. Major global economies are poised for sustained recovery in the next couple of years, with the US, a growing market for Mastek, already showing a strong revival in recent times. While in the UK, economic activity is likely to be subdued owing to uncertainty over the outcome of Brexit negotiations, the withdrawal of UK from the European Union offers significant opportunity for Mastek. Over 27 new government departments will be created all requiring digital platforms and an experienced software engineering partner able to deliver mission-critical applications. Having worked with the major central government departments in the UK, our experience and expertise will place us at a vantage point for new contracts. Further, there's already a shortage of approximately 69,000 engineers a year in the UK which will be exacerbated by Brexit. With our strong talent pool of highly qualified and experienced software engineers, we are ready to help plug that gap.

John Owen, our Group CEO, came on board in November, 2016. The past financial year has been the first full year of performance under John's able leadership. He has strengthened the executive team and inspired the organisation to reach higher, under his "Vision 2020" agenda. The consistent growth and predictability that he and his team have delivered bear testimony to the quality of vision and leadership that John has brought to Mastek.

While the UK and the US continue to be our key geographies, our business model is well-diversified and de-risked. In these markets, the revenue from government projects is spread across many programs and we have been successfully winning new deals inside those accounts. We are steadily enhancing our clientele in sectors such as financial services, retail, amongst others and revenue is being generated from multiple service offerings.

Vision 2020 articulates our ambition to be a global leader in digital transformation services. We have been steadfast in our pursuit of this vision. Innovating, developing bespoke solutions and serving clients in a rapidly changing marketplace have enabled us to reposition Mastek from a commodity Indian-offshore IT services to a high-value impact and trusted digital transformation partner. On the financial front, we continue to move towards our target of returning to industry benchmarks and providing financial stability and sustainable growth. In a similar vein, on the operational front, we simplified our operating

model and aligned all resources to a common shared plan. Our people have been the most important catalyst in enabling us to provide a compelling value proposition. During the year, we remained focussed on ensuring a high-performance culture while protecting our core values and purpose.

The Company paid an interim dividend totalling to 40% (₹ 2.00 per share) for FY18. The Board of Directors have recommended a final dividend of 80%, which illustrates our confidence in the long-term prospects for the business and its underlying strength. The total dividend for the year including interim dividend works out to 120% (₹ 6.00 per share).

I would also like to emphasise the Board's commitment to upholding the highest standards of corporate governance. Since our inception, adhering to high ethical standards have been part of our culture - starting at the top and permeating every level of the organisation. Passionate about the business while staying true to integrity and transparency, your Board remains committed to creating shared value.

At Mastek, we also understand the importance of promoting business sustainability. Reducing our water usage, energy consumption, food wastage and e-waste are among the small but measurable steps we have undertaken, giving testament to our culture of making a difference in our world.

This is an exciting time of opportunity for the Company. Guided by our strategy, capabilities and financial strength, we remain confident of delivering higher growth and expanded profitability. On behalf of the Board, I thank our clients, partners and shareholders for their trust and support. I would also like to extend the deepest appreciation to our employees who consistently demonstrate their hard work and dedication to Mastek's success. Mastek is an excellent Company with a bright future, and we firmly believe that the best is in the offing.

**Sudhakar Ram**

*Vice Chairman & Managing Director*

# Group CEO's Message



“Our financial performance has been robust as well, which serves as a testament to the success of our strategy being pursued. Total income was recorded at ₹ 838.2 Crores for FY18 as compared to ₹ 572.8 Crores in FY17, reflecting an increase of 46.3% in rupee terms. Operating revenue stood at ₹ 817.2 Crores for FY18 as compared to ₹ 560.2 Crores in FY17, indicating an increase of 45.9% in rupee terms.”

## Dear Shareholders,

It gives me immense pleasure to report that the FY 2017-18 was a commendable one for Mastek. In our first full year of operations towards the realisation of our Vision 2020: to be a global leader in enterprise digital transformation, we delivered a strong, balanced and sustainable performance across all aspects of our business. Vision 2020 provides cohesion, consistency and focus, enabling us to successfully compete against much larger competitors who operate in our space.

Digital is described by the World Economic Forum (WEF) as the 4th industrial revolution and is driving structural change in every company, industry and even our country. With billions of people connected to mobile devices and having unprecedented access to knowledge and information, consumer and citizen expectations continue to increase exponentially. Traditional business models are being challenged daily and will remain under constant pressure to transform into the digitally integrated enterprises, whilst retaining the traditional metrics of quality, security and cost competitiveness. Clients that need assured business outcomes to remain competitive and relevant are now increasingly looking towards companies like Mastek to support them on their digital journeys because we help them successfully bridge from the static traditional IT world to the dynamic digital era.

Our reputation for engineering excellence, our delivery track-record and our ability to drive innovation has seen us continue

to grow and lead in the enterprise digital transformation marketplace. We are admired by our clients for our program delivery rate which surpasses industry standards, evidenced by the fact that 98% of our annual revenue over the last three years has been from repeat business. As we reposition the Company with the goal of becoming a leader in Enterprise Digital Transformation, we are confident that our value proposition holds us in good stead.

While there is much more work to do, our accomplishments in FY18 should serve as an excellent source of inspiration for all Mastekers and all our stakeholders. We secured 42 new clients during the financial year. As part of our Vision 2020 strategy, we also invested in improving our account management capabilities to increase the influence and value we offer to our customers. This has yielded strong growth and improved customer satisfaction. We continue to embed customer-centricity to build client relationships that will transform into mutually beneficial enduring relationships.

Our financial performance has been robust as well, which serves as a testament to the success of our strategy being pursued. Total consolidated income was recorded at ₹ 838.2 Crores for FY18 as compared to ₹ 572.8 Crores in FY17, reflecting an increase of 46.3% in rupee terms. Operating revenue stood at ₹ 817.2 Crores for FY18 as compared to ₹ 560.2 Crores in FY17, indicating an increase of 45.9% in rupee terms. EBITDA stood at ₹ 120.7 Crores (14.4% of total income) for FY18 as compared to ₹ 61.2 Crores (10.7% of total

income) in FY17, demonstrating a healthy growth of 97.3% on Y-o-Y basis.

We ended the year with a 12-month order backlog of ₹ 524.8 Crores (£ 56.9 mn) as on 31 March, 2018, as compared to ₹ 333.3 Crores (£ 41.2 mn) as on 31 March, 2017, reflecting an increase of 57.5% that demonstrates we are building positive momentum.

Driven by our robust financial results and the continued confidence in the long-term future of our business, the Board of Directors have recommended a final dividend of 80%. The total dividend for the year including interim dividend works out to 120% (₹ 6 per share on ₹ 5 Face Value).

Our quest for excellence is holistic and includes the crucial elements of Corporate Social Responsibility, Business Ethics and Sustainable Management. In this context, Mastek has always strived to do business in the right way and we therefore, welcome the recommendations made by the Kotak Committee to Securities and Exchange Board of India (SEBI). Many of these suggestions promise to improve the levels of transparency, accountability and the overall corporate governance standards in listed companies in India and bolster investor confidence. We are proud of our governance track record and will endeavour to never become complacent about our responsibilities as a Public company. We also strive to align our Sustainability initiatives to the 17 Sustainable Development Goals (SDGs) of the United Nations. Responsible growth is essential to us, and we will continue to implement global best practices in corporate governance and environmental protection.

Like many professional service companies, Mastek is a true reflection of the quality, dedication and professionalism of its people. We increased our Mastekeer population by 31% year-on-year and ended FY18 at 2,058 people who all share our passion, values and ambition to make Mastek a digital partner for our customers. I take this opportunity to formally acknowledge and thank every Mastekeer for bringing our values to life and integrating them into our operations, as manifested in our high level of customer-centricity and engagement approach.

Our business model is supported by our commitment to invest in our people, who are pivotal to delivering on our Vision 2020. We continue to embed leading employee management principles and practices. Unleashing the real potential of our people through continuous personal and professional development on the latest technologies and soft skills, our people transformation program Mastek 4.0 remains unique to our industry. Empowering our employees, Mastek 4.0 unlocks another level of engagement and ownership which allows Mastekeers to serve our customers better than traditional management techniques.

Our customers also understand that to bring innovative digital services to market they will need to invest in building a new type of relationship with their vendors based on trust, collaboration and transparency. This aligns very well with Mastek's value set of PACTS (Passionate, Accountable, Collaborative, Transparent and Sustainable) and further strengthens our proposition as a trusted partner. Hopefully, this also provides our customers a clear expectation and confidence of how Mastek will perform on their behalf.

Over 36 years, many professionals have built this Company, which is consistently respected by our customers, shareholders and Mastekeers for doing business in the right way. The positive feedback and appreciation I receive whenever I meet any of our key stakeholders fills my heart with pride. Mastekeers recognise that we are only as strong as our last delivery and I assure every key stakeholder: we are and will remain focussed on delivering sustainable and enduring value 24/7. While we are rightly proud of our heritage, we are more excited and focussed on our future as a leader in Enterprise Digital Transformation. Personally, leading Mastek is a huge honour, and our focus remains on building an even stronger and better organisation.

To conclude, we have proved our capabilities in delivering large and complex enterprise-wide digital transformation projects to the public and private sector in our target markets of the UK and US. We continue to deepen our presence in these targeted geographies and do not see any business benefit in geographic market expansion at this stage of our development. Going forward, the demand environment for digital transformation remains robust in both these regions. In India, we will continue to pursue selective bidding, staying focussed on profitable projects and those that offer the prospects of long-term client relationship. With immense opportunity identified across our domain and our detailed strategy of Vision 2020 in place to unlock it, we are confident of exploiting the opportunities and remaining relevant in an ever-changing digital milieu. Our strong performance in FY18 provides us with a reinforced sense of purpose and platform to further scale our business. We intend to build on our achievements and with your continued pride, support, enthusiasm and encouragement we will continue to build Mastek into a stronger company and deliver on our true potential.

Thank you for your investment and trust in our Company.

**John Owen**  
Group CEO

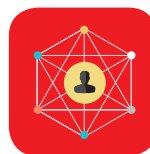
# Inspiring Growth in FY'18...

Aligning ourselves to the burgeoning opportunity matrix in the world of digital transformation, we achieved many significant milestones during the year under review, across the operational and financial spectrum of our business.



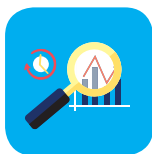
## Government projects:

Mastek has won two prestigious projects with the British Army Information Application Services (IAS), thus reaffirming our leading position in government projects. These include a project to support and enhance the Army Data Warehouse (ADW), and the delivery of secure Application Support Services.



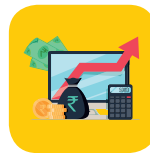
## Employees:

As on 31 March, 2018, our employee count stood at 2,058, of which 1,327 employees were based offshore in India, while the rest were at various onsite locations. The Y-o-Y increase of 31% in headcount reflects the substantial growth in existing accounts, new client wins and onsite business demand that required rotating offshore team members onsite, thus leading to offshore opportunities that had to be backfilled.



## Projects in financial services:

One of the leading European International Financial Institution has awarded Mastek a three-year contract to deliver a new data platform. The customer is a global development investment bank that uses investment as a tool to build market economies in developing and emerging countries.



## Dividend:

At their meeting held on 18 April, 2018, the Board of Directors recommended a final dividend of 80% (₹ 4 per share). The total dividend for the year including interim dividend works out to 120% (₹ 6 per share).



## New accounts billed during the quarter:

Our focussed sales and business development strategy translated into significant addition to our client portfolio during the year. We added 42 clients in FY18, taking our total client count to 170 (LTM), as of 31 March, 2018. The top 5 clients accounted for 39.8% of our total revenues, while the top 10 contributed 55.9% of our total revenues for the year.



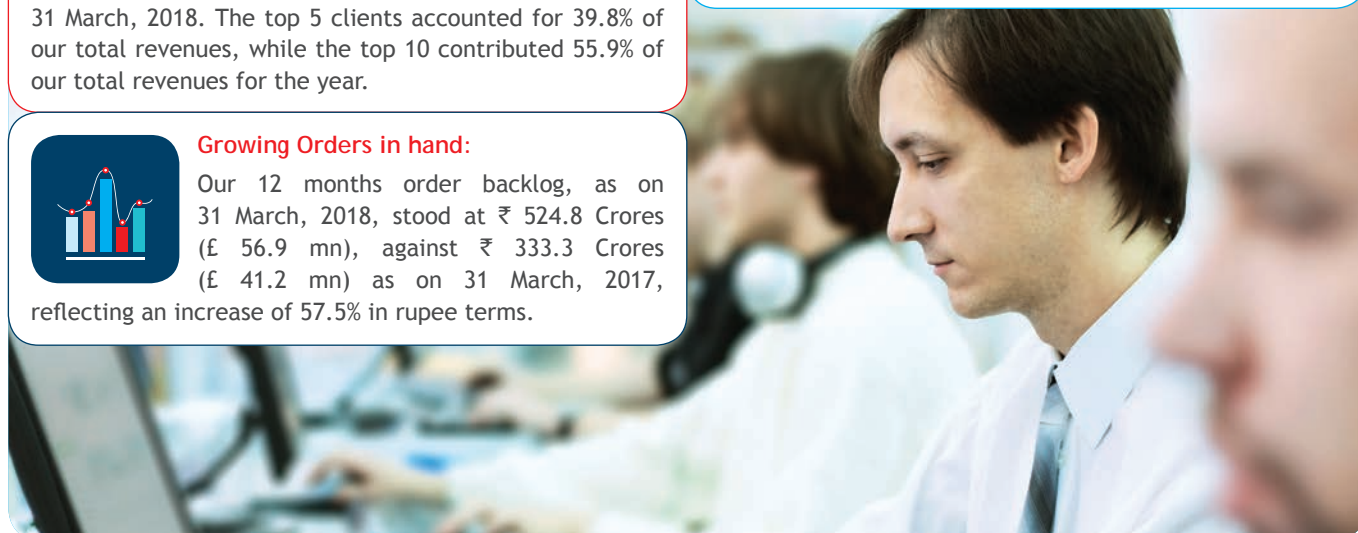
## Cash Balance:

The total cash, cash equivalents and fair value of Mutual Funds stood at ₹ 205.7 Crores as on 31 March, 2018, as compared to ₹ 153.0 Crores at the end of 31 March, 2017.



## Growing Orders in hand:

Our 12 months order backlog, as on 31 March, 2018, stood at ₹ 524.8 Crores (₹ 56.9 mn), against ₹ 333.3 Crores (₹ 41.2 mn) as on 31 March, 2017, reflecting an increase of 57.5% in rupee terms.



# Inspiring Growth Awards & Accolades

We are delighted and extremely proud to have won several prestigious awards during the year. It has also inspired us to raise our aspirations, challenge ourselves and grow further.

## European Testing Award 2017 - Finalist

Mastek developed, tested and maintained a highly configurable D2C platform for digital and accurate in-user experience at SEI UK. Increased the automation testing scope from specific applications to cover end-to-end testing across multiple applications.

## UK IT Industry Award 2017

The Home Office Immigration Technology Programme won the prestigious 'Best Use of Cloud Services' award at the UK IT Awards 2017. This is a project that Mastek has been involved in delivering since its inception in 2013. Mastek joined the IPT leadership team and UK's leading technology companies and professionals at London's Battersea Park for the UK IT Industry Awards 2017. The award focusses on project teams that achieve exceptional results through outstanding project implementation.



# Inspiring Growth Seize, Succeed and Soar

In the transforming industry milieu, where digitisation is no longer an option but an imperative for growth, Mastek stands out for its distinctive business philosophy and differentiated solutions. Our technological edge, backed by state-of-the-art systems and processes, helps customers keep pace with the rapid proliferation of digitisation, which is currently taking place at the back of new technologies such as mobility, big data, the internet of things, social media and cloud.



## The Opportunity Pie

Our growth odyssey is led by the expanding opportunity pie that we see across sectors and geographies. It is our constant endeavour to seize more and more opportunities to scale new heights of success.

The opportunity landscape that is inspiring us to grow in the transforming business environment of today is getting bigger by the day. As per the latest estimates, the opportunity size we are currently looking at is in the range of USD 800 billion.

A recent global study suggests that large organisations spend USD 400 billion annually on digital business transformations. However, an overwhelming 84% fail to achieve the eventual objective, with organisational silos, legacy integration, lack of continuous innovation and the shortage of talent challenging the realisation of their goal.

What enterprises need, and are looking for, are digital transformation specialists with experience and expertise, with knowledge and know-how, and with teams and talent to handhold them as they undertake the digital transformation journey.

**19%**

Projected CAGR of global digital transformation market during 2016 and 2021 (Zion Market Research)

**USD 800 billion**

Size of the global digital transformation market by 2025 (Grand View Research)

**9.4%**

Estimated rate of growth of global software spending in 2018; software is the fastest growing element of the IT sector

**84%**

Companies failing at digital transformation projects (Forbes)



## We Are Positioned to Succeed...

At Mastek, we are well equipped to fill the gap that businesses around the world face in the realisation of their digital transformation goals. With our powerful nucleus of strengths, we are ideally positioned to partner enterprises in their digital transformation journey.

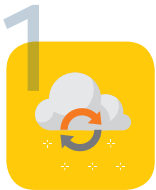
Our track record of successfully recovering failed digital transformation projects, combined with our capability in delivering credible and focussed outcomes for new projects, places us at a vantage point for harnessing the opportunities. Our experience in delivering large and complex enterprise-wide transformation projects for the public and private sector positions us ideally to collaborate with leading enterprises and become their trusted partner in digital transformation.

## ...And Set to Soar

With our eyes firmly on the emerging opportunities, and our ability to harness our inherent strengths, we are confident of scaling new frontiers of growth as we move forward. The future beckons us with new and bigger possibilities for expanding our business, and we are all set to soar towards greater heights of success.

### Where we help

Agile solutions for enterprise



#### 1 Recover

Get a project back on track



#### 2 Modernise

Evolve your existing applications



#### 3 Create

Embark on a new project



“Partnering UK’s Home Office, Mastek successfully delivered flexible and digitally driven IT solutions to support the country’s visas & immigration, enforcement and border forces.”

# Inspiring Growth of our Global Customers

Our global customer success stories endorse the success of our business model, which is structured to deliver impactful and holistic solutions, that are aligned to their digital transformation needs. A look at some of these success stories:

## Enabling Together's Transformation

### Together, U.K.

Together is a U.K.-based specialist lender, offering short-term finance, secured loans, personal, commercial and buy-to-let mortgages. The Company prides itself on its unwavering commitment to common-sense lending, looking at each case individually and taking a customer's circumstances into account before identifying a solution.

### The Challenge

Together wanted to radically simplify and enhance customer experience while retaining its signature common-sense approach to lending.

### Mastek's Role

Mastek has been partnering Together for the past four years. We started as a 14-member team working on their broking portal, and have since grown into a 100-member team to partner them on more than 125 agile development projects and IT-enabled business

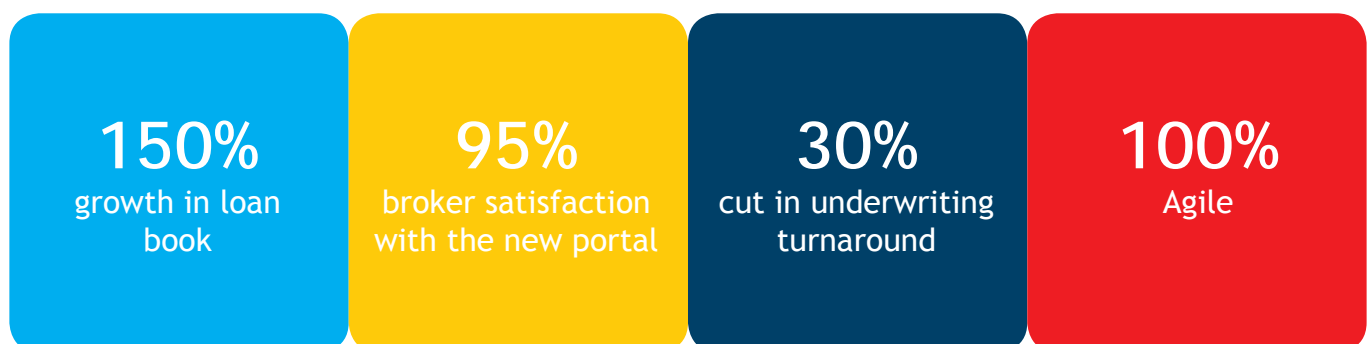
enhancements. With our step by step approach to transformation, we have driven impactful change across Together's business functions.

### Together's Transformation Journey

Some of the transformation goals we have helped Together achieve through this partnership are:

- Replacement of obscure and complex product interfaces with a unified broker portal that is simpler and easier, thus enhancing the processes and value proposition for brokers and customers alike
- Addition of decision-in-principle functionality, using sophisticated underwriting logic to give potential customers immediate pre-approval for a specific loan amount. This gives them more information and confidence while applying to a lender
- Automation of paper-dependent steps, significantly reducing processing time and enabling faster decisions

## Business Benefits



“Mastek is a good match for us: in company size and flexibility, in their specialist expertise, their responsive service and their professional attitude and behaviour. We challenge them, and they challenge us, which strengthens the partnership and delivers results.”

*Steve Thomason, Head of Business Systems, Together*

## Helping IPF Achieve Transformation

### International Personal Finance Plc, Europe and Mexico

International Personal Finance Plc (IPF) is a leading provider of home credit and digital loans across Europe and Mexico.

#### The Challenge

IPF wanted to transform its insurance offering, which was a limited add-on, into a more flexible and attractive portfolio of options. As estimated by IPF, the transformation process could take over a year and cost several million pounds. With this challenge, the search was on for a transformation partner who could build a new insurance product system that was fully integrated with the core legacy system - and do it all at a brisk speed while keeping costs low.

#### Mastek's Role

At Mastek, we partnered IPF for meeting the challenges of transformation.

### IPF's KPI Transformation

The transformation objectives that Mastek helped IPF achieve through this partnership are:

- We provided a flexible new platform that can, over time, take on the functions of IPF's legacy system to become IPF's new single core business system
- The new insurance system integrates properly with the old - without complicating future developments or migrations
- The new system was developed by us in a fraction of the time and at a fraction of the cost originally estimated by our client

“I was told that Mastek could always be depended on to deliver, and I've consistently found that to be true, whether they're developing a new solution from scratch, extending an existing system, or integrating something built by others.”

*Chris Robinson, CIO, IPF*

### Business Benefits

**New insurance system developed as per business requirements**

**System developed in just 4 months as against the estimated one year**

**Completed in less than 20% of the baseline development cost**

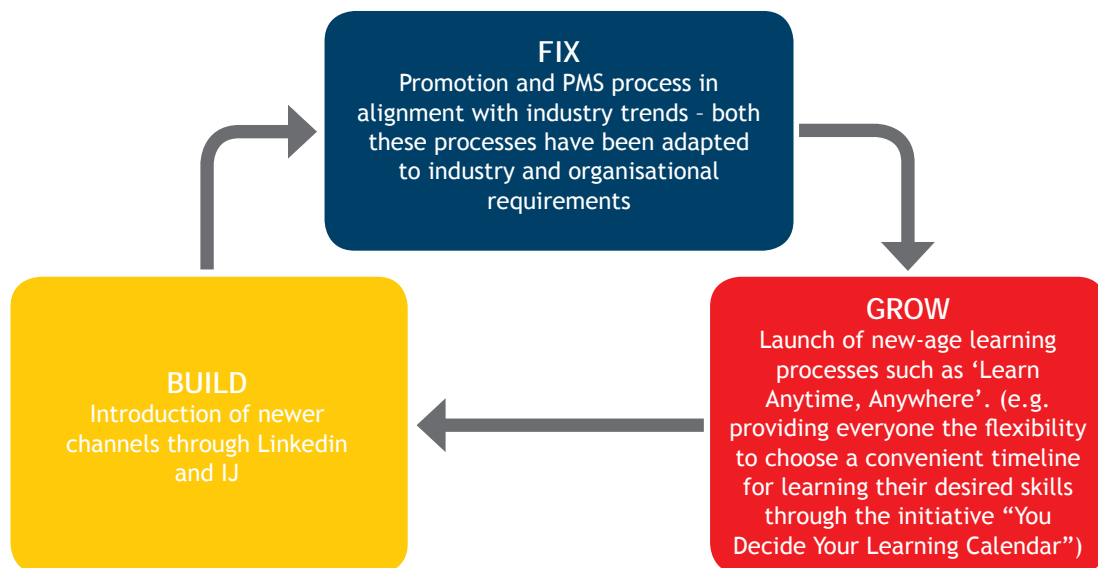
# A Culture that is Inspiring Growth

At Mastek, the inspiration to grow finds resonance across the organisational hierarchy, with every member of our team aligned to our vision and goals. Our talented, hard-working and experienced team, which consists of a large number of software engineers, has emerged as a major pillar of our growth strategy. This year, the headcount recorded a steep jump of 31% making Mastek a strong family of 2,058 employees.

We believe in nurturing a spirit of collective ownership and teamwork among our employees, who are imbued with the culture of growth which we have embedded across the organisational framework.

In line with the Mastek 4.0 New Age Organisation philosophy, our people are organised as self-managed groups, rather than in a command and control based hierarchical structure.

With people empowerment a key focus area of our HR ethos, we are continuously working towards upgrading and upscaling the capabilities of our employees through regular learning and development programmes. We are progressively moving towards the creation of a 'fix, build and grow' model for people development.



## Upscaling our people capabilities

Capacity-building and skill upgrade programmes like ODI, Denodo, Qlikview & Angular were organised during the year to help Mastekers stay abreast of market trends. Technical capability-buildin sessions, such as MEAN Stack Angular 4 & MongoDB, DevOps Foundation, Tableau, and Python, also enriched employee learning. Behavioural interventions programmes such as Project Enhance, Mastek Toastmasters Club were held to support the overall professional development of Mastekers.

## Building a positive environment

Our HR thrust on creating safe and enjoyable working conditions, coupled with a robust talent acquisition and management system, has enabled us to earn a high retention rate of 88.88%, making us the preferred choice for talent.

We are equal opportunities providers, ensuring that every employee, irrespective of gender, background and position, has the same scope for growth and progress. As a result, 6% of our employees were promoted to the next role during FY18.

Newer channels of employee recruitment such as LinkedIn were leveraged to optimise talent acquisition. At the same time, we continue to maintain focus on Internal Job Posting and job rotation to ensure adequate career opportunities and engender a culture of loyalty and stability for internal employees.

To maintain diversity in the organisation, a special drive for women candidates was conducted, which resulted in higher number of women being on-boarded.

Gratitude is Attitude, International Women's Day were celebrated with great energy and enthusiasm. Women's Day was an ongoing celebration for 4 days across locations with workshops on Self Defence and Zumba. The female housekeeping staff was recognised as well for their constant support to the Mastek Family. Gratitude is Attitude event was introduced with the objective of encouraging Mastekers to live our Mastek values by simply expressing gratitude to each Mastekeer and increase Mastek's 'Payroll Giving' to the Mastek Foundation. This event was held thrice in the last fiscal and as a result the payroll giving enhanced from 48% to 75%.

## Boosting employee engagement

To further strengthen our employee connect, our HR team continued to work towards increasing employee involvement and productivity through the year. Significant progress was made in ensuring that more Mastekers fill their timesheets on time and with accuracy.

Talent pool was the combination of local sourcing in the geography as well as onsite opportunity to many mastekers, thereby reducing the turnaround time and enhancing the talent pool strength for serving our customers.

Our Performance Management System (PMS) was also re-energised during the year to further strengthen our employee connect. In addition, we enhanced the benefits and support associated with maternity, infertility treatments and congenital diseases to provide employees with a richer experience



The year saw the re-launch of various initiatives that have supported the hiring requirements in the past. Most recently, the Buddy Referral programme was relaunched as StarFinder. Both LinkedIn and StarFinder have been instrumental in filling up open positions cost-effectively.

# Inspiring Growth With Responsibility

While profitable growth is intrinsic to our business strategy, we believe that responsible growth is equally important to drive our success as a global corporate. Led by this belief, we have made sustainability a central agenda of our business model. We have in place a robust framework to promote sustainable growth, and a well-mapped CSR charter to ensure holistic growth for all stakeholders, including customers, employees and the communities around which we operate.

Our Sustainability, Health, and Safety Policy reflects our stringent adherence to social and environmental norms. We review and update the policy every year, in line with the latest industry norms. We strive to align our Sustainability initiatives to the 17 Sustainable Development Goals (SDGs) of the United Nations, and have initiated several measures to achieve the same.

Our certifications endorse our commitment to Sustainability, and during the year:

Our facility at Mahape, Navi Mumbai was certified for the implementation of ISO 14001:2015 in September 2017. The surveillance audit is scheduled in July 2018.

We were certified for the implementation of OHSAS 18001:2007, an internationally recognised standard for Occupational Health and Safety Management System, in September 2017. The surveillance audit is scheduled in July 2018.

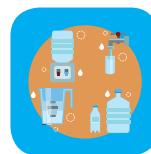
We recognise that guidelines and covenants alone cannot bring about the change we wish to see. By integrating sustainability into day-to-day operations, and making it intrinsic to our culture, we are passionately working towards a better, safer and greener future for all. Every small change, we believe, will collectively inspire a better tomorrow.

We endeavour to reduce our Carbon Footprint in every aspect of our operations. Some of the steps taken include:



## Reduction in Electrical Power Consumption

We were able to reduce our power consumption by 18% over the previous year, through monitoring energy use and installing LED lights. To further save energy and improve efficiency, we implemented smarter solutions with automated controls to maintain optimal temperature at optimal power consumption. LEDification of our offices as well as replacement of old power guzzler with new smarter solutions has helped to reduce our energy costs as well.



## Reduction in Water Wastage

Instead of serving 500ml of bottled water, we are now using 200ml bottles in a step towards minimising water wastage. Plans have also been formulated for implementation of rainwater harvesting in the summer of 2018. This will further help us to reduce our water footprint.



## Reduce, Reuse and Recycle of E-waste

We have partnered with companies such as Via Green and Indian Scrap traders for recycling and disposal of E-waste in an eco-friendly manner. Refilling of cartridges is being carried out to minimise our E-waste.



### Reducing Emission

In December 2017, we organised a free car health check-up camp for Mastek employees to reduce environmental impact. We are working with Mastek COE team on the carpooling app for Mastekers. The use of fewer cars by our team will help reduce auto emissions.



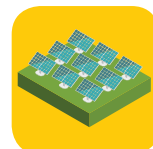
### Record of Food Waste

We have started maintaining a monthly record of canteen food wastage, and the same is being displayed in our cafeteria for the information of employees. The awareness will help bring about a positive change in the habits of our people and reduce food wastage.



### Spreading Environmental Awareness

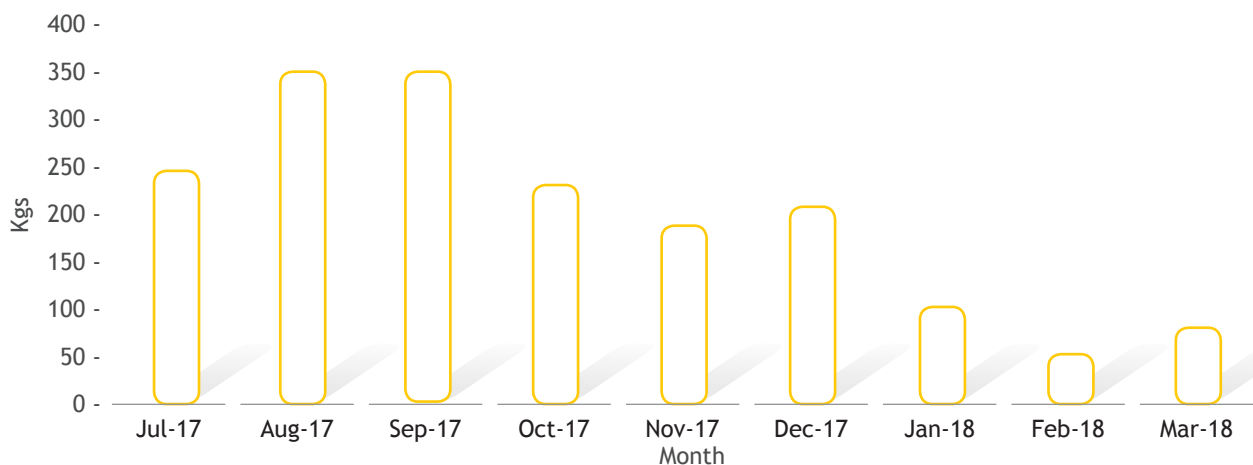
Awareness posters with captions of “use less paper” and “save trees” have been displayed in the washrooms. This will sensitise employees and visitors on the importance of protecting and preserving the earth’s resources.



### Exploring Solar Power Energy

We are studying the viability of a solar powered energy / hot water solution for our cafeteria. The initiative is currently in the initial stages.

## Our success in reducing food wastage



# Board of Directors



**Mr. S. Sandilya**

(DIN 00037542)

*Non-Executive Chairman and Independent Director*

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 almost five 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, Strategic Planning, Manufacturing and General Management. He was the Group Chairman and Chief Executive for six years before becoming a 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 abandoned and vulnerable children.



**Mr. Sudhakar Ram**

(DIN 00101473)

*Vice Chairman & Managing Director*

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, as a veteran of the IT industry, is also a keen observer of domestic and global IT and business trends. He uses his deep insight into the industry to frequently write articles and columns for leading newspapers.

Mr. Ram is a silver medallist from Indian Institute of Management (IIM), Calcutta.



**Mr. Ashank Desai**

(DIN 00017767)

*Non-Executive Director*

Mr. Ashank Desai, is an IT 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 & Past Chairman of NASSCOM.

He has been felicitated by Prime Minister Shri Narendra Modi for his contribution to NASSCOM & 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

(DIN 03352049)

*Non-Executive and Independent Director*

Entrepreneur & 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 Chairperson of Aatmaja Foundation.

She holds 25 years 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

(DIN 06452489)

*Non-Executive and Independent Director*

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.

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 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 & Mergers & Acquisition.



### Mr. Keith Bogg

(DIN 07658511)

*Non-Executive and Independent Director*

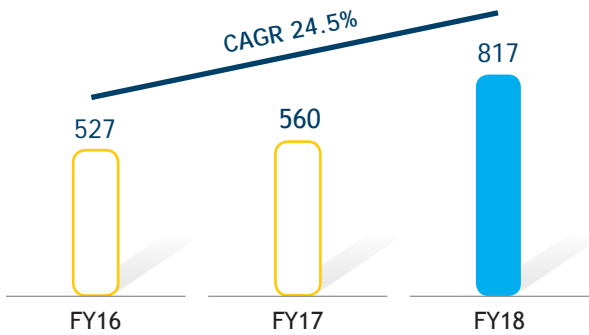
Mr. Bogg, A-level Economist from University of Hertfordshire, is an experienced London-based Company Director and business change leader operating across multiple functions and sectors with a focus on strategy, restructuring, growth and shareholder value. At Marks and Spencer, he held multiple roles, 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 & Research Services Plc. and currently holds advisory roles with the Civil Aviation Authority and the Grosvenor Group, UK.

*Please refer Corporate Governance Section for detailed profile.*

# Financial Review

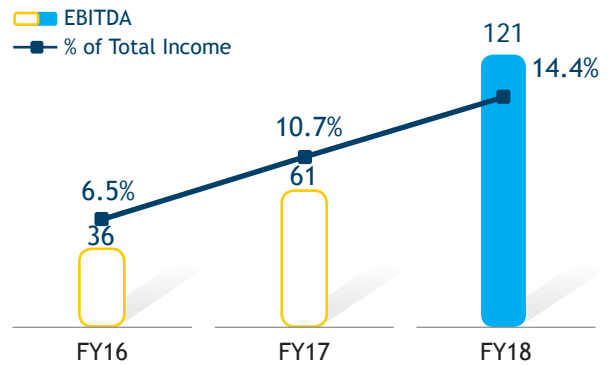
Revenue from Operations

₹ Crores



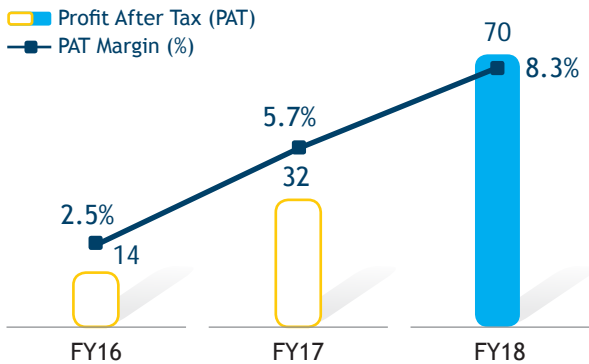
EBITDA Performance

₹ Crores



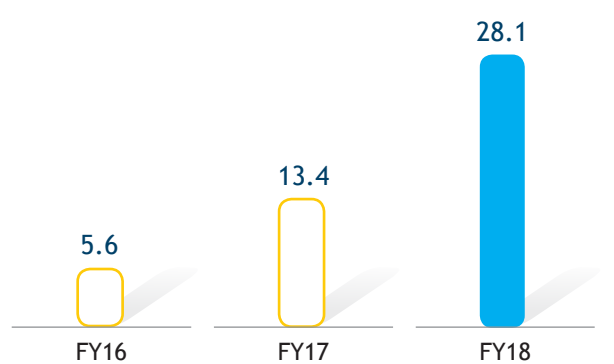
PAT Performance

₹ Crores

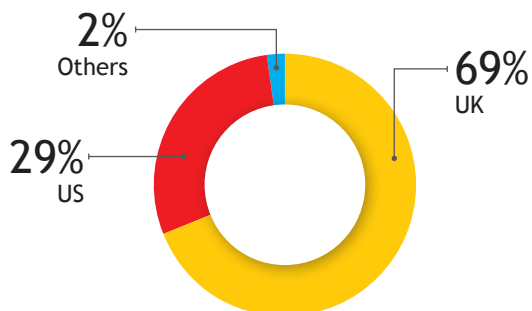


Earnings Per Share (EPS)

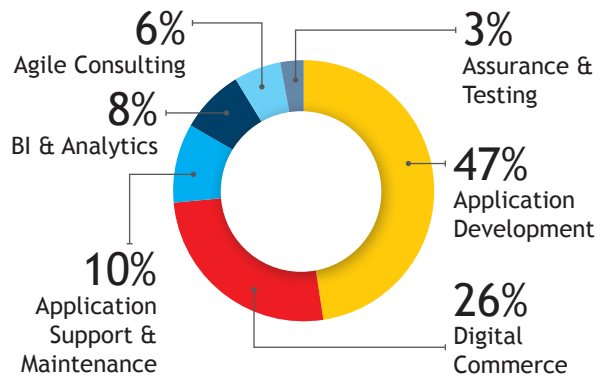
In ₹



Revenue by Geography



Revenues by Service Lines



# Financial Highlights

₹ in Lakhs

Particulars	2015-16	2016-17	2017-18
Total Income	54,432	57,276	83,820
Operational Revenue	52,693	56,016	81,721
EBITDA (including Other Income)	3,559	6,116	12,065
EBIT	1,953	4,623	10,189
Net Profit	1,374	3,241	6,996
EPS - Basic (₹)	6.02	13.96	29.74
EPS - Diluted (₹)	5.62	13.38	28.14
DPS (₹)	2.5	3.5	4.5
<b>Annualised growth in</b>			
Revenue (%)	1.1%	6.3%	45.9%
Net Profit Margin (%)	2.5%	5.7%	8.3%
EBITDA Margin (%)	6.5%	10.7%	14.4%
Return on Networth (%)	2.6%	6.9%	13.7%
Debt/Equity	0.00	0.14	0.13
Current Ratio	2.6	2.6	2.3
Debtors Turnover (No. of days)	67	55	67
Operating Cashflows	3,150	4,285	6,410
Current Investments and Cash & Bank Balances	11,994	15,299	20,572
Price Earning Multiple	23	13	18
Group Employees as at the year end	1,298	1,577	2,058
Offshore (Numbers)	910	1,045	1,327
Onsite (Numbers)	388	532	731

# Corporate Information

## Board of Directors

- S. Sandilya - Non-Executive Chairman and Independent Director
- Sudhakar Ram - Vice Chairman & Managing Director
- Ashank Desai - Non-Executive Director
- Atul Kanagat - Non-Executive and Independent Director
- Priti Rao - 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

## Corporate Social Responsibility Committee (CSR)

- Priti Rao - Chairperson
- Ashank Desai - Member
- Sudhakar Ram - Member

## Governance Committee

- Ashank Desai - Chairman
- Priti Rao - Member
- Keith Bogg - Member

## Group Chief Financial Officer

Abhishek Singh

## Company Secretary

Dinesh Kalani

## Auditors

Walker Chandio & 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, 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 Computershare Private Limited  
Karvy Selenium Tower-B, Plot Nos. 31 & 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

## Overview of Industry and Business Environment

### Global Economy & IT

The global economy growth was better than anticipated in CY2017. Global economy grew by 3.7% in CY2017, 0.1% higher than anticipated and 0.5% higher than 2016. The factors that conspired growth to be subdued in the past - a stagnant international trade, slow investment, weak aggregate demand and low commodity prices - are rebounding. Major Global economies are poised for sustained recovery in the next couple of years, with US already showing strong recovery in Q1 CY2018 and expected to continue it forward.

According to OECD (Organisation for Economic Co-operation and Development), the global economy is projected to expand at a steady pace of 3.9% in CY2018 as well as CY2019. The Advanced Economies and Emerging Market & Developing Economies (EMDEs) grew at 2.3% and 4.7% in CY2017 respectively and is projected to accelerate in the next two years. The primary factors to drive global prospects are new tax reductions and increased spending in the United States (USA) aided by record levels of unemployment and additional fiscal stimulus in Germany. However, risk of geopolitical tension, trade war, protectionism, Oil prices and currency volatility still remains a concern over the prospects of recovery.

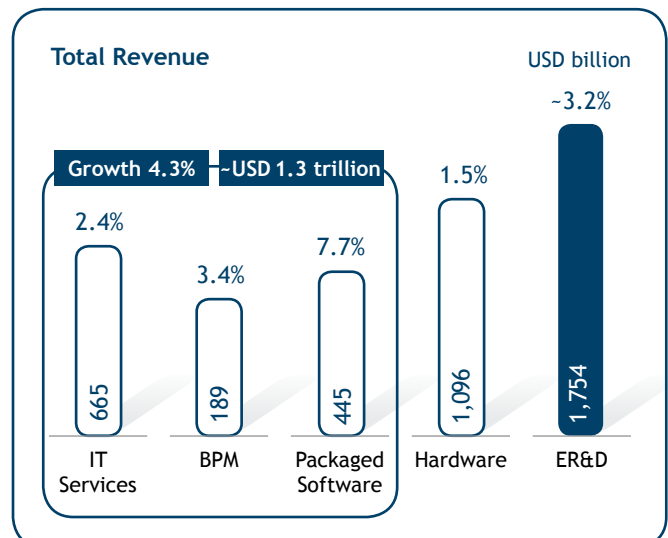
The US economy grew at 2.3% in CY2017 and is estimated to grow at 2.9% in CY2018. The United Kingdom (UK) economy grew at 1.7% in CY2017 and expected to grow at 1.3% in CY2018 mainly due to weak household spending and the drag on business investment from uncertainty relating to the outcome of the Brexit negotiations. Brexit is festering one of the largest government IT programmes ever to get off the ground. It requires huge changes and a myriad of new systems. According to GlobalData, there are at least 27 core systems across UK government that will need to be reconfigured or rewritten as a result of changes to immigration, borders and customs controls.

In China, growth is projected to slip further to 6.7% in CY2018 and to 6.4% in CY2019 from 6.9% in CY2017 mainly due to less accommodative monetary policy and the Government's effort to rein in credit and control debt. India continues to reclaim its fastest growing economy tag among developing economies. India GDP grew at 6.6% in FY2017, is expected to strengthen at 7.2% and 7.5% in FY2018 and FY2019 respectively, with strong private investment growth driving the rebound from the transitory effects of demonetisation and the introduction of the Goods and Services Tax (GST).

According to Gartner, worldwide IT spending is estimated to be USD 3.7 trillion in CY2018, an increase of 4.5% from CY2017 spending of USD 3.5 trillion. It is forecasted to exceed USD 3.8 trillion by CY2019.

The global IT spending is expected to be triggered by traditional businesses undergoing through digital transformation. According to Gartner, worldwide IT spending is estimated to be USD 3.7 trillion in CY2018, an increase of 4.5% from CY2017 spending of USD 3.5 trillion. It is forecasted to exceed USD 3.8 trillion by CY2019. The growth is expected to be driven by increased adoption of newer technologies and applications such as Artificial Intelligence (AI), Robotic Process Automation (RPA), Internet of things (IoT), Blockchain etc. The worldwide IT services spending is forecasted to grow at 5.5% in CY2018 and 4.6% in CY2019 aided by increase in clients spend in digital projects and innovation. Enterprise software spending projected to grow at 9.5% in CY2018 and 8.4% in CY2019 to total USD 421 billion.

### 2017E: Software & services - USD 1.3 trillion market



Source: IDC

In CY2017, the Global IT-BPM industry stood at USD 1.3 trillion (excl. hardware), a growth of 4.3% over CY2016. The IT services grew modestly at 2.4% primarily led by the continuous need for digital solutions. BPM grew at 3.4% driven by increased BPaaS adoption, Robotic Process Automation (RPA) and Analytics. Global IT-BPM is forecasted to increase to USD 4 trillion by CY2025, driven by the adoption of digital technologies. India's IT-BPM industry grew at an estimated rate of ~8% in FY2018 to USD 167 billion from USD 154 billion in FY2017. Most of the mid cap IT companies grew faster compared to Tier 1 IT companies mainly helped by focus on new-age digital offerings in selective industry verticals. By FY2020, India's IT-BPM sector is projected to reach USD 200-225 billion revenue and USD 350-400 billion by FY2025. (NASSCOM 2018)

The IT industry is now well equipped to manage the stage of Bi-modal IT. Blending more predictable evolution of products and technologies with the new and innovative is the essence of an enterprise bimodal capability. According to NASSCOM, currently the traditional services (ISO, CADM, software testing etc.) continue to have a major share of revenue (~80%), the share of digital revenue is increasing rapidly. Market evolution and thrust to get along with the disruptive environment is likely to lead the way to a new face of IT-BPM industry.

## MASTEK – BUSINESS UPDATE

### IT Services Industry

In the age of digitalisation, IT firms are investing substantially to build the necessary skills and digital capabilities to address new and changing customer demands. Gartner has projected IT services spending in CY2018 to USD 985 billion worldwide, growth of 5.5% over CY2017. In CY2019, it is expected to grow at 4.6% to USD 1,030 billion. The global IT services market is estimated to grow at a 5% CAGR for the forecast period of CY2016-CY2020 as per Technavio's latest report. Organisations are increasingly outsourcing their IT-related requirements such as application and infrastructure management to IT service providers. The global sourcing growth outperformed global IT-BPM spend growth in CY2017, global sourcing grew at 1.4 times to reach USD 185-190 billion as per NASSCOM report. India remained the world's top sourcing destination with a share of 55%. Indian IT services export stood at USD 69 billion, a growth of 6% over 2017 driven by growth in software testing and ISO (hosted applications).

According to Technavio's latest report, key segments in IT services are Project-oriented services, IT outsourcing services, IT support and training services and Enterprise cloud computing services. The Enterprise cloud computing services is the fastest-growing segment and is expected to grow at a CAGR of 25% for the forecast period of CY2016 - CY2020 mainly due to the increased use of cloud-based solutions by enterprises for cost reduction

**The Enterprise cloud computing services is the fastest-growing segment and is expected to grow at a CAGR of 25% for the forecast period of CY2016 - CY2020 mainly due to the increased use of cloud-based solutions by enterprises for cost reduction and efficiency.**

and efficiency. The augmented adoption of cloud computing services such as software as a service (SaaS), platform as a service (PaaS) and infrastructure as a service (IaaS) is expected to remain key growth drivers going forward.

Region wise, the Americas continue to dominate the IT services market and accounts for around 45% of the total market share. Factors such as growing emphasis on developing an IT-efficient infrastructure is expected to increase the adoption of IT services in this region. Traditional and mature verticals - BFSI, Manufacturing and Telecom continue to drive the growth while the share of Healthcare and Retail verticals augmented as Social, Mobility, Analytics and Cloud (SMAC) adoption increased across key industries.

The deep penetration of Machine Learning (ML), IoT and Big Data in the global business environment has sparked the need for Business Intelligence (BI) and Analytics systems. If the current BI systems are used in Banking and Financial services, Retail, Healthcare and other industries, then Smart Data Discovery, powered by Machine Learning will be proven to be the next game changer for businesses of all sizes and shapes. According to Gartner, the global Business Intelligence (BI) and Analytics software market touched USD 18.3 billion in CY2017 and is expected to grow to USD 22.8 billion by CY2020. The key factors driving the growth of the market include:

- Development of modern BI tools which can be used without IT assistance
- Emergence of smart data discovery capabilities, machine learning and automation driven software
- Ability to rapidly prepare, clean, enrich and find trusted datasets in a more automated way
- Generation of real-time insights from streaming data sourced from devices and sensors
- Easy cloud deployments of BI and analytics platforms to reduce cost of ownership and speed time to deployment

This reflects data and analytics becoming mainstream in coming years. Modern BI and analytics tools have broken the traditional

**India's value proposition for the global IT industry is steadily shifting towards offering end-to-end digital technologies.**

data warehousing paradigms by abstracting end-to-end process, not requiring semantic models or even a data warehouse. The use of modern BI and analytics software is helping organisations gain deeper analytical insights and serve customers effectively. In the current scenario, North America is expected to be the largest market based on spending and adoption of Business Intelligence and analytics software market.

### Digital Transformation

It has been an eventful year for digital transformation. Disruptive by nature, digital technologies are continually transforming the business landscape. While the user experience, big data and smart machines proven to be big players in the business landscape in 2017; emerging technologies such as IoT, RPA, Analytics, Cloud, Blockchain and AI will remain key growth drivers for digital economy in 2018. These technologies have changed the traditional paradigms of the industry forcing to modernise existing legacy systems. The industry continue to re-structure itself to become the Digital Solution Partner of choice for its customers. DevOps and agile development are becoming mainstream and helping faster time-to-market in today's disruptive environment. IDC predicts by 2020, 60% of all enterprises will have fully articulated an organisation-wide digital transformation platform strategy and will be in the process of implementing that strategy as the new IT core for competing in the digital economy. The strategic use of technologies to create platform business models is driving unprecedented growth opportunities in the rapidly expanding digital economy. Platform-based business models and engaging in the eco-systems of digital partners are emerging as critical factors for business success. According to NASSCOM-McKinsey Perspective 2025 report, non-linear growth is going to be more pronounced in the future as enterprises increase automation of their businesses. The Digital transformation is allowing companies to offer customised and end-to-end solution to the customer. The exponential growth in digitisation and internet connectivity is the backbone of the "Fourth Industrial Revolution". It has the potential to propel societies forward, enable innovative business models and help governments address legitimate policy concerns.

In India, the adaption of digital technologies at the enterprise level is still at a nascent stage. Spend on social media is highest; while security, analytics spend is less than 5% of the total IT budget. BFSI, Telecom and Retail verticals are already on the digital transformation journey while Healthcare is in the early

stage of adopting technologies and is yet to define a digital strategy at the organisation level.

To conclude, digital transformation is no longer about enhancing and supporting traditional legacy technology. It is all about transforming business using creative and smart innovative technology solutions to open new opportunities and new markets. 2018 will force many organisation to realise that digital transformation is crucial in today's market to survive. Disruption will continue to be an increasingly common occurrence in the next few years.

Mastek Limited is well poised to be amongst the top providers of agile digital transformation solutions.

### Indian Market

In last 2 years, Indian economy witnessed two major disruptive reforms-Demonetisation and implementation of GST. However, the economy remained resilient and displayed positive growth. Major global economies (especially US) are showing signs of inching up and these should aid the growth in the Indian IT market.

India's share in global IT spend has been constantly expanding touching the double-digit mark with enterprises investing in digital platform solutions such as cloud, mobility and bigdata as key drivers of this spending growth. India's value proposition for the global IT industry is steadily shifting towards offering end-to-end digital technologies. India is on track to set itself up as the Digital capabilities hub for the world. Following data sourced from NASSCOM validates the same:

- 8,100+ firms offering digital solutions
- Boasts of a digitally-skilled talent pool of 4,50,000 - 5,00,000.
- Accounts for ~75% of global digital talent
- Indian IT-BPM firms: 18-20% share of digital in total revenue

According to NASSCOM, the Indian IT-BPM industry grew at an estimated rate of ~8% in FY2018 – from USD 154 billion in FY2017 to USD 167 billion (excl. ecommerce). Of the total Indian IT services market in FY2018, 80% contribution was from exports revenue and remaining 20% came from domestic markets. The domestic market witnessed a growth of 13.5% to USD 17 billion in FY2018 while exports market grew at 6% during the same period to reach USD 69 billion. ER&D and product development continued to be the fastest growing segment at 12.8% driven by the demand for AECS-autonomous, electrification, connectivity and shared mobility. To stay competitive with the global markets, the Indian IT firms are investing in strategic partnerships and merger & acquisitions to acquire next-gen digital capabilities and niche digital talent.

During the year under review, cloud-based transactions, Artificial Intelligence, IOT, Big Data analytics, augmented and virtual

reality and Blockchain became buzzwords across the country. Government of India's reforms/schemes such as Aadhaar linkage, Jan Dhan Yojana or Banking for all, Demonetisation, Digital India and the rollout of GST, fuelled technology adoption in the nation. The Government has a strong focus on transforming the country into a cashless economy. CY2018 is expected to see a broader adoption and impact of these initiatives.

### **Mastek in UK**

According to OECD Economic Outlook report, UK economy growth is estimated to be 1.3% in CY2018 and 1.1% in CY2019. The stronger global economies and the competitive value of pound against euro is likely to boost exports, consequently supporting the overall UK GDP growth.

While Brexit discussions are creating drag in business investments, IT spend in government space is expected to increase to support huge changes in the existing systems and a myriad of new systems. According to GlobalData, there are at least 27 core systems across central government that will need to be reconfigured or rewritten as a result of changes to immigration, borders and customs controls. Mastek holds successful long-term client relationship with Home Office and Health, which are expected to have a bigger share of Brexit IT projects while other key sectors continues to maintain significant spend in line with earlier years.

Apart from Brexit, the continuous unbundling of larger IT projects into smaller more manageable ones, which are awarded to SMEs, is also expected to benefit Mastek. According to GlobalData, UK public sector spent more than GBP 1 billion across digital services, DOS and G-cloud. This together with key digital programmes driven by "Digital by Default" agenda of UK government, represents a large market opportunity for Mastek in UK.

Mastek UK is registered with the G Cloud and the GDS frameworks which has helped create a good pipeline of opportunities in the Government sector. Mastek has also been awarded a contract to provide strategic DevOps capability for the UK Government Immigration programme. The direct customers in the government sector see value in their association with Mastek. On the back of this foundation, the Company has received several reputed projects this year.

Mastek UK continued to be ranked among the top vendors in delivering large complex programs in an agile manner and helping government to cut cost and time in delivery.

In the Retail sector, Mastek UK has successfully opened new accounts and look forward to growing this business at a steady pace. The Company's Financial Services division has been

strengthened with addition of marquee clients, including 3rd largest building society providing banking and financial services and leading European international financial institution, during the year and is expected to deliver on a strong base in the coming fiscal year.

Company derived 69% of its revenue from the region.

### **Mastek in North America**

The US economy grew at 2.3% in CY2017 and is estimated to grow at 2.9% in CY2018 mainly driven by President Trump's tax cuts and increased consumer spending. The massive reduction in the corporation tax rate from 35% to 21% is likely to stimulate business investment and growth in the near term. US continues to remain the largest IT market, presenting huge growth opportunities to IT companies with Solutioning capabilities.

In United States, Mastek provides end-to-end solutions to Financial and Retail organisations using its unique agile-based Adapt 2.0 methodology. The Company's subsidiary, Digility Inc. provides solution around client portals, mobility, information centralisation, Big Data and testing services.

Aligned to Company's strategy to be a leader in Digital Commerce Transformation and Solutions, Digility acquired TAISTech, US-based leading digital commerce solution provider, to augment service capability and offerings in digital commerce space. TAISTech provides strategic consulting, large-scale digital commerce implementations and support for the Oracle ATG and Oracle Commerce Cloud applications. It also provides omni-channel strategy, creative design, mobile app development, ongoing maintenance and training. The acquisition has created a platform for Mastek's accelerated growth in the US market and will augment Mastek's 2020 vision to be a global leader in digital transformation services.

US B2C online sales are expected to reach USD 650 billion by 2022 (Source: Statista) and it is expected to command 32.6% share of global online B2B sales by 2025 (Source: Frost & Sullivan), thus creating significant opportunity for Mastek. Commerce modernisation (migration from ATG to Cloud), Omni-channel and B2B will be key focus areas for Mastek.

In line with our expectation, US operations contributed ₹ 23,715 lakhs, representing 29% of total operating revenue in FY2018. The Company sees significant momentum going forward in this region.

Further, Mastek positions itself as a "Digital Transformation Company" with full spectrum of service and aims to enhance its digital commerce offerings by adding complimentary capabilities including UI, UX, CPQ, et al.



Mastek will position itself as a “Digital Transformation Company” with full spectrum of service and will aim at enhancing its digital commerce offerings by adding complimentary capabilities including UI, UX, CPQ, et al.

Additionally, Mastek in United States will look for opportunities in cross-selling of core capabilities like Assurance & Testing, BI, Analytics and the Application Development, being the Company’s core strength. The Company aims to go hand in hand with the clients on their journey to transform business digitally and provide them with quality solutions.

#### Mastek in India and Asia-Pacific

India and Asia-Pacific continues to be an important geography for the Company. However, during the year, Company decided to opt for selective bidding and ensured only viable projects and long-term customer relationship is secured.

#### Review of Financial and Operating Performance

##### Financial performance review

For the year ended March 31, 2018, our business performance in terms of revenue and profits witnessed strong growth.

##### Financials

On a consolidated basis, the Group registered total operating revenue of ₹ 81,721 lakhs for the year ended March 31, 2018 as compared to ₹ 56,016 lakhs for the year ended March 31, 2017, reflecting a growth of 45.9%. The Group registered a net profit of ₹ 6,996 lakhs for the year ended March 31, 2018 as compared to ₹ 3,241 lakhs in the year ended March 31, 2017, reflecting a growth of 115.9%.

#### Break-up of Revenue by Regions

Regions	Year ended March 31, 2018		Year ended March 31, 2017	
	(₹ in lakhs)	% of Revenue	(₹ in lakhs)	% of Revenue
UK	56,315	68.9%	46,040	82.2%
North America	23,715	29.0%	7,078	12.6%
Others (India/Asia-Pacific)	1,691	2.1%	2,898	5.2%
<b>Total Operating Revenue</b>	<b>81,721</b>	<b>100.0%</b>	<b>56,016</b>	<b>100.0%</b>

The U.K. operations contributed ₹ 56,315 lakhs in total operating revenue for the year 2017-18 as compared to ₹ 46,040 lakhs for the year ended 2016-17, resulting in a growth of 22.3%. This growth was driven by increased business in the Government vertical followed by Retail and Finance vertical. UK business grew by 27.6% on constant currency basis.

The North America operations contributed ₹ 23,715 lakhs in revenue for the year 2017-18 witnessing a growth of 235%, driven by full year revenue contribution and growth from TAISTech acquisition.

Revenue of other region i.e. India and Asia-Pacific region is ₹ 1,691 lakhs for the year 2017-18 as compared to ₹ 2,898 lakhs for the year 2016-17, resulting in a decrease of (41.6%). The degrowth is due to selective bidding in this segment during the year as part of Group strategy.

#### Break-up of Revenue by Service Lines

Service Lines	2017-18 (₹ in Lakhs)	% of Revenue	2016-17 (₹ in Lakhs)	% of Revenue
Application Development	38,891	47.6%	32,480	58.0%
Digital Commerce	21,211	26.0%	5,614	10.0%
Application Support & Maintenance	8,008	9.8%	8,495	15.1%
BI & Analytics	6,484	7.9%	2,007	3.6%
Agile Consulting	4,771	5.8%	5,473	9.8%
Assurance & Testing	2,356	2.9%	1,947	3.5%
<b>Total</b>	<b>81,721</b>	<b>100.0%</b>	<b>56,016</b>	<b>100.0%</b>

#### Profitability

During the year ended March 31, 2018, the Group earned a profit of ₹ 6,996 lakhs as compared to ₹ 3,241 lakhs for the year ended March 31 2017. The profits for the financial year ended 2017-18 achieved growth of 115.9%, driven by focussed profitable growth in revenue, acquisition in US, operational improvement and better utilisation of existing investment in SG&A and capacity to service growth.

#### Balance Sheet

##### Non-current Assets

##### 1) Property Plant and Machinery

Tangible assets as at March 31, 2018 were ₹ 4,589 lakhs as compared to ₹ 4,331 lakhs in the previous year. Variance is explained as below:

- Gross addition of ₹ 1,124 lakhs toward Computers, Furnitures and Fixtures
- Depreciation charge of ₹ 879 lakhs
- Foreign exchange translation adjustment of ₹ 13 lakhs

## 2) Other Intangible Assets and Goodwill

Intangible assets as at March 31, 2018 were ₹ 13,297 lakhs as compared to ₹ 13,647 lakhs in the previous year. Variance is explained as below:

- Gross addition of ₹ 372 lakhs on acquisition and purchase of computer software
- Depreciation charge of ₹ 997 lakhs
- Foreign exchange translation adjustment net of ₹ 275 lakhs

## 3) Non-Current Financial Assets

### A) Investments

Non-Current investment comprises Investment in Majesco USA (quoted). The Non-Current Investments balance as at March 31, 2018 were ₹ 16,637 lakhs as compared to ₹ 16,882 lakhs in the previous year. It was majorly reduced on account of fair valuation of investments. As per Ind AS 109 it is measured at Fair Value through Other Comprehensive Income (OCI).

### B) Loan and other non- current financial assets

The loan and other current financial assets as at March 31, 2018 were ₹ 201 lakhs as compared to ₹ 459 lakhs in the previous year. Movement is due to realisation of forward contracts during the year and GBP appreciation.

## 4) Other Non-current Assets

The Non-current assets as at March 31, 2018 stood at ₹ 86 lakhs as compared to ₹ 72 lakhs in the previous year.

## 5) Income Tax Assets/Liabilities

The Income tax assets balance as at March 31, 2018 was ₹ 839 lakhs as compared to ₹ 2,087 lakhs in the previous year. Reduction is primarily driven by refund received during the year. The current income tax liabilities balance as at March 31, 2018 was ₹ 885 lakhs as compared to ₹ 414 lakhs in the previous year.

## 6) Deferred Tax Assets/Liabilities

The deferred tax as at March 31, 2018 were ₹ 5,304 lakhs as compared to ₹ 3,648 lakhs in the previous year. Deferred taxes primarily comprise deferred tax on property plant and machinery, compensated absences and compensation to employees and cash flow hedge. The Deferred tax liabilities were ₹ 1,865 lakhs as compared to ₹ 2,654 lakhs in the

Aligned to Company's strategy to be a leader in Digital Commerce Transformation and Solutions, Digility acquired TAISTech, US-based leading digital commerce solution provider, to augment service capability and offerings in digital commerce space.

previous year. The deferred tax liability primarily comprises undistributed profit of subsidiaries.

## 7) Current Financial Assets

### A) Investments

Investments comprised of quoted mutual fund units and fixed deposits. The Investments balance was ₹ 11,770 lakhs as at March 31, 2018 as compared to ₹ 10,502 lakhs in the previous year.

### B) Trade Receivables

Trade receivables as at March 31, 2018 stood at ₹ 13,514 lakhs as compared to ₹ 8,509 lakhs in the previous year. Days sale outstanding was 67 days, compared to 55 days in the previous year.

### C) Cash and bank balance

The Cash and Bank balance as on March 31, 2018 was ₹ 8,802 lakhs as compared to ₹ 4,797 lakhs in the previous year.

### D) Loans and other current financial assets

The loan (refundable deposits) as at March 31, 2018 was ₹ 44 lakhs as compared to ₹ 12 lakhs in the previous year. The current financial assets were ₹ 7,670 lakhs as compared to ₹ 7,383 lakhs in the previous year.

## 8) Other Current-Assets

Other current assets were at ₹ 1,037 lakhs as at March 31, 2018 as compared to ₹ 794 lakhs in the previous year. The increase was driven by advance to suppliers, input tax credit 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 ₹ 1,185 lakhs as at March 31, 2018, which was ₹ 1,169 lakhs in the previous year. The Company has allotted 314,523 shares under employees stock option plans during the financial year.

**10) Non-Current Financial Liabilities****A) Borrowings**

The non-current borrowings as at March 31, 2018 was ₹ 4,961 lakhs as compared to ₹ 6,523 lakhs in the previous year. The decrease is on account of classification of current component of long-term loan in other current financial liabilities.

**B) Other financial liabilities**

The other financial liabilities as at March 31, 2018 was ₹ 2,653 lakhs as compared to ₹ 3,838 lakhs in the previous year. The decrease is on account of classification of current component and payment of contingent consideration related to business acquisition.

**11) Provisions**

The Long-term provision balance as at March 31, 2018 was ₹ 664 lakhs as compared to ₹ 967 lakhs in the previous year. The movement is driven by Gratuity and leave encashment accruals and related actuarial assumptions.

**12) Current Financial Liabilities****A) Borrowings**

The Current borrowing as at March 31, 2018 was ₹ 391 lakhs as compared to ₹ 2 lakhs in the previous year.

**B) Trade payables**

The trade payable as at March 31, 2018 were ₹ 1,889 lakhs as compared to ₹ 1,989 lakhs in the previous year.

**C) Other current financial liabilities**

The current financial liabilities as at March 31, 2018 were ₹ 10,929 lakhs as compared to ₹ 6,310 lakhs in the previous year. The increase is on account of classification of current component of term loan, contingent consideration and foreign exchange forward contract.

**13) Other Current-Liabilities**

The current liabilities as at March 31, 2018 were ₹ 4,359 lakhs as compared to ₹ 3,214 lakhs in the previous year. The increase was primarily on account of statutory dues payable in subsequent month.

**14) Provisions**

The Short-term provision balance as at March 31, 2018 was ₹ 474 lakhs as compared to ₹ 328 lakhs in the previous year. The difference is on account of employee benefits and related actuarial assumptions.

**Operations 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.

During the year under review, the Company's project Home Office Immigration Technology Programme won the prestigious 'Best Use of Cloud Services' award at the UK IT Awards 2017. Digility's recognition in the Banking & Financial Services Industry stems from Mastek's solutions that revitalise the customer experience and delivers results that enable customers to thrive in a dynamic and challenging industry.

The Company's acquisition of TAISTech will help accelerate the growth in the United States market with offerings focussed in Digital Commerce Transformation space. Company specialises in large-scale commerce implementations and support for the Oracle ATG and Oracle Commerce Cloud applications; it offers omni-channel strategy for its Retail Customers to embark on their Digital Commerce Transformation which includes micro services, creative design, mobile app development apart from ongoing maintenance and training. Insights Success magazine recognised TAISTech as one of the 10 fastest growing oracle solution provider companies, 2017 in its June 2017 issue.

**Client wins during the year**

Mastek added 42 new clients during the year and completed the year with 170 active clients. The client profile includes marquee names across verticals in US, UK and India.

During the year under review -

- Won two projects with the UK Government Defence programme. These include a project to support and enhance the existing data warehouse and the delivery of secure application support services
- Won multi-year contract to deliver new digital data platform to a leading European international finance institution. The client is a global development investment bank that uses investment as a tool to build market economies in developing and emerging countries. The new data platform will increase operational efficiencies and customer engagement across multiple countries for the client
- Selected by leading UK-based lender to deliver digital transformation services. It operates in business of retail and commercial secured lending, offering its services to specialist market segments in the UK directly and through a network of brokers

**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:** In August 2017, Mastek appointed Ms. Maninder Kapoor Puri as its Group Chief People Officer. Maninder is based out of Mumbai as part of the Executive Committee and report to the Group CEO. She has 24 years of experience in supporting and managing global businesses across recruitment, training, development, quality and HR.

In September 2017, Robert Hart King joined the Company as CEO of Americas, reporting into Group CEO. Robert brings in relevant experience in the geography to drive the Digital Commerce Transformation initiative. He has 34 years of experience in IT industry across Oracle, Consulting Services, Customer Support & ERP.

**People Strength:** As on March 31, 2018, the Company had a total headcount of 2,058 as compared to 1,577 employees at the end of March 31, 2017. 35.5% of current employee strength resides in onshore locations of USA and 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 totaling to 40% (₹ 2.00 per share) for the year 2017-18. The Company has recommended a final dividend of 80% (₹ 4/- per share) at the meeting held on April 18, 2018. Total Dividend for the year 2017-18 including interim dividend works out to 120% or ₹ 6.00 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:

- Home Office Immigration Technology Programme won the prestigious 'Best Use of Cloud Services' award at the UK IT Awards 2017. This is a project that Mastek has been involved in delivering since its inception in 2013

## BUSINESS OUTLOOK

Mastek closed the financial year with a satisfactory performance, achieving growth across all the parameters as well as making Mastek a future-ready organisation. Along with focus on the Company's core areas of business, viz. Government, Retail and Financial Services; Mastek is on its journey towards expanding its footprint in the United States with the acquisition of TAISTech in the last year. The focus on core business along with added capabilities will result in opening up of newer opportunities

The financial year with a satisfactory performance, achieving growth across all the parameters as well as making Mastek a future-ready organisation. Along with focus on the Company's core areas of business, viz. Government, Retail and Financial Services.

across geographies of the Company's focus. The Company aims to keep investing 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 traction in agile and digital transformation solutions and expects a good growth momentum going forward.

To summarise, the Company is well poised to achieve its objectives outlined under, "Vision 2020" i.e. to be a global leader in digital transformation services. Mastek is eyeing for an all-round growth in Agile and Digital Transformation space and geared up to unlock its potential.

## INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

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 with regard to its business operations.

### Internal Control Systems

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.

### Enterprise Risk Management

Enterprise Risk Management (ERM) plays a vital role to:

- Provide a framework that enhances risk response decisions
- Reduce operational surprises and thereby losses
- Identify and manage cross-enterprise risks

At Mastek, we have a Board-approved ERM policy which emphasises on the importance of having a strong risk management culture in the organisation. Our ERM policy focusses on the risk assessment, risk management, expected outcomes, governance and reporting structure at Corporate & Regional levels.

### Risk Governance Structure

The success of the 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 and policy is approved by the Governance Committee of the Board and is executed through the Risk Management Committee (RMC) represented by the business and functional heads within Mastek. The RMC is responsible for:

- being the primary champion of risk management at strategic and operational level
- setting policy and strategy for enterprise risk management
- ensuring that risk management policies are implemented with the right spirit through a monitoring mechanism
- building a risk-aware culture within the organisation including appropriate trainings
- informing the Board (through the Audit Committee)
- the ERM status and top risks of the Company on a timely basis

**Risk Champions:** The RMC is supported by the risk champions who 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 conceptual stage of projects/opportunities
- ensuring compliance to the risk management procedures
- providing periodic reports to the RMC

Mastek provides a diverse array of services and there are multiple factors that could affect its future performance. Some significant risks that could affect the operations have been identified as 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. The Company has geographically diversified thereby reducing its dependency on one market or country. The Company also takes necessary steps such as forex hedging to mitigate exchange rate risks.

**Strategic risks:** This is an era of disruption. The Company is prone to significant and unfavourable shift in returns on capability investments, industry trends, customer preferences. Any unfavourable change in the trend, the Company is prone to the risk of innovation, business or product portfolio. Our client concentration risk is limited to an extent as Mastek has a deep-rooted relation with most of the customers.

**Competition-led risks:** The technology market has become so evolving and prominent that the risk of competition especially from technology giant from both India and abroad has increased. Thus, the shift of any major existing or prospective clients could affect the Company's business. Although, the Company is well on its toes to serve the customer with its strong domain expertise, robust delivery capabilities, and significant project experience, there is no guarantee that it will always get the better of competition.

**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 its personnel are key to its success and has initiated multiple steps for overall development 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. Mastek Limited does endeavour 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 few strategic customers 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 many of its customers, involved in their critical and strategic initiatives. Therefore, client concentration-related risks are mitigated to an extent.

**Contractual, execution and delivery-related risks:** The level of engagement and contract with the client exposes the Company to execution risk. In remote scenarios of any inability to adhere to delivery or quality, SLA can adversely affect our relation. 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 operational risk on the Company. Mastek does have mechanisms in place to try and prevent such situations, as well as insurance cover as necessary.

**Acquisition/M&A related risk:** The Company has made acquisitions in the past when it comes to acquiring capabilities at the right price. We believe in reducing our time to tap

the opportunity offered in this age of IT transformation but at the same time, we have put in place stringent valuation criteria, diligence parameters and high standard of corporate governance practices for any target opportunity to cross the line.

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 senior management team and independent board of advisers monitor the progress of each opportunity pre- and post-closure.

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# Directors' Report

## Dear Shareholders,

Your Directors have great pleasure in presenting the 36<sup>th</sup> Directors' Report for the financial year ended March 31, 2018:

### 1. HIGHLIGHTS OF CONSOLIDATED AND STANDALONE FINANCIAL RESULTS

₹ in Lakhs

Particulars	Consolidated		Standalone	
	2017-18	2016-17	2017-18	2016-17
<b>Revenue from operations</b>	<b>81,721</b>	56,016	<b>16,232</b>	16,948
Other Income	<b>2,099</b>	1,260	<b>2,323</b>	1,282
<b>Total Income</b>	<b>83,820</b>	57,276	<b>18,555</b>	18,230
Expenses	<b>71,755</b>	51,160	<b>14,683</b>	14,259
Depreciation and amortisation expenses	<b>1,876</b>	1,493	<b>1,119</b>	1,204
Finance costs	<b>586</b>	377	<b>19</b>	24
Exceptional items	-	340	-	340
<b>Profit before tax</b>	<b>9,603</b>	3,906	<b>2,734</b>	2,403
Tax expense	<b>2,607</b>	665	<b>1,160</b>	91
<b>Profit after tax</b>	<b>6,996</b>	3,241	<b>1,574</b>	2,312
Other comprehensive income	<b>(248)</b>	(4,157)	<b>(1,315)</b>	790
<b>Total Comprehensive income</b>	<b>6,748</b>	(916)	<b>259</b>	3,102
<b>Equity Holders</b>	<b>6,748</b>	(916)	<b>259</b>	3,102
Dividend	<b>(1,056)</b>	(233)	<b>(1,056)</b>	(233)
Dividend Distribution Tax	<b>(12)</b>	-	<b>(12)</b>	-
EPS				
-Basic	<b>29.74</b>	13.96	<b>6.69</b>	9.96
-Diluted	<b>28.14</b>	13.38	<b>6.33</b>	9.55

### 2. OVERVIEW OF THE FINANCIAL PERFORMANCE

#### A. MASTEK OPERATIONS

On a Consolidated basis, the Group registered revenue from operations of ₹ 81,721 lakhs for the year ended March 31, 2018 as compared to ₹ 56,016 lakhs in the year ended March 31, 2017, which is an increase of 45.9%. The Group registered a net profit of ₹ 6,996 lakhs in the year ended March 31, 2018 as compared to ₹ 3,241 lakhs in the year ended March 31, 2017, thereby registering an increase of 115.9%.

On a Standalone basis, Mastek registered revenue from operations of ₹ 16,232 lakhs for the year ended March 31, 2018, as compared to ₹ 16,948 lakhs for the year ended March 31, 2017. The Company made a Net profit of ₹ 1,574 lakhs for the year ended March 31, 2018 as compared to Net Profit of ₹ 2,312 lakhs for the year ended March 31, 2017. 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 March 31, 2018 are prepared in compliance with the applicable provisions of the Companies Act, 2013 and Indian Accounting Standards (IND-AS). The said financial statements have been prepared on the basis of the audited financial statements of the Company and un-audited financial statements of its subsidiaries which have been reviewed by the Statutory Auditors.

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.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the Standalone and Consolidated Financial Statements along with the

Directors' Report and Auditors' Report thereon form part of this Annual Report. The Financial Statement of the Company and its subsidiaries are also available on the website of the Company and can be accessed at the weblink: <http://www.mastek.com/financial-information>.

## B. BREAKUP OF THE OPERATING REVENUE BY REGIONS

Region	Year ended March 31, 2018		Year ended March 31, 2017	
	₹ in Lakhs	% of Revenue	₹ in Lakhs	% of Revenue
UK	56,315	68.9%	46,040	82.2%
North America	23,715	29.0%	7,078	12.6%
Others (India/Asia Pacific)	1,691	2.1%	2,898	5.2%
<b>Total</b>	<b>81,721</b>	<b>100.0%</b>	<b>56,016</b>	<b>100.0%</b>

The U.K. operations contributed ₹ 56,315 lakhs in total operating revenue for the year 2017-18 as compared to ₹ 46,040 lakhs for the year ended 2016-17, resulting in a growth of 22.3%. This growth was driven by increased business in the Government vertical followed by Retail and Finance vertical. UK business grew by 27.6% on constant currency basis.

The North America operations contributed ₹ 23,715 lakhs in revenue for the year 2017-18 witnessing a growth of 235%, driven by full year revenue contribution and growth from TAISTech acquisition.

Revenue of other region i.e. India and Asia Pacific region is ₹ 1,691 lakhs for the year 2017-18 as compared to ₹ 2,898 lakhs for the year 2016-17, resulting in a decrease of (41.6%). The degrowth is due to selective bidding in this segment during the year as part of Group strategy.

## C. BREAK UP OF REVENUE BY SERVICE LINES

Service Lines	2017-18		2016-17	
	₹ in Lakhs	% of Revenue	₹ in Lakhs	% of Revenue
Application Development	38,891	47.6%	32,480	58.0%
Digital Commerce	21,211	26.0%	5,614	10.0%
Application Support & Maintenance	8,008	9.8%	8,495	15.1%
BI & Analytics	6,484	7.9%	2,007	3.6%
Agile Consulting	4,771	5.8%	5,473	9.8%
Assurance & Testing	2,356	2.9%	1,947	3.5%
<b>Total</b>	<b>81,721</b>	<b>100.0%</b>	<b>56,016</b>	<b>100.0%</b>

### PROFITABILITY

During the Year ended March 31, 2018, the Group earned a profit of ₹ 6,996 lakhs as compared to ₹ 3,241 lakhs for the year ended March 31 2017. The profits for the financial year ended 2017-18 achieved growth of 115.9%, driven by focused profitable growth in revenue, acquisition in US, operational improvement and better utilisation of existing investment in SG&A and capacity to service growth.

## 3. HOLDING AND SUBSIDIARIES

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

Digility Inc. USA, the step down subsidiary of your Company has TAISTech LLC, USA and Trans American Information Systems Inc. USA as its wholly owned subsidiaries and consequently, they are also step down wholly owned overseas subsidiaries of the Company.

Your Company has two direct wholly owned subsidiaries, and four step down subsidiaries as at March 31, 2018 and the statement containing salient features of the financial statements of all the subsidiaries along with the highlights of the performance of the subsidiaries and their contribution to overall performance of the Company are provided in **Form AOC-1** is annexed as **Annexure 1**.

## 4. BUSINESS

Your Company is a Global IT service provider focused on Enterprise Digital Transformation in agile manner. It



combines the business knowledge and industry expertise of its domain specialists and the technical knowledge and implementation skills of its Delivery team leveraging its Tools, Platforms, Partnerships and Solutions in its Development Centers located across India, UK and US.

Your Company offers comprehensive services covering full range of the software development process starting with agile consulting, application development, testing, to ongoing support and maintenance. With over three decades of experience and excellent track record of delivery, manifesting in our 96% delivery success ratio, has empowered us with the capability to drive the growth of our diverse clients.

In the UK, rate of growth is likely to be subdued owing to uncertainty over the outcome of Brexit negotiations. However, it provides significant opportunity to Mastek as atleast 27 core systems across central government will need to be reconfigured. This includes immigration, borders and customs controls amongst other departments. Mastek holds successful long term client relationship with proven track record with Home office and Health which are expected to have bigger share of IT spend.

In the US, your Company is supporting its customers in Digital Commerce space to modernise and compete in evolving Retail sector which is undergoing disruption and significant transformation in acquiring and retaining customers.

Businesses across globe recognise the imperative to leverage new and emerging technologies to drive efficiencies. As per Forbes, more than 84% of digital transformation projects fail to meet expectations. Your Company, with proven capabilities in delivering large and complex enterprise-wide transformation projects, is well placed to successfully partner businesses from end-to-end in their transformational journeys.

For further details, please refer Management Discussion Analysis Report.

## 5. OUTLOOK

Your Company closed the financial year with a satisfactory performance, achieving growth across all the parameters as well as making Mastek a future-ready organisation. The Company is well poised to achieve its objectives defined under "Vision 2020" i.e. to be a global leader in digital transformation services. Mastek is eyeing for an all-round growth in agile and digital transformation space and geared up to unlock its potential.

For further details, please refer Management Discussion Analysis Report.

## 6. DIVIDEND & RESERVES

The Board of Directors at its meeting held on October 26, 2017 approved payment of Interim Dividend of ₹ 2/- per share (Face value of ₹ 5/- each) i.e. @ 40% which was paid on November 15, 2017.

Further, the Board of Directors at its Meeting held on April 18, 2018 were pleased to recommend the payment of a final dividend @ of ₹ 4/- per equity share (face value of ₹ 5/- each) i.e. @80%, subject to the approval of the Shareholders at the ensuing 36<sup>th</sup> Annual General Meeting.

Therefore, the total dividend for the financial year ended March 31, 2018 stands at ₹ 6/- per share, involving an total outflow approximately of ₹ 1,422 lakhs compared to ₹ 3.50/- per share paid during the previous year.

The final dividend, if approved, at the ensuing 36<sup>th</sup> Annual General Meeting (AGM), will be paid to those shareholders whose names appears on the Register of Members of the Company as of the end of the day on July 12, 2018, being the record date.

During the year, under review, no amount from profit was transferred to General Reserves.

## 7. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENT UNDER SECTION 186 OF THE COMPANIES ACT, 2013

In compliance with the provisions of the Companies Act, 2013, there were no loans or investment made by the Company. Further the details of guarantee provided and outstanding are given in the respective Notes to the Financial Statements.

Company had provided a Corporate guarantee in December, 2016 for an amount of USD 12 mn. and also security/ charge/ mortgage over its Property as a Security for a term loan facility availed of an aggregate principal amount not exceeding USD 10 million from Bank valid for a period of 5 (five) years for acquisition of 100% share-holding in two US based software services companies by Digility Inc. a first level step-down subsidiary of the Company.

## 8. OTHER DISCLOSURES UNDER THE COMPANIES ACT, 2013

### i) Extract of Annual Return:

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return is annexed as **Annexure 2**.

### ii) Number of Board Meetings:

The Board of Directors met 5 (Five) times during the financial year 2017-18. 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.

**iii) Change in Share Capital:**

During the year, the Company allotted 3,14,523 Equity Shares of face value of ₹ 5/- each for a total nominal value of ₹ 15,72,615 under various ESOP Plans to the eligible 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.

As on March 31, 2018, the issued, subscribed and paid up share capital of your Company stood at ₹ 11,84,60,280/- comprising 2,36,92,056 Equity shares of ₹ 5/- each. (Previous Year ₹ 11,68,87,665 comprising 2,33,77,533 Equity shares of ₹ 5/- each.)

**iv) Composition of Audit Committee:**

Mastek has an Audit Committee that currently comprises of four Independent Directors and one Non-Executive Director. The Chairman of the Audit Committee is an Independent Director. The Independent Directors are accomplished professionals from the corporate fields. The Group Chief Financial Officer attends the meetings on invitation. The Company Secretary act as the Secretary to the Committee.

During the year ended March 31, 2018 the Committee met 4 (Four) 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 all the recommendations of the Audit Committee were accepted by the Board.

**v) Related Party Transactions:**

In line with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulation"), the Company has formulated a Policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The same has been posted on the website of the Company at <https://www.mastek.com/corporate-governance>

All the Related Party Transactions are entered into at an arm's length basis and are in compliance with the

applicable provisions of the Companies Act, 2013 and 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 approval is given by Audit Committee for the transactions which are foreseen and are repetitive in nature. 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 and conditions of the transactions. The said transactions were unanimously approved by the Audit Committee as well as by the Board.

In accordance with Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contract or arrangement entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 in **FORM AOC-2** is annexed as **Annexure 3**.

**vi) Changes in the Nature of Business:**

There has been no change in the nature of business of the Company during the financial year ended March 31, 2018.

**vii) Listing with Stock Exchanges:**

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

**viii) Compliance with Secretarial Standards on Board and Annual General Meeting:**

The Company has complied with the Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India on Meetings of Board of Directors and General Meetings.

**ix) Insurance:**

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

**x) Equity shares with differential rights:**

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

**9. 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 Rating Agency, had reaffirmed the ratings assigned for the bank facilities as [ICRA]A+ (Stable) 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.

## 10. MANAGEMENT OF RISKS OF FRAUD, CORRUPTION AND UNETHICAL BUSINESS PRACTICES

### Whistle Blower Policy / Vigil Mechanism

In compliance with the requirement of the Companies Act, 2013 and 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. viz <https://www.mastek.com/corporate-governance>

The Company has a Vigil Mechanism for Directors and Employees to report their concerns about unethical behavior, 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 Employee(s) who avail of the mechanism.

The Company has also adopted Anti Bribery Policy and all concerned staff / employees are trained to avoid falling foul of the laws in the respective geographies where Company operates.

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

## 11. INDUSTRY RECOGNITION

Mastek Group received following awards / accolades, during the year:

- Mastek was a Finalist at the European Testing Awards 2017 within the 'Best Test Automation Category - Functional';
- 3rd prize in all India level NASSCOM Hackathon - "Build for India & Women in Technology";
- UK IT Industry Awards – 2017.

## 12. 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 auditors, statutory auditors 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 the requirement of clause (c) of sub-section (3) of 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 make the following statements:

- that in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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 March 31, 2018 and of the profits of the Company for the year ended on that date;
- 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;
- that the annual financial statements have been prepared on a going concern basis;
- 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
- 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.

## 13. STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS AND FRAUD, IF ANY

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

Ratification of the appointment of the Statutory Auditors, as recommended by the Board, is being sought from the Shareholders at the ensuing 36<sup>th</sup> Annual General Meeting of the Company.

Further, the report of the Statutory Auditors along with the notes is enclosed with the financial statements. The observations made in the Auditors' Report which contains unmodified opinion are self-explanatory and does not contain any qualification/modified opinion. Therefore, it does not call for any further comments. Also the Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

#### 14. SECRETARIAL AUDIT

In terms of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Board of Directors at their Meeting held on April 20, 2017 appointed Mr. Soumitra Mujumdar, Practising Company Secretary, as Secretarial Auditor of the Company for the financial year 2017-18. However, Mr. Soumitra Mujumdar had resigned w.e.f. November 30, 2017 as Secretarial Auditor voluntarily and to fill the casual vacancy in his place, Mr. Prashant S. Mehta, Practising Company Secretary was appointed by the Board of Directors at their Meeting held on January 18, 2018 as the Secretarial Auditor for the Financial Year 2017-18 to conduct Secretarial Audit and issue the Secretarial Audit Report pursuant to the provisions of Section 204 of the Companies Act, 2013.

The report of the Secretarial Auditors is annexed as **Annexure 4** to this report. The report is self-explanatory and does not contain any qualification. Therefore, it does not call for any further comments.

#### 15. HUMAN RESOURCES

Mastek 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 world-class talent. Mastek continually undertakes measures to attract and retain such high quality talent.

As on March 31, 2018 Mastek Group had a total Head count of 2,058. Your Directors wish to place on record their appreciation for the contributions made by employees to the Company during the year under review at all levels.

The disclosure required under Section 197(12) of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure 5** and forms part of this report.

#### 16. EMPLOYEE STOCK OPTION PLANS

During the year under review, the Company had allotted 3,14,523 equity shares under Employee Stock Option Plans to its eligible employee. The Board of Directors confirms that there is neither new plan introduced nor their are

any material change in the existing ESOP Plans and all the existing ESOP Plans are in compliance with the SEBI Guidelines. The required disclosures in this regard are annexed as **Annexure 6** and forms part of this report.

#### 17. ENTERPRISE RISK MANAGEMENT (ERM)

In terms of the requirement of the Companies Act, 2013, the Company has developed and implemented the Risk Management Policy and the Board and the Governance Committee of the Board reviews the risks and remedial measures taken on a periodical basis.

The risks are identified and discussed at regular intervals. The various risks are categorised as High risk, Medium risk and Low risk and appropriate mitigation steps/measures are taken/initiated to mitigate the identified risks from time to time.

The Company's Risk Management Policy with a robust supporting risk management structure & frame work facilitates identification and assessment of new risks and review of already identified risks. The process is based on identified risks and the risk events or factors which require regular assessment and quick response. Based on the probability & impact of the risk, the requisite controls and mitigation action plans have been designed and implemented for risk treatment.

The objective of Risk Management in the Company is to act as an enabler in maintaining its knowledge edge, sustaining and expanding the business, being competitive and ensuring execution of projects within budgeted cost, time and quality, resulting in improved turnover and profitability.

Risk compliance verifications are reviewed regularly to test the compliance of controls & mitigation action plans and the summary is reported to the Board. 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 and enhance shareholder value.

#### 18. UPDATES ON BOARD OF DIRECTORS/KEY MANAGERIAL PERSONNEL (KMP)

A brief profile of all the Directors has been given in the Corporate Governance Section which forms part of the Annual Report.

##### A. Manner of Evaluation of the Board's Performance

In compliance with Companies Act, 2013 and 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 of 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 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 time-frame.

#### **B. Induction and familiarisation programme for Directors**

The details of the induction and familiarisation program for the Directors are given in the Corporate Governance Report which forms part of the Annual Report.

#### **C. Independent Directors**

Mr. S. Sandilya, Ms. Priti Rao, Mr. Atul Kanagat and Mr. Keith Bogg have been the Independent Directors on the Board of the Company as at March 31, 2018.

The Shareholders at the Extra Ordinary General Meeting held on March 05, 2015 had approved the appointment of Mr. S. Sandilya, Ms. Priti Rao and Mr. Atul Kanagat as Independent Directors of the Company for a term of four (4) years from April 01,

2015 to March 31, 2019 and Mr. Keith Bogg was appointed as an Independent Director for a period of 5 years with effect from January 17, 2017, and was confirmed by the shareholder at the 35<sup>th</sup> AGM of the Company held on June 22, 2017 as Non-Executive Independent Directors.

The Company has received and after due assessment took on record the necessary declarations 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 25 of 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.

#### **D. Director and Key Managerial Personnel (KMP):**

There has been no change in the Board of Directors and Key Managerial Personnel of your Company since the last Annual General Meeting held on June 22, 2017. Pursuant to the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following are the Key Managerial Personnel of the Company:

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

During the year under review, Mr. Abhishek Singh was re-designated from Chief Financial Officer to Group Chief Financial officer w.e.f July 19, 2017

#### **E. Retirement by Rotation:**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Ashank Desai retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment. Necessary resolution for approval of re-appointment of Mr. Ashank Desai as a Director of the Company is included in the Notice of the ensuing Annual General Meeting. The Board recommends the resolution for your approval.

#### **F. Code of Conduct:**

Mastek has formulated a Code of Business Conduct and Ethics for 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 <https://www.mastek.com/corporate-governance>

## **19. COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND SENIOR MANAGERIAL PERSONNEL**

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

The policy inter-alia covers:

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

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

## **20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

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.

## **21. INTERNAL FINANCIAL CONTROLS OVER FINANCIAL STATEMENT**

A strong internal control system is pervasive in the Company. The Company has documented a robust and comprehensive internal control system for all the major processes to ensure reliability of financial reporting.

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the design or operations were observed. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, 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.

The Company has a robust financial closure, certification mechanism for certifying adherence to various accounting policies, accounting hygiene and accuracy of provisions and other estimates.

## **22. INDIAN ACCOUNTING STANDARDS (IND AS)**

Your Company has adopted Indian Accounting Standard (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 01, 2017. Accordingly, these financial results along with the comparatives have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

The Consolidated and Standalone 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. Please note that the Company has transitioned to Indian Accounting Standard (Ind AS) with effect from April 01, 2017. Accordingly, the impact of transition has been provided in the opening reserves as at April 01, 2016 and figures for the financial year ended March, 2017 have been restated accordingly. For all the periods upto the year ended March 31, 2017, the Company/Group had earlier prepared and presented its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013 (Indian GAAP). These financial statements for the financial year ended March 31, 2018 are the first financial with comparatives, prepared under Ind AS. The adoption was carried out in accordance with Ind AS 101, First Time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principle generally accepted in India as prescribed under Section 133 of the Act read with the Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP), which was the previous GAAP. Reconciliations and description of the effect of the transition to Ind AS from Indian GAAP is given in Note 33 of the Consolidated Financial Statement and Note 32 of the Standalone Financial Statement.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the consolidated/standalone financial statements under both Ind AS and Indian GAAP as of the Transition Date have been recognised directly in equity at the Transition Date. In preparing the financial statements, the Company

has availed itself of certain exemptions and exceptions in accordance with Ind AS 101. 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.

### 23. PUBLIC DEPOSITS

Your Company has not accepted any deposits from public in terms of Section 73 and/or 74 of the Companies Act, 2013.

### 24. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis comprising an overview of the financial results, operations / performance and the future prospects of the Company given elsewhere forms part of this Annual Report.

### 25. DETAILS OF CONSERVATION OF ENERGY, 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, regardless of power shortages recently witnessed across many markets.

Further, The Company was able to reduce the power consumption by 18% over the previous year, through monitoring energy use and installing LED lights. To further save energy and improve efficiency, we implemented smarter solutions with automated controls to maintain optimal temperature at optimal power consumption. LEDification of our offices as well as replacement of old power guzzler with new smarter solutions has helped to reduce energy costs as well. The Company is studying the viability of a solar powered energy / hot water solution for our cafeteria. The initiative is currently in the initial stage.

Company is also studying the viability of a solar powered energy / hot water solution for the cafeteria. The initiative is currently in the initial stages.

#### (b) Foreign exchange earnings and outgo

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

Particulars	₹ in Lakhs	
	Year Ended March 31, 2018	Year Ended March 31, 2017
Exchange Used	490	795
Exchange Earned	16,026	12,749

### 26. CORPORATE GOVERNANCE

The Company has complied fully with Corporate Governance requirements under the Companies Act, 2013 and SEBI Listing Regulations. A separate section on Corporate Governance practices followed by the Company together with the Certificate from Mr. Prashant Mehta, Practicing Company Secretary, appearing elsewhere in this report, forms an integral part of this report.

### 27. CORPORATE SOCIAL RESPONSIBILITY

In compliance with the provisions of Section 135 of the Companies Act, 2013 the Board of Directors of the Company have formed a Corporate Social Responsibility (CSR) Committee. The committee met two times during the year and a detailed report about CSR activities undertaken during the year is annexed as **Annexure 7**. Pursuant to the recommendation of the CSR Committee, the Board has approved a CSR Policy and the same has been uploaded on the website of the Company [www.mastek.com/corporate-governance](http://www.mastek.com/corporate-governance). The contents of the policy are as follows:-

#### Mastek CSR programmes shall fall under the following categories:

- 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 vocation skills especially among women, elderly and the differently abled, and livelihood enhancement projects.
- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making safe drinking water available.
- 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.
- 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.
- Any other projects with the approval of the Board.

#### Corpus:

The corpus of the CSR policy includes:

- 2% of the average net profit of the preceding three years
- Any income arising there from
- Surplus arising out of the above activities

- Payroll contribution from the employees
- 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 or programmes or activities to be taken up by the Company.
- Place before the Board, the CSR activities proposed to be taken up by the Company for approval each year.
- 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, an Independent director. The other members are, Mr. Sudhakar Ram and Mr. Ashank Desai. The Company Secretary Act as the Secretary to the Committee.

During the financial year ended March 31, 2018 the Board approved a Budget of ₹ 84 lakhs. Based on the Average net profit of the Company for three immediately preceding financial years, the amount to be spent on CSR activities during the financial year 2017-18 was budgeted at ₹ 83.94 lakhs. A total sum of ₹ 84 lakhs was spent on Projects approved under Section 135 of the Companies Act, 2013 on CSR activities during the year.

The said expenditure is within the prescribed parameters and the Company is in compliance of the provisions of Section 135 of the Companies Act, 2013.

#### **28. TRANSFER OF UNCLAIMED DIVIDEND AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company has transferred a sum ₹ 1,68,805/- of Final Dividend for the year 2009-10 during the financial year 2017-18 to Investor Education and Protection Fund (IEPF), established by Central Government in compliance with section 125 of the Companies Act, 2013. The said amounts represent unclaimed Dividends which were lying with the Company for a consecutive period of 7 (seven) years from their respective due dates of initial payment.

Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has already filed the necessary form and uploaded the details of unpaid / unclaimed amounts lying with the Company, as on the date of last Annual General Meeting (i.e. June 22, 2017), and with the Ministry of Corporate Affairs website.

#### **TRANSFER OF CONCERNED EQUITY SHARES TO INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY (IEPF AUTHORITY)**

Pursuant to the provisions of Section 124 and 125 of the Companies Act 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 seven 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.

The Company had identified and initiated the share transfer process with Depositories and transferred 48,285 shares in November, 2017 and 7,033 shares in January, 2018 (due to be transferred to IEPF based on Un-Paid Interim Dividend of year 2009-10 and Un-Paid Final Dividend of year 2009-10 in November 2017 and January, 2018 respectively) to Investor Education and Protection Fund Authority Demat Account to comply with the said Rules. The List of shares transferred to IEPF Authority is available on the Company's website at <https://www.mastek.com/investor-information>

In case the shareholders have any queries on the subject matter and the Rules, they may contact the Company's Share Transfer Agent, Karvy Computershare Private Limited. The Members / claimants whose shares, unclaimed dividend, etc. have been transferred to IEPF may claim their shares and unclaimed dividend or apply for refund by making an application to IEPF Authority in IEPF Form-5 (available on [www.iepf.gov.in](http://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, to consider dematerialisation of their shares and opt for Automated Clearing House (ACH) mode with the Company, so that dividends paid by the Company are credited to the investor's account on time.

#### **29. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Mastek 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 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 Committee, who along with the external member review the policy and framework on a regular basis. Additionally the company ensures that every new employee undergoes an awareness program which will sensitise them to uphold the dignity of their colleagues at workplace, particularly with respect to prevention of sexual harassment. During the year, no such case was reported.

### 30. ACKNOWLEDGEMENT

Your Directors are grateful to the Investors for their continued patronage and confidence in the Company. Your Directors also thank the Central and State Governments, other statutory and regulatory authorities for their continued support.

Your Directors thank all our esteemed clients for the faith and trust reposed in the Company. With continuous learning, skill up-gradation and technology development

Company will continue to provide world class professionalism and services to its clients.

Your Directors wish to thank all associates, vendors and contractors within the country and abroad, for their continued support without which Mastek could not have achieved the desired results.

Your Directors also wish to convey their appreciation to all employees at all levels for the valuable services and co-operation extended by them and are confident that they will continue to contribute their best towards achieving still better performance in future.

For and on behalf of the Board

**Sudhakar Ram**  
Vice Chairman &  
Managing Director

**S. Sandilya**  
Non-Executive Chairman  
and Independent Director

Date : April 18, 2018  
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 statement of subsidiaries/associate companies/ joint ventures

Pursuant to sub-section (3) of section 129 of the Act, the brief business and a statement containing the salient features of the financial statements of the Company's subsidiaries and joint venture 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**, is a leading UK consultancy organisation specializing in Agile programme and project management.

**Digility Inc., USA, 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, USA and Trans American Information Systems Inc. (TAIS Inc.) USA are the Wholly Owned Subsidiary of Digility Inc., USA.** 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

- Mastek (UK) Limited- Wholly Owned Subsidiary (WOS) of Mastek Limited
- IndigoBlue Consulting Limited- WOS of Mastek (UK) Limited
- Digility Inc.- WOS of Mastek (UK) Limited
- TAISTech LLC, USA -WOS of Digility Inc.
- Trans American Information Systems Inc. USA-WOS of Digility Inc.
- Trans American Information Systems Private Limited-WOS of Mastek Limited

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

#### Part "A": Subsidiaries

(₹ in Lakhs)

Name of Subsidiaries	Trans American Information Systems Private Limited	Mastek (UK) Limited	IndigoBlue Consulting Limited	Digility Inc.	TAISTech LLC, USA	Trans American Information Systems Inc. USA
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 March 31					
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	USD	USD	USD
Exchange Rate (in INR) on the last date of the Financial Year in the case of foreign subsidiaries	NA	92	92	65	65	65
Share Capital	3	185	9	3,650	-	3
Reserves & Surplus	1,087	34,339	149	(1,341)	828	3,332
Total Assets	1,316	45,316	1,250	14,816	3,953	4,086
Total Liabilities	226	10,792	1,092	12,507	3,125	751
Investments	-	25,336	-	8,352	-	-
Turnover	3,398	57,300	5,746	1,561	15,674	13,265
Profit Before Tax	492	8,592	(177)	(2,063)	1,871	(149)
Taxation	151	1,639	16	(508)	550	(66)
Profit After Tax	341	6,953	(161)	(1,554)	1,321	(82)
Proposed Dividend	-	-	-	-	-	-
% of Shareholding	100%	100%	100%	100%	100%	100%
% of Consolidated Profit including group transactions	4.9%	76.2%	(2.1%)	(29.0%)	26.5%	(1.8%)

#### 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- **NA**

**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

**Sudhakar Ram**

*Vice Chairman & Managing Director*

**S. Sandilya**

*Non-Executive Chairman and Independent Director*

**Abhishek Singh**

*Group Chief Financial Officer*

**Dinesh Kalani**

*Company Secretary*

Date : April 18, 2018

Place : Mumbai

**ANNEXURE 2**  
**FORM MGT-9**  
**EXTRACT OF ANNUAL RETURN**

[Pursuant to Section 92 (1) 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	May 14, 1982
3.	Name of the Company	MASTEK LIMITED
4.	Category / Sub-Category of the Company	Public Company Limited by Shares
5.	Address of the Registered Office and contact details	804/805, President House, Opp. C. N. Vidyalaya, Nr. Ambawadi Circle, Ahmedabad - 380006 Tel No. +91 79 2656 4337
6.	Whether listed company	Yes
7.	Name, Address and contact details of Registrar & Transfer Agents (RTA)	Karvy Computershare Private Limited Karvy Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032. Tel. : +91-040-6716-2222; Fax : +91-040-2342-0814 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 -**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	<b>Trans American Information Systems Private Limited</b> Address: 315, World Trade Centre, Babar Road, Barakhamba Avenue, Connaught Place, New Delhi - 110 001	U51505DL1999PTC098689	Subsidiary	100.00%	2(87)
2.	<b>Mastek (UK) Limited</b> Address: Pennant House, 2 Napier Court, Napier Road Reading, RG1 8BW, UK	Foreign Company	Subsidiary	100.00%	2(87)
3.	<b>IndigoBlue Consulting Limited</b> Address: Ormond House, 3 Duke of York St, London SW1Y 6JP, United Kingdom	Foreign Company	Step down Subsidiary	100.00%	2(87)
4.	<b>Digility Inc.</b> Address: 15601 Dallas Parkway, Suite 250, Addison, TX 75001	Foreign Company	Step down Subsidiary	100.00%	2(87)
5.	<b>TAISTech LLC, USA</b> Address: 15601 Dallas Parkway, Suite 250, Addison, TX 75001	Foreign Company	Step down Subsidiary	100.00%	2(87)
6.	<b>Trans American Information Systems Inc. USA</b> Address: 860 Hebron Pkwy, Suite 701, Lewisville, TX 75057, USA	Foreign Company	Step down Subsidiary	100.00%	2(87)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a. Individual/ HUF	1,15,06,660	NIL	1,15,06,660	49.22	1,01,53,660	NIL	1,01,53,660	42.86	(6.36)
b. Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c. State Govt. (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d. Bodies Corp	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e. Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f. Any Other Ram Family Trust I acting in capacity as trustee to Girija Ram)	NIL	NIL	NIL	NIL	10,00,000	NIL	10,00,000	4.22	4.22
<b>Sub-total (A)</b>	<b>1,15,06,660</b>	<b>NIL</b>	<b>1,15,06,660</b>	<b>49.22</b>	<b>1,11,53,660</b>	<b>NIL</b>	<b>1,11,53,660</b>	<b>47.08</b>	<b>(2.14)</b>
<b>(2) Foreign</b>									
a. NRIs Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b. Other – Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c. Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d. Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e. Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total(A) (2):-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>1,15,06,660</b>	<b>NIL</b>	<b>1,15,06,660</b>	<b>49.22</b>	<b>1,11,53,660</b>	<b>NIL</b>	<b>1,11,53,660</b>	<b>47.08</b>	<b>(2.14)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a. Mutual Funds	7,93,470	1,200	7,94,670	3.40	11,94,881	NIL	11,94,881	5.04	1.64
b. Banks / FI	18,060	NIL	18,060	0.08	82,355	NIL	82,355	0.35	0.27
c. Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d. State Govt (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e. Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f. Insurance Companies	11,21,532	NIL	11,21,532	4.80	NIL	NIL	NIL	NIL	(4.80)
g. FIs	17,42,580	1,600	17,44,180	7.46	25,96,701	400	25,97,101	10.96	3.5
h. Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i. Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-Total (B)(1)</b>	<b>36,75,642</b>	<b>2,800</b>	<b>36,78,442</b>	<b>15.73</b>	<b>38,73,937</b>	<b>400</b>	<b>38,74,337</b>	<b>16.35</b>	<b>0.61</b>
<b>2. Non-Institutions</b>									
a. Bodies Corporate									
i. Indian	10,86,197	2,400	10,88,597	4.66	17,92,724	1,600	17,94,324	7.57	2.91
ii. Overseas	NIL	200	200	0.00	NIL	200	200	0.00	0.00
b. Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 2 lakh	55,34,387	1,98,933	57,33,320	24.52	47,40,027	1,46,114	48,86,141	20.62	(3.90)
ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	6,95,033	NIL	6,95,033	2.97	15,19,559	NIL	15,19,559	6.41	3.44
c. Others									
i. Non Resident Individuals	5,58,196	13,273	5,71,469	2.44	2,37,210	10,639	2,47,849	1.05	(1.39)
ii. Foreign National	40,035	NIL	40,035	0.17	61,279	NIL	61,279	0.26	0.09
iii. NBFCs registered with RBI	623	NIL	623	0.003	4,817	NIL	4,817	0.02	0.02
iv. Trust	8,890	NIL	8,890	0.04	6,753	NIL	6,753	0.03	(0.01)
v. Clearing Members	54,264	NIL	54,264	0.23	87,819	NIL	87,819	0.37	0.14
vi. IEPF	NIL	NIL	NIL	NIL	55,318	NIL	55,318	0.23	0.23
<b>Sub-total (B)(2):-</b>	<b>79,77,625</b>	<b>2,14,806</b>	<b>81,92,431</b>	<b>35.04</b>	<b>85,05,506</b>	<b>1,58,553</b>	<b>86,64,059</b>	<b>36.57</b>	<b>1.53</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1,16,53,267</b>	<b>2,17,606</b>	<b>1,18,70,873</b>	<b>50.78</b>	<b>1,23,79,443</b>	<b>1,58,953</b>	<b>1,25,38,396</b>	<b>52.92</b>	<b>2.14</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Grand Total (A+B+C)</b>	<b>2,31,59,927</b>	<b>2,17,606</b>	<b>2,33,77,533</b>	<b>100.00</b>	<b>2,35,33,103</b>	<b>1,58,953</b>	<b>2,36,92,056</b>	<b>100.00</b>	<b>0.00</b>

## (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	13.26	NIL	30,99,552	13.08	NIL	(0.18)
2.	Sudhakar Ram	27,91,680	11.94	NIL	15,88,680	6.71	NIL	(5.23)
3.	Ketan Mehta	25,19,100	10.78	NIL	23,99,100	10.13	NIL	(0.65)
4.	Radhakrishnan Sundar	14,45,800	6.18	NIL	14,15,800	5.98	NIL	(0.20)
5.	Avanthi Desai	81,600	0.35	NIL	81,600	0.34	NIL	(0.01)
6.	Chinmay Ashank Desai	71,600	0.31	NIL	71,600	0.30	NIL	(0.01)
7.	Padma Desai	1,55,200	0.66	NIL	1,55,200	0.66	NIL	0.00
8.	Girija Ram	1,63,600	0.70	NIL	1,63,600	0.69	NIL	(0.01)
9.	Samvitha Ram	1,03,328	0.44	NIL	1,03,328	0.44	NIL	0.00
10.	Ram Family Trust I acting in capacity as trustee to Girija Ram)	NIL	NIL	NIL	10,00,000	4.22	NIL	4.22
11.	Rupa Mehta	4,80,800	2.06	NIL	4,80,800	2.03	NIL	(0.03)
12.	Tanay Mehta	6,400	0.03	NIL	6,400	0.03	NIL	0.00
13.	Usha Sundar	4,60,000	1.97	NIL	4,60,000	1.94	NIL	(0.03)
14.	Varun Sundar	64,000	0.27	NIL	64,000	0.27	NIL	0.00
15.	Shankar Sundar	64,000	0.27	NIL	64,000	0.27	NIL	0.00
	<b>Total</b>	<b>1,15,06,660</b>	<b>49.22</b>	<b>NIL</b>	<b>1,11,53,660</b>	<b>47.08</b>	<b>NIL</b>	<b>(2.14)</b>

## (iv) Shareholding Pattern of top ten Shareholders as on March 31, 2018 (other than Directors, Promoters and Holders of GDRs and ADRs):

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	<b>KIFS TRADE CAPITAL PRIVATE LIMITED</b>						
	<b>At the beginning of the year</b>	<b>01/04/2017</b>		<b>0</b>	<b>0.00</b>		
	Changes during the year	21/07/2017	Purchase	1,00,000	0.43	1,00,000	0.43
		04/08/2017	Sale	(1,00,000)	(0.43)	0	0.00
		18/08/2017	Purchase	1,00,000	0.43	1,00,000	0.43
		25/08/2017	Purchase	1,00,000	0.43	2,00,000	0.85
		22/09/2017	Sale	(1,68,000)	(0.71)	32,000	0.14
		29/09/2017	Sale	(32,000)	(0.14)	-	-
		20/10/2017	Purchase	2,81,337	1.20	2,81,337	1.20
		10/11/2017	Sale	(2,81,337)	(1.19)	-	-
		24/11/2017	Purchase	17,250	0.07	17,250	0.07
		15/12/2017	Purchase	1,36,873	0.58	1,54,123	0.65
		02/02/2018	Sale	(27,000)	(0.11)	1,27,123	0.54
		09/03/2018	Purchase	2,64,877	1.12	3,92,000	1.66
		16/03/2018	Sale	(3,53,000)	(1.49)	39,000	0.16
		30/03/2018	Purchase	3,53,000	1.49	3,92,000	1.65
	<b>At the end of the year</b>	<b>31/03/2018</b>				<b>3,92,000</b>	<b>1.65</b>

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
<b>2</b>	<b>IDFC CLASSIC EQUITY FUND</b>						
	<b>At the beginning of the year</b>	<b>01/04/2017</b>		<b>3,61,188</b>	<b>1.55</b>		
	Changes during the year	07/04/2017	Purchase	61,718	0.26	4,22,906	1.81
		28/04/2017	Sale	(22,906)	(0.10)	4,00,000	1.71
		05/05/2017	Sale	(10,000)	(0.04)	3,90,000	1.67
		12/05/2017	Sale	(6,116)	(0.03)	3,83,884	1.64
		09/06/2017	Sale	(19,884)	(0.09)	3,64,000	1.56
		21/07/2017	Sale	(61,500)	(0.26)	3,02,500	1.29
		11/08/2017	Purchase	91,054	0.39	393,554	1.67
		18/08/2017	Purchase	19,736	0.08	4,13,290	1.76
		29/09/2017	Purchase	2,791	0.01	4,16,081	1.77
		06/10/2017	Purchase	10,000	0.04	4,26,081	1.81
		31/10/2017	Purchase	7,500	0.03	4,33,581	1.84
		10/11/2017	Sale	(1,283)	(0.01)	4,32,298	1.83
		17/11/2017	Sale	(1,49,380)	(0.63)	2,82,918	1.20
		24/11/2017	Sale	(1,701)	(0.01)	2,81,217	1.19
		08/12/2017	Sale	(21,217)	(0.09)	2,60,000	1.10
		26/01/2018	Purchase	5,877	0.02	2,65,877	1.12
		02/03/2018	Purchase	24,123	0.10	2,90,000	1.23
		09/03/2018	Purchase	40,000	0.17	3,30,000	1.40
		16/03/2018	Sale	(17,984)	(0.08)	3,12,016	1.32
	<b>At the end of the year</b>	<b>31/03/2018</b>				<b>3,12,016</b>	<b>1.32</b>
<b>3</b>	<b>IDFC TAX ADVANTAGE (ELSS) FUND</b>						
	<b>At the beginning of the year</b>	<b>01/04/2017</b>		<b>270,000</b>	<b>1.15</b>		
	Changes during the year	28/04/2017	Purchase	15,000	0.06	2,85,000	1.22
		05/05/2017	Sale	(20,000)	(0.09)	2,65,000	1.13
		09/06/2017	Sale	(25,000)	(0.11)	2,40,000	1.03
		07/07/2017	Sale	(15,000)	(0.06)	2,25,000	0.96
		21/07/2017	Sale	(4,149)	(0.02)	2,20,851	0.94
		11/08/2017	Purchase	19,149	0.08	2,40,000	1.02
		31/10/2017	Purchase	10,000	0.04	2,50,000	1.06
		05/01/2018	Purchase	20,000	0.08	2,70,000	1.14
		26/01/2018	Purchase	30,000	0.13	3,00,000	1.27
		09/02/2018	Purchase	10,000	0.04	3,10,000	1.31
	<b>At the end of the year</b>	<b>31/03/2018</b>				<b>3,10,000</b>	<b>1.31</b>
<b>4</b>	<b>GLOBEFLEX EMERGING MARKETS SMALL CAP, L.P.</b>						
	<b>At the beginning of the year</b>	<b>01/04/2017</b>		<b>126,800</b>	<b>0.54</b>		
	Changes during the year	05/05/2017	Purchase	85,072	0.36	2,11,872	0.91
		12/05/2017	Purchase	45,528	0.19	2,57,400	1.10
		06/10/2017	Purchase	35,430	0.15	2,92,830	1.25
		13/10/2017	Purchase	32,770	0.14	3,25,600	1.39
		01/12/2017	Sale	(29,600)	(0.13)	2,96,000	1.25
	<b>At the end of the year</b>	<b>31/03/2018</b>				<b>2,96,000</b>	<b>1.25</b>

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
<b>5</b>	<b>LSV EMERGING MARKETS SMALL CAP EQUITY FUND, LP</b>						
	<b>At the beginning of the year</b>	<b>01/04/2017</b>		<b>0</b>	<b>0.00</b>		
	Changes during the year	24/11/2017	Purchase	31,959	0.14	31,959	0.14
		01/12/2017	Purchase	9,318	0.04	41,277	0.17
		08/12/2017	Purchase	36,734	0.16	78,011	0.33
		15/12/2017	Purchase	65,755	0.28	1,43,766	.61
		22/12/2017	Purchase	42,021	0.18	1,85,787	0.79
		29/12/2017	Purchase	5,589	0.02	1,91,376	0.81
		05/01/2018	Purchase	9,600	0.04	2,00,976	0.85
		12/01/2018	Purchase	34,724	0.15	2,35,700	1.00
	<b>At the end of the year</b>	<b>31/03/2018</b>				<b>2,35,700</b>	<b>0.99</b>
<b>6</b>	<b>SACHIN KASERA</b>						
	<b>At the beginning of the year</b>	<b>01/04/2017</b>		<b>0</b>	<b>0.00</b>		
	Changes during the year	04/08/2017	Purchase	24,819	0.11	24,819	0.11
		11/08/2017	Purchase	25,181	0.11	50,000	0.21
		18/08/2017	Purchase	17,564	0.08	67,564	0.29
		25/08/2017	Purchase	7,436	0.03	75,000	0.32
		31/10/2017	Purchase	25,633	0.11	1,00,633	0.43
		10/11/2017	Purchase	24,367	0.10	1,25,000	0.53
		19/01/2018	Purchase	1,00,000	0.43	2,25,000	0.95
	<b>At the end of the year</b>	<b>31/03/2018</b>				<b>2,25,000</b>	<b>0.95</b>
<b>7</b>	<b>SURESH BHATIA</b>						
	<b>At the beginning of the year</b>	<b>01/04/2017</b>		<b>0</b>	<b>0.00</b>		
	Changes during the year	28/04/2017	Purchase	58,210	0.25	58,210	0.25
		26/05/2017	Purchase	15,000	0.06	73,210	0.31
		28/07/2017	Purchase	31,790	0.14	1,05,000	0.45
		01/09/2017	Purchase	45,000	0.19	1,50,000	0.64
		08/09/2017	Sale	(10,000)	(0.04)	1,40,000	0.60
		22/09/2017	Sale	(8,000)	(0.03)	1,32,000	0.56
		20/10/2017	Purchase	10,000	0.04	1,42,000	0.60
		17/11/2017	Purchase	50,000	0.21	1,92,000	0.81
		15/12/2017	Purchase	932	0.00	1,92,932	0.82
		29/12/2017	Purchase	14,068	0.06	2,07,000	0.88
	<b>At the end of the year</b>	<b>31/03/2018</b>				<b>2,07,000</b>	<b>0.87</b>
<b>8</b>	<b>GOVERNMENT OF THE PROVINCE OF ALBERTA MANAGED BY C</b>						
	<b>At the beginning of the year</b>	<b>01/04/2017</b>		<b>0</b>	<b>0.00</b>		
	Changes during the year	24/11/2017	Purchase	25,300	0.11	25,300	0.11
		01/12/2017	Purchase	7,300	0.03	32,600	0.14
		08/12/2017	Purchase	28,900	0.12	61,500	0.26
		15/12/2017	Purchase	52,200	0.22	1,13,700	0.48
		22/12/2017	Purchase	33,200	0.14	1,46,900	0.62
		29/12/2017	Purchase	4,400	0.02	1,51,300	0.64
		05/01/2018	Purchase	7,700	0.03	1,59,000	0.67
		12/01/2018	Purchase	27,900	0.12	1,86,900	0.79
	<b>At the end of the year</b>	<b>31/03/2018</b>				<b>1,86,900</b>	<b>0.79</b>



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
<b>9</b>	<b>AMPERSAND GROWTH OPPORTUNITIES FUND SCHEME- I</b>						
	<b>At the beginning of the year</b>	<b>01/04/2017</b>		<b>0</b>	<b>0.00</b>		
	Changes during the year	02/02/2018	Purchase	20,000	0.08	20,000	0.08
		09/02/2018	Purchase	1,08,000	0.46	1,28,000	0.54
		16/02/2018	Purchase	22,000	0.09	1,50,000	0.63
		09/03/2018	Purchase	10,000	0.04	1,60,000	0.68
		16/03/2018	Purchase	10,000	0.04	1,70,000	0.72
		30/03/2018	Purchase	5,000	0.02	1,75,000	0.74
	<b>At the end of the year</b>	<b>31/03/2018</b>				<b>1,75,000</b>	<b>0.74</b>
<b>10</b>	<b>IDFC BALANCED FUND</b>						
	<b>At the beginning of the year</b>	<b>01/04/2017</b>		<b>114,344</b>	<b>0.49</b>		
	Changes during the year	07/04/2017	Purchase	3,214	0.01	1,17,558	0.50
		12/05/2017	Sale	(1,17,558)	(0.50)	0	0.00
		19/05/2017	Purchase	1,17,558	0.50	1,17,558	0.50
		21/07/2017	Sale	(11,558)	(0.05)	1,06,000	0.45
		11/08/2017	Purchase	8,178	0.03	1,14,178	0.49
		18/08/2017	Purchase	11,678	0.05	1,25,856	0.54
		25/08/2017	Purchase	12,144	0.05	1,38,000	0.59
		29/09/2017	Purchase	1,486	0.01	1,39,486	0.59
		06/10/2017	Purchase	26,000	0.11	1,65,486	0.70
		31/10/2017	Purchase	7,500	0.03	1,72,986	0.74
		24/11/2017	Sale	(528)	(0.00)	1,72,458	0.73
		02/03/2018	Sale	(12,458)	(0.05)	1,60,000	0.68
		16/03/2018	Sale	(2,535)	(0.01)	1,57,465	0.66
	<b>At the end of the year</b>	<b>31/03/2018</b>				<b>1,57,465</b>	<b>0.66</b>

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr No.	For Each of the Directors and KMP	Shareholding at the beginning of the year April 01, 2017		Shareholding at the end of the year March 31, 2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Sudhakar Ram	27,91,680	11.94	15,88,680	6.71
2.	Mr. Ashank Desai	30,99,552	13.26	30,99,552	13.08
3.	Mr. S. Sandilya	26,000	0.11	26,000	0.11
4.	Mr. Atul Kanagat*	NIL	NA	NIL	NA
5.	Ms. Priti Rao	29,600	0.13	29,600	0.12
6.	Mr. Keith Bogg	NIL	NA	NIL	NA
7.	Mr. Abhishek Singh (Group Chief Financial Officer)	8,927	0.04	15,929	0.07
8.	Mr. Dinesh Kalani (Company Secretary)	NIL	NA	NIL	NA

\* Mr. Atul Kanagat was holding 24,600 Employee Stock Options which since exercised and converted into equity shares on April 17, 2018.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits ₹	Unsecured Loans ₹	Deposits ₹	Total Indebtedness ₹
<b>Indebtedness at the beginning of the financial year April 01, 2017</b>				
i) Principal Amount	66,10,249	NA	NA	66,10,249
ii) Interest due but not paid	NA	NA	NA	NA
iii) Interest accrued but not due	NA	NA	NA	NA
<b>Total (i+ii+iii)</b>	<b>66,10,249</b>	<b>NA</b>	<b>NA</b>	<b>66,10,249</b>
<b>Change in Indebtedness during the year</b>				
+ Addition	76,27,378	NA	NA	76,27,378
- Reduction	(51,45,700)	NA	NA	(51,45,700)
<b>Net Change</b>	<b>24,81,678</b>	<b>NA</b>	<b>NA</b>	<b>24,81,678</b>
<b>Indebtedness at the end of the financial year March 31, 2018</b>				
i) Principal Amount	90,91,927	NA	NA	90,91,927
ii) Interest due but not paid	NA	NA	NA	NA
iii) Interest accrued but not due	NA	NA	NA	NA
<b>Total (i+ii+iii)</b>	<b>90,91,927</b>	<b>NA</b>	<b>NA</b>	<b>90,91,927</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration of Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager
		Mr. Sudhakar Ram (all figures in ₹)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,036,800
	(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.	NIL
2.	Stock Option	NIL
3.	Sweat Equity	NIL
4.	- Commission - as % of profit - others, specify	NIL
5.	Others, please specify	
	Contribution to Provident Fund & Other Fund	8,44,416
	Performance Bonus*	15,00,000
	<b>Total</b>	<b>94,20,816</b>
	Ceiling as per the Act	5% of the Net Profits of the Company

\* Performance Bonus/ Award of ₹ 15 Lacs for the financial year 2017-18 will be paid in financial year 2018-19 and the provision for the same has been made in the accounts under review.

Note: Performance Bonus of ₹19 Lacs for the Financial Year 2016-17 which was recommended subsequent to the finalisation of previous year annual accounts was paid to Mr. Sudhakar Ram in the current financial year for which the provision for the payment of performance bonus was already made in the previous financial year 2016-17 but paid in the current financial year under review, hence not included in current year remuneration and it was within the overall ceiling limit of Previous Year.

**B. Remuneration to other directors:****a) Independent Directors -**

Particulars of Remuneration (all figures in ₹)	Name of Directors				Total Amount
	Mr. S. Sandilya	Mr. Atul Kanagat	Ms. Priti Rao	Mr. Keith Bogg	
Fee for Attending Board meetings and Committee Meetings	16,50,000	14,00,000	14,00,000	13,00,000	57,50,000
Commission*	13,50,000	6,00,000	6,00,000	NIL	25,50,000
Others	NIL	NIL	NIL	NIL	NIL
<b>Total</b>	<b>30,00,000</b>	<b>20,00,000</b>	<b>20,00,000</b>	<b>13,00,000</b>	<b>83,00,000</b>
Overall Ceiling as per the Act	1% of the Net Profits of the Company				

\*Commission for financial year 2017-18 will be paid in financial year 2018-19 and the Provision for the same has been made in the accounts under review.

**b) Non-Executive Director -**

Particulars of Remuneration	Name of Director
	Mr. Ashank Desai (all figures in ₹)
Fee for Attending Board meetings and Committee Meetings	21,50,000
Commission	NIL
Others (perquisites /benefits)*	61,965
<b>Total</b>	<b>22,11,965</b>
Overall Ceiling as per the Act	1% of the Net Profits of the Company

\* Approved by the Shareholders earlier under enabling resolution.

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

(all figures in ₹)

Sr No.	Particulars of Remuneration	Key Managerial Personnel (KMP)		
		Mr. Abhishek Singh (Group Chief Financial Officer)	Mr. Dinesh Kalani (Company Secretary)	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	1,01,42,140	32,08,434	1,33,50,574
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961.	NIL	NIL	NIL
2	Stock Option	6,88,437	NIL	6,88,437
3	Sweat Equity	NIL	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL	NIL
5	Others, please specify			
	Contribution to Provident Fund & Other Fund	6,88,816	1,09,776	7,98,592
	Performance Bonus*	17,38,081	1,96,039	19,34,120
	<b>Total</b>	<b>1,32,57,474</b>	<b>35,14,249</b>	<b>1,67,71,723</b>

\*Performance Bonus for financial year 2017-18 will be paid in financial year 2018-19 and the Provision for the same has been made in the accounts under review.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There were no penalties, punishments or compounding of offences during the year ended March 31, 2018.

## ANNEXURE 3 FORM AOC – 2

[Pursuant to Clause (4) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014]

- A. Company has not entered into any material contracts or arrangements or transactions which are not on arm's length basis.**
- B. Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

**1. Details of material contracts or arrangement or transactions not at arm's length basis:-** There were no contracts or arrangements or transactions entered into during the year ended March 31, 2018, which are not at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2018 are as follows:

Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ Transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval/ renewal by the Board, if any	Amount paid as advances, if any
<b>Mastek (UK) Ltd</b>	Wholly-owned subsidiary	1. IT & related services Contracts (MSA) and	1. IT & related services contracts are for duration of one year and are automatically renewed annually.	As per Transfer Pricing guidelines	18-04-2018	-
		2. Trade Mark License agreement	2. For a period of 5 years with effect from April 01, 2016			
<b>Trans American Information Systems Private Limited</b>	Wholly-owned subsidiary	Leave & License Agreement	Leave and License Agreement for a period from January 01, 2018 to June 09, 2018	As per Related Party Transaction	18-01-2018	Security Deposit of ₹ 25,000/-
			Leave and License Agreement for a period of 11 months effective from February 1, 2017 till December 31, 2017	As per Related Party Transaction	20-04-2017	Security Deposit of ₹ 25,000/-
<b>Cashless Technologies India Pvt Ltd</b>	Entity controlled by a Director	IT & related services Contracts (MSA) and	IT & related services contracts are for duration of one year and are automatically renewed annually.	As per Related Party Transaction	18-04-2018	-

**Note:**

- All the above reported transactions has been executed at Arm's Length Pricing Basis and are in the Ordinary Course of Business.
- Necessary approval of the Audit Committee and the Board (Omnibus and Specific) has been obtained prior to entering into all the Related Party Transactions.

For and on behalf of the Board

**Sudhakar Ram**

Vice Chairman & Managing Director

**S. Sandilya**

Non- Executive Chairman and Independent Director

Date :April 18, 2018

Place : Mumbai

## ANNEXURE 4 SECRETARIAL AUDIT REPORT FORM MR-3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the Financial Year ended March 31, 2018

To,

**The Members,  
Mastek Limited  
CIN: L74140GJ1982PLC005215**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by Mastek Limited (hereinafter called the "Company"). Secretarial Audit as required under Companies Act, 2013 was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on March 31, 2018 ("Audit Period") 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended March 31, 2018 as made available to us, according to the following provisions including any statutory modification, amendments or re-enactment thereof for the time being in force:

- (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 as applicable to the Company;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
- (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;
- (e) 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.

We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company and having regard to the compliance system prevailing in the Company and on 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.

We have also examined compliance with the applicable clauses of the following:

- (i) 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.
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

To the best of our knowledge and belief, during the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that there were no events/action in pursuance of:

- a. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and amendments from time to time;
- b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- c. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We 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 Chief

Financial Officer taken on record by the Board of Directors of the Company in our opinion adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable general laws like labour laws, etc.

We 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 as required under Companies Act, 2013. 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 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 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.

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

- 1. Declared Interim Dividend;

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

**Prashant S. Mehta**

Practising Company Secretary

Membership No.: 5814

CP. No.: 17341

Place: Mumbai

Date: April 18, 2018.

## ANNEXURE 5

### Disclosure under Section 197 (12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**A. Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**(I) Ratio of the remuneration of each Director and KMP to the median remuneration of the employees of the Company for the financial year 2017-18:**

Sr. no.	Names of Directors/ KMP and designation	Remuneration (amount in ₹)		% increase in remuneration in the financial year 2017-18 (amount in ₹)	ratio of the remuneration of each director to the median remuneration of the employees
		Financial Year 2017-2018	Financial Year 2016-2017		
1	Mr. Sudhakar Ram- Vice Chairman & Managing Director	94,20,816	1,20,69,040	(21.94)	17.50X
2	Mr. Ashank Desai- Non-Executive Director*	61,965	1,12,264	(44.80)	0.12X
3	Mr. S. Sandilya- Non- Executive Chairman and Independent Director	13,50,000	18,00,000	(25.00)	2.51X
4	Mr. Atul Kanagat- Non-Executive Director (Independent) <sup>®</sup>	6,00,000	NIL	100%	1.11X
5	Ms. Priti Rao- Non-Executive Director (Independent)	6,00,000	9,50,000	(36.84)	1.11X
6	Mr. Keith Bogg- Non-Executive Director (Independent)	NIL	NIL	NA	NA
7	Mr. Abhishek Singh (Group Chief Financial Officer)	1,32,57,474	41,79,960	217.17	24.62X
8	Dinesh Kalani (Company Secretary)	35,14,249	30,32,145	15.90	6.53X

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

® Mr. Atul Kanagat has not taken any sitting fees and/or commission till March 31, 2017 volitionally.

**(II) The percentage increase in the median remuneration of employees and Key Managerial Personnel in the financial year 2017-18:**

**Percentage of increase in the median remuneration of employees and Key Managerial personnel in the Financial Year ended March 31, 2018 was 14%.**

The ratio of the remuneration of the highest paid Director to that employees who are not directors but receive remuneration in excess of the highest paid directors during the year: **Not applicable**

**(III) The percentage increase in the median remuneration of employees in the financial year 2017-18: 14%.**

**(IV) The number of permanent employees on the rolls of Company: 1090**

**(V) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

**Average percentage increase made in the salaries of the Employees other than the Managerial personnel in the Financial Year was 16 % vis a vis increase of 29 % in the salaries of Managerial Personnel.**

**(VI) Affirmation that the remuneration is as per the remuneration policy of the Company:**

**We affirm that the remuneration is as per the remuneration policy of the Company.**

**B. Information as per Rule 5(2) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sr. no.	Names and Designation of the Employee	Age of the Employee	Qualifications and Experience (in years) of the employee	Date of Joining	Remuneration paid during the financial year 2018 (amount in ₹)	Last employment held by the employee before joining the Company	Percentage of equity shares held by the employee in the Company
1	Mr Abhishek Singh, Group Chief Financial Officer	39	PGDM-Finance, B.Com(Hons) (17 years)	3/1/2016	1,32,57,474	First source Solutions Ltd.	15,929 shares (0.07%)
2	Ms Maninder Kapoor Puri, Group Chief People Officer*	45	MA English, BA English (26 years)	8/7/2017	72,00,108	First source Solutions Ltd.	-
3	Mr Sanjeev Vishnupant Jagtap, Sr. Vice President - IA Delivery, IIS & TIS*	60	BE, MBA, MCM Graduate (Engineering), (34 years)	3/10/1997	60,38,932	Ajay Metachem Ltd	26,250 shares (0.11 %)
4	Mr Gautam K Karkera, Group Software Manager*	49	B.COM Commerce (28 years)	2/1/1994	36,48,578	System Plus	-
5	Mr Sujit S Rangnekar, Solution Architect*	47	BE Production Engineering, (25 years)	11/17/1992	29,51,245	NA	-

\* Employed for part of the financial year.

Note: None of the above employees is related to any Director or Manager of the Company.

For and on behalf of the Board

**Sudhakar Ram**

Vice Chairman & Managing Director

**S. Sandilya**

Non- Executive Chairman and Independent Director

Date : April 18, 2018

Place : Mumbai



## ANNEXURE 6

### DISCLOSURE AS REQUIRED UNDER SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AS ON MARCH 31, 2018

#### A. Employee Stock Option Scheme

Sr. No	Particulars	Plan IV	Plan V	Plan VI	Plan VII
1	Date of Shareholders' Approval	August 09, 2007	March 20, 2009	October 01, 2010	July 17, 2013
2	Total number of options/ RSU's approved under the scheme	1,000,000	1,500,000	2,000,000	2,500,000
3	Vesting Requirements	<p><b>Options:</b> The first vesting of the stock options shall happen only on completion of one year from the date of grant. Maximum vesting period is four years from the date of Grant</p>	<p><b>Options/ RSU's:</b> The first vesting of the stock options/RSUs shall happen only on completion of one year from the date of grant. Maximum vesting period is four years from the date of Grant.</p>	<p><b>Options/ RSU's:</b> The first vesting of the stock options/ RSUs shall happen only on completion of one year from the date of grant. Maximum vesting period is four years from the date of Grant.</p>	<p><b>Options:</b> The first vesting of the stock options shall happen only on completion of one year from the date of grant. Maximum vesting period is four years from the date of Grant.</p> <p><b>RSU's:</b> Applicable to certain section of employees. Vesting period will be 3 years and the vesting schedule would be 20% at the end of one year, 30% at the end of second year and 50% at the end of third year. The price of options/ RSU's would be ₹ 5/- per share (Face value)</p>
4	Exercise Price or Pricing Formula	Market Price	The exercise price as may be determined by the Nomination and Remuneration Committee and such price may be the face value of the share from time to time or may be the Market Price or any price as may be decided by the Committee.		
5	Variation in terms of Options/ RSU's	During the year ended June 30, 2011, the Company has extended the vesting period from two years to seven years. The company has entered into the scheme of arrangement in the financial year 2015-16. Mastek Limited got split into Mastek Limited & Majesco Ltd. Subject to this arrangement, the exercise price has been revised for the options outstanding on the date of arrangement	The Company has implemented the Scheme Of Arrangement in the financial year 2015-16, effective April 01, 2014. Mastek Limited got split into Mastek Limited & Majesco Ltd. Subsequent to this arrangement, the exercise price has been proportionately revised for the options outstanding on the date of arrangement. Ratio of split up was 37:63		
6	Source of Shares	Primary			
7	Maximum Term of Options/ RSU's Granted	11 years from the date of Grant			

**B. Options/ RSU's Movement During the year**

Particulars	Year ended March 31, 2018		Year ended March 31, 2017		Year ended March 31, 2018		Year ended March 31, 2017		Year ended March 31, 2018		Year ended March 31, 2017					
	No. of share options/ RSU's price (in ₹)	Weighted average Exercise price (in ₹)	No. of share options/ RSU's price (in ₹)	Weighted average Exercise price (in ₹)	No. of share options/ RSU's price (in ₹)	Weighted average Exercise price (in ₹)	No. of share options/ RSU's price (in ₹)	Weighted average Exercise price (in ₹)	No. of share options/ RSU's price (in ₹)	Weighted average Exercise price (in ₹)	No. of share options/ RSU's price (in ₹)	Weighted average Exercise price (in ₹)				
<b>Plan</b>	<b>Plan IV</b>		<b>Plan V</b>		<b>Plan VI</b>		<b>Plan VII</b>									
Outstanding options/ RSU's at the beginning of the year	147,927	98.95	276,117	105.36	62,225	68.24	143,825	64.93	10,23,660	79.47	13,42,312	80.69	10,93,480	114.01	9,77,373	87.49
No. of Options/ RSU's Granted during the year	-	-	-	-	-	-	-	-	-	-	-	-	6,65,825	217.53	3,20,000	168.84
No. of Options/ RSU's Exercised during the year and No. of shares arising as a result of exercise of options/ RSU's	(15,894)	116.42	(7,247)	112.79	(10,000)	46.62	(79,100)	62.91	(1,92,744)	62.27	(1,89,869)	47.77	(95,885)	100.14	(1,04,043)	61.71
No. of Options/ RSU's Lapsed/ Cancelled during the year	(86,382)	96.89	(120,943)	112.76	-	-	(2,500)	46.62	(29,875)	174.52	(1,28,783)	138.95	(2,40,199)	294.25	(99,850)	84.42
No. of Options/ RSU's Cancelled revoked during the year	-	-	-	-	2,500	46.62	-	-	-	-	-	-	-	-	-	-
No. of Options/ RSU's Vested during the year	45,651	96.77	147,927	98.95	54,725	71.20	62,225	68.24	6,49,506	65.88	5,90,631	59.69	4,91,232	94.47	2,89,384	81.69
No. of Options/ RSU's Outstanding at the end of the year	45,651	96.77	147,927	98.95	54,725	71.20	62,225	68.24	8,01,041	80.06	10,23,660	79.47	14,23,221	132.95	10,93,480	114.01
No. of Options/ RSU's Exercisable at the end of the year	45,651	96.77	147,927	98.95	54,725	71.20	62,225	68.24	6,49,506	65.88	5,90,631	59.69	4,91,232	94.47	2,89,384	81.69
Money realised by exercise of options/ RSU's during the year (in ₹)	18,50,366	-	8,17,367	-	4,66,200	-	49,76,315	-	1,20,02,975	-	90,69,107	-	96,02,163	-	64,50,341	-

**C. Employee-wise details of options/ RSU's granted during the year to:**

		Plan IV	Plan V	Plan VI	Plan VII
(i)	Senior Managerial Personnel				
	John Timothy Owen	-	-	-	50,000
	Abhishek Singh	-	-	-	1,13,500
	Prahlad Koti	-	-	-	25,000
	Hiren Ramesh Shah	-	-	-	6,500
	Maninder Kapoor Puri	-	-	-	30,000
	Robert Hart King	-	-	-	30,000
	Arun Agarwal	-	-	-	5,000
	Ken James Milne	-	-	-	4,000
(ii)	Employees who were granted, during any one year, options/ RSU's amounting to 5% or more of the options/ RSU's granted during the year				
	John Timothy Owen	-	-	-	50,000
	Abhishek Singh	-	-	-	1,13,500
	Maninder Kapoor Puri	-	-	-	30,000
	Robert Hart King	-	-	-	30,000
(iii)	Identified employees who were granted options/ RSU's, during any one year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	-	-	-	-

<b>D.</b>	Diluted Earnings Per Share pursuant to issue of shares on exercise of options/ RSU's calculated in accordance with Accounting Standard (AS)	Consolidated: 28.14 Standalone: 6.33
<b>E.</b>	Method used to account for ESOS-	The Company has recognised compensation cost using fair value method of accounting. The Company has recognised stock option compensation cost of ₹ 395 lakhs in the statement of profit and loss
<b>F.</b>	Method and Assumptions used to estimate the fair value of options/ RSU's granted during the year:	
	The weighted average fair value of each unit under the plan, granted during the year ended was ₹ 257 using the Black-Scholes model with the following assumptions:	
	<b>Particulars</b>	<b>As at March 31, 2018</b>
	<b>Weighted average grant date share price</b>	349.8
	<b>Weighted average exercise price</b>	217.5
	<b>Dividend yield %</b>	1.7%
	<b>Expected life</b>	3-7
	<b>Risk free interest rate</b>	6.80%
	<b>Volatility</b>	67.80%

**Volatility:** Volatility is a measure of the amount by which a price hedge 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/ RSU's based on zero coupon yield curve for government securities.

**Expected life the Options/ RSU's:** Expected life or the options/ RSU's is the period for which the Company expects the options/ RSU's to be live. The minimum life of stock options/ RSU's is the minimum period before which the options/ RSU's cannot be exercised and the maximum life of the option is the maximum period after which the options/ RSU's cannot be exercised. The Company have calculated expected life as the average of the minimum and the maximum life of the options/ RSU's.

**Dividend yield:** Expected dividend yield has been calculated as a total of interim and final dividend declared in last year preceding date of grant.

<b>G.</b>	For options / RSU's outstanding at the end of the year, the period, the range of exercise prices and weighted average remaining contractual life (vesting period + exercise period). If the range of the exercise prices is wide, the outstanding options/ RSU's should be divided into ranges that are meaningful for assessing the number and timing of additional shares that may be issued and cash that may be received upon exercise of those options/ RSU's:	<b>Details for ESOP Scheme IV, V, VI and VII:</b>		
		<b>Price range (in ₹)</b>	<b>Number of options/ RSU's</b>	<b>Weighted average remaining life (Years)</b>
		5	3,58,574	7.86
		5 and above	19,66,064	6.10
		<b>Total</b>	<b>23,24,638</b>	<b>-</b>
<b>H.</b>	For other instruments granted during the year (i.e., other than stock options) - Number and weighted average fair value of those instruments at the grant date - Fair Value determination in case (a) fair value not measured on the basis of an observable market price (b) whether and how expected dividends were incorporated (c) whether and how any other features were incorporated	No other instruments were granted during the year		
<b>I.</b>	For employee share-based payment plans that were modified / varied during the period – - Explanation of those modifications/ variations - Incremental fair value granted (as a result of those modifications/ variations) - Information on how those incremental fair value granted was measured, consistently with the requirements set out in point 7 of SEBI (Share based employee benefits) Regulations, 2014.	No modifications were made to the schemes during the year.		
<b>J.</b>	Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Members may refer the relevant Notes in Audited Financials Statement of the Company prepared for Financial Year 17-18.		

**Note for Information:** The Company has implemented the Scheme Of Arrangement in the financial year 2015-16, effective April 01, 2014. Mastek Limited got split into Mastek Limited & Majesco Ltd. Subsequent to this arrangement, the exercise price has been proportionately revised for the options outstanding on the date of arrangement. Ratio of split up was 37:63.

For and on behalf of the Board

**Sudhakar Ram**

*Vice Chairman & Managing Director*

**S. Sandilya**

*Non-Executive Chairman and Independent Director*

**Abhishek Singh**

*Group Chief Financial Officer*

**Dinesh Kalani**

*Company Secretary*

Date : April 18, 2018

Place : Mumbai

## ANNEXURE 7

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES/ INITIATIVES FOR THE FINANCIAL YEAR 2017-18

[Pursuant to Section 135 of the Act & Rules made thereunder]

1. 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.

The CSR policy is being developed for the organisation to comply with the provisions of section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014. We at Mastek are committed to spending up to 2% of the average net profits for the preceding three financial years on CSR projects/programmes related to activities specified in Schedule VII to the Act or such activities as may be notified from time to time. A CSR committee was constituted as per Board resolution dated April 26, 2014 in terms of the requirements of the Companies Act, 2013.

The web link is given below:

Web link: [https://www.mastek.com/sites/default/files/Final\\_CSRpolicyver1.0.pdf](https://www.mastek.com/sites/default/files/Final_CSRpolicyver1.0.pdf)

2. The Composition of the CSR Committee:
- Ms. Priti Rao (Independent Director)
  - Mr. Ashank Desai (Non-Executive Director)
  - Mr. Sudhakar Ram (Vice Chairman & Managing Director)
3. Average net profit of the company for last three financial years: ₹ **4,196.97 Lakhs**
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ **83.94 Lakhs**
5. Details of CSR spent during the financial year 2017-18:
- Total amount spent for the financial year 2017-18 – ₹ **84 lakhs**
  - Amount unspent, if any: **NA**
  - Manner in which the amount spent during the financial year is detailed below.

Sr No.	Projects/Activities Undertaken	Sector	Locations	Amount Outlay (Budget) Project or Programs wise	Amount Spent on the project or programs	Cumulative Expenditure Up to reporting period	Amount spent: Through implementing agency*
			Districts (State)	₹ in Lakhs	₹ In Lakhs	₹ In Lakhs	
1.	Supporting pre-school establishment and learning centre for migrant children. Providing mid-day meals to children. Supporting vocational training programme of youth in Mumbai. Providing educational and recreational facilities to homeless, conflict hit migrant orphan female children from poor and deprived sections from strife-torn valley of Kashmir.	Education	Kolkatta, West Bengal Thane, Maharashtra Mumbai, Maharashtra Talab Tillo, Jammu and Kashmir Palghar	27.59	27.59	27.59	
2.	Supporting tribal hospital reaching out to 5000 patients, awareness generation for health workers, farmers and villagers on health and sanitation, Supporting the Thalassemia Prevention programme. Mortality control program for tribal people with limited access to proper healthcare facilities.	Healthcare	Maharashtra	24.70	24.70	24.70	

Sr No.	Projects/Activities Undertaken	Sector	Locations	Amount Outlay (Budget) Project or Programs wise	Amount Spent on the project or programs	Cumulative Expenditure Up to reporting period	Amount spent: Through implementing agency*
			Districts (State)	₹ in Lakhs	₹ In Lakhs	₹ In Lakhs	
3	Providing speciality surgeries to street animals, donation and ambulance.	Animal Welfare	Thane, Maharashtra	8.42	8.42	8.42	
4	Building an adoption centre for 345 women (unwed mothers and rape victims)	Women empowerment	Maharashtra	20.00	20.00	20.00	
5	Supporting public welfare trusts established for welfare of underprivileged citizens.	Under privileged citizens' welfare	Mumbai-Maharashtra	3.23	3.29	3.29	
<b>Total funds</b>				<b>83.94</b>	<b>84.00</b>	<b>84.00</b>	

\* Amounts are given through Mastek Foundation, who got the project implemented through the following agencies:

1. Snehalaya – Ahmednagar, Maharashtra.
2. Tagore Foundation – Kolkatta, West Bengal
3. Sangopita – Thane, Maharashtra
4. Aarambh – Thane, Maharashtra
5. Prasad Chikitsa – Thane, Maharashtra
6. Mahan Trust – Amravati, Maharashtra
7. SEARCH – Gadchiroli, Maharashtra
8. Think Foundation – Mumbai, Maharashtra
9. Thane SPCA – Thane, Maharashtra
10. Plant and Animal Welfare Society (PAWS) – Thane, Maharashtra
11. Sunbird Trust – Imphal, Manipur
12. Kherwadi Social Welfare Association - Mumbai, Maharashtra
13. Borderless World Foundation – Jammu and Kashmir
14. Mumbai First – Mumbai, Maharashtra
15. Making A Difference (M.A.D) Foundation, Vikramgarh, Palghar, Maharashtra.

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: **Not Applicable**

7. 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 on a half yearly basis. 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.**

**Priti Rao**  
Chairperson

**Ashank Desai**  
Member

**Sudhakar Ram**  
Member

Date : April 18, 2018

Place :Mumbai

# Report on Corporate Governance

## I. Company's Philosophy

The Company's philosophy on Corporate Governance, is based on strong foundations of ethical values and professionalism which being practiced since the inception of the Company. Integrity, transparency, fairness, accountability and compliance 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 focus on its customer centric approach together with its value added innovative service offerings and its involvement in CSR 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 maximizing long-term Shareholder values.

Corporate Governance practiced at the Company is not restricted to Board of Directors, it is an approach to Sustainable Development.

Mastek has always strived to go beyond the statutory and regulatory requirements of Corporate Governance. Our endeavour is to follow good governance both in letter as well as in spirit.

### Governance Structure

Mastek's Governance structure broadly comprises 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.

## II. Board of Directors

### (i) Size and Composition of the Board

The Company has a very balanced and diverse Board of Directors, including one Independent Woman Director. The Board of Directors of the Company

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, Finance, Management, Marketing and Strategic, 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 critical role on strategic issues, which enhances the transparency and add value in the decision making process of the Board of Directors. The Company has also devised a policy on board diversity.

As on March 31, 2018 the Board had 6 (six) members, of which 2 (two) are Promoter-Directors and the rest 4 (four) are Independent Directors including one Woman Director.

The Chairman of the Board is a Non-Executive Independent Director. The Composition of the Board of Directors is in conformity with the requirement of Regulation 17 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 **(SEBI Listing Regulations)**.

None of the Directors have any inter-se relationship among themselves.

### (ii) Profile of Board of Directors

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

Mr. S. Sandilya is a Commerce Graduate from Madras University and holds an MBA from the Indian Institute of Management, Ahmedabad. He has almost five decades of professional experience. Mr. Sandilya is also 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, Strategic Planning, Manufacturing and General

Management. He was the Group Chairman and Chief Executive for six years before becoming a Non-Executive Chairman, the post he continues to hold.

Additionally, Mr. Sandilya is a Director of Tube Investments of India Limited, Rane Brake Lining Limited, GMR Infrastructure Limited, Lean Management Institute of India. In the past, he has held leading positions at the Society of Indian Automobile Manufacturers, International Motorcycle Manufacturers Association, Geneva and Member of the Board of Directors and Lean Global Network, USA.

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 abandoned and vulnerable children.

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

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

## **2. Mr. Sudhakar Ram: (DIN 00101473) - Vice Chairman & Managing Director**

One of the Co-founder Director of Mastek, Mr. Ram is at the helm of several strategic initiatives that will help the Company achieve its vision of becoming a world class provider of Vertical Enterprise Platforms and Applications that enable business transformation. Within the Mastek organisation, his focus is on bringing about a marked shift in leadership, commitment, creativity and culture with a view to accelerated increase in value delivery.

Mr. Ram, as a veteran of the IT industry, is also a keen observer of domestic and global IT and business trends. He uses his deep insight into the industry to frequently write articles and columns for leading newspapers.

Mr. Ram is a silver medalist from Indian Institute of Management (IIM), Calcutta. Before joining Mastek, he was the CIO of Rediffusion Dentsu Young & Rubicam.

Mr. Ram is a Member of Stakeholder Relationship Committee and Corporate Social Responsibility Committee of the Company.

Mr. Ram joined the Mastek Board in the year 1984 and holds along with his family members (including private family trust) 28,55,608 (12.05%) Equity Shares in the Company.

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

Mr. Ashank Desai, is an IT 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, Mumbai. He also holds Post Graduate Diploma in Business Management (PGDBM) from the 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 Founder and Former Chairman of Mastek. He also guides and Trustee to 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 & 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 serves as Vice-Chairman, Society for Innovation and Entrepreneurship (SINE) at his alma mater IIT Bombay.

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 include serving as Member of the Maharashtra State Security Council. He is involved in CII & FICCI



both at the Regional as well as National Level. He was earlier Member, International Team on Economic Reforms for the President of Zambia.

He has been felicitated by the Prime Minister Shri Narendra Modi 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" honour in recognition of his services to the Indian IT Industry as an entrepreneur and for his contribution to the growth of education. 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.

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

Mr. Desai joined the Mastek Board on June 06, 1982 and holds along with his family members 34,07,952 (14.38%) Equity Shares in the Company.

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

Entrepreneur & Managing Director at Pumpkin Patch Daycare which caters to needs to 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 safety are most important aspect. Her focus is to create happy children and help women go back to work. Currently she runs 10 daycare centres in Pune, with 1000 + children under their care.

She is also the Chairperson of Aatmaja foundation, which is a non-profit organisation, focused on enabling bright young girls from disadvantaged background to become successful professionals which was launched in January, 2015. They are now supporting 100 adolescent girls to pursue professional Education.

She holds 25 years 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.

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 January 17, 2011 and holds 29,600 (0.12%) Equity Shares in the Company. She is also on the Board of Quick Heal Technologies Ltd.

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

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

Mr. Kanagat initially joined Hindustan Lever Ltd., the Indian subsidiary of Unilever. He spent two 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 1995 to 2003 and was a Member of the Boards of the following institutions:

- Seattle Symphony;
- Fred Hutch Cancer Research Center; and
- Greater Seattle Chamber of Commerce

During the period 2003 to 2009, Mr. Kanagat was also on the Board of Liberty Science Center in Jersey City. During the period 2010 to 2011,

he worked for Harman International as Vice President- Strategy & Mergers & Acquisition.

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

Mr. Kanagat joined Board on January 21, 2013 and holds 24,600 (0.10%) Equity Shares in the Company.

#### 6. Mr. Keith Bogg: (DIN 07658511) - Non-Executive and Independent Director

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

& Research Services Plc., and currently holds advisory roles with the Civil Aviation Authority and the Grosvenor Group, UK.

Mr. Bogg is Director on the Board of "The Anchorage Residents Management Limited" U.K.

Mr. Bogg is a Member of Audit Committee and Governance Committee of the Company. Mr. Bogg joined the Board on January 17, 2017 and does not hold any shares in the Company.

#### (iii) Board Diversity

Your Company has over the years been fortunate to have eminent persons from diverse fields as Directors on its Board. Pursuant to SEBI Listing Regulations, the Nomination & 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 Company's website and can be accessed on web link <https://www.mastek.com/corporate-governance>

#### (iv) 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 March 31, 2018, 5 (Five) Board Meetings were held on April 20, 2017, July 19, 2017, October 26, 2017, January 18, 2018 and March 09, 2018, details where of are given below:

#### (v) Directors' Attendance and Directorships held

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM on June 22, 2017	Date of Appointment in the current term	No. of other Directorship held in Indian Public Limited Companies (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	01-04-2015	6	2	5
Mr. Sudhakar Ram	Vice Chairman & Managing Director (Promoter)	5 of 5	Yes	01-07-2017*	1	1	--
Mr. Ashank Desai	Non-Executive Director (Promoter)	5 of 5	Yes	12-01-2007	3	3	--
Ms. Priti Rao	Non- Executive Director (Independent)	5 of 5	Yes	01-04-2015	1	1	--
Mr. Atul Kanagat	Non-Executive Director (Independent)	4 of 5	No	01-04-2015	1	2	--
Mr. Keith Bogg	Non-Executive Director (Independent)	5 of 5	No	17-01-2017	1	1	--

\*Re-appointed by shareholders at the Annual General Meeting held on June 22, 2017 for a further period of three years i.e. from July 01, 2017 to June 30, 2020.

**Notes:**

1. None of the Directors is a member of more than 10 Board-level Committees, or a Chairman of more than 5 such committees which is, in compliance with the SEBI Listing Regulations and Companies Act, 2013. Further, none of the Directors act as an Independent Director in more than 7 Listed Companies.
2. Particulars of Director retiring by rotation and seeking re-appointment have been given in the Notice convening the Annual General Meeting attached thereto.
3. 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 Stakeholder Relationship Committee only.
4. 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. Also Directorship held in Foreign Companies and Section 8 Companies have also been excluded.
5. None of the Directors are related to any of the Directors.

**(vi) 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, 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 of the individual Directors, and concluding with an aggregate presentation to the entire board.

Board and Committee functioning was reviewed and evaluated on the basis of responses from Directors, Committee members, Managing Director through 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 Directors 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 various points which will be implemented over an agreed timeframe.

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 directors, appointment based on specific needs and business of the Company, qualification, knowledge, experience and skill of the proposed appointee, etc. The Policy on appointment and removal of Directors, Remuneration to Directors/ Key Managerial Personnel/ Senior Management forms part of the Nomination and Remuneration Policy of the Company, which is available on the Company's website at <https://www.mastek.com/corporate-governance>

**(vii) 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 its Committees.

The appointment of Independent Directors is made in a structured manner. The Nomination & Remuneration Committee identifies potential candidates based on certain criteria and considers the diversity of the Board.

The Independent Directors have confirmed that they meet the criteria of independence laid down under the Companies Act, 2013 and SEBI Listing Regulations and also in the opinion of the Board and as confirmed by the Independent Directors, they fulfill the conditions specified in section 149 of the Companies Act, 2013 and the Rules made thereunder about their status as Independent Director.

During the year under review, the Independent Directors met 3 times on April 20, 2017, July 19, 2017 and January 18, 2018 inter-alia:

- To discuss the financials of the Company;
- To assess 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 Directors 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.

#### **(viii) Induction Program 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 of a Director, a formal letter of appointment is issued to the Director. The letter of 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 him/her under the Companies Act, 2013, SEBI Listing Regulations and other relevant Regulations.

Every new Director of the Board needs to attend an Orientation Program organised by the Company. Presentations are made by Managing Director, Group CEO, Group CFO and Senior Management team, providing an overview of strategy, operations and functions of the Company. An opportunity is provided to the Directors to interact with senior leadership 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 him/her to effectively fulfil 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 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 and can be accessed at web link <https://www.mastek.com/corporate-governance>

#### **(ix) 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 has been posted on the Company's website - <https://www.mastek.com/corporate-governance>

#### **(x) 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 generally 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 two meetings was not more than 100 days. The agenda for the meetings is prepared by the concerned official of the Company in consultation with the top management/executive team of the Company. The agenda papers are circulated in advance before each meeting to all the Directors. The members of the Board have access to all information and are free to recommend inclusion of any matter in the agenda for discussion. Executive Team are invited to attend the Board meetings and provide clarification as and when required. Action Taken Reports (ATR) are put up to the Board 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. Necessary information as required under the Companies Act, 2013 and SEBI Listing Regulations have been placed before and reviewed by the Board from time to time. The Board also periodically reviews compliance by the Company with the applicable laws/statutory requirements concerning the business and affairs of the Company.

### III. COMMITTEES OF THE BOARD:

#### MANDATORY COMMITTEES:

##### 1. Audit Committee

###### (i) Terms of Reference

The terms of reference of the Audit Committee are as follows:

- 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 terms of appointment of auditors
- c. approval of payment to statutory auditors for any other services rendered by the statutory auditors, 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;
- e. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - f. 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 utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter, if any;
  - g. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - h. approval of any subsequent modification of transactions of the Company with related parties;
  - i. scrutiny of inter-corporate loans and investments;

- j. valuation of undertakings or assets of the Company, wherever it is necessary;
- k. evaluation of internal financial controls and risk management systems;
- l. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m. 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;
- n. discussion with internal auditors of any significant findings and follow up there on;
- o. reviewing the 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;
- p. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r. to review the functioning of the whistle blower mechanism;
- s. approval of appointment and remuneration of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- t. Recommend to the Board, the appointment and remuneration of Internal Auditors; and
- u. 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.

## (ii) Composition

Mastek has an Audit Committee that currently comprises of four Independent Directors and a Non-Executive Director (Non-Independent). The Independent Directors are accomplished professionals from the corporate fields. The Managing Director, Group Chief Executive Officer and Group Chief Financial Officer attend the Audit Committee meetings. The Company Secretary acts as the Secretary to the Committee.

During the year ended March 31, 2018 the Committee met 4 (Four) times on April 20, 2017, July 19, 2017, October 26, 2017 and January 18, 2018. The attendance of the members at the meetings is stated below:

Name of the Members	Category	No. of Meetings Attended
Mr. S. Sandilya, Chairman	Non-Executive/ Independent	4 of 4
Mr. Ashank Desai, Member	Non-Executive/ Non Independent	4 of 4
Ms. Priti Rao, Member	Non-Executive/ Independent	4 of 4
Mr. Atul Kanagat, Member	Non-Executive/ Independent	4 of 4
Mr. Keith Bogg, Member	Non-Executive/ Independent	4 of 4

The Chairman of the Committee was present at the 35<sup>th</sup> Annual General Meeting of the Company held on June 22, 2017.

The Audit Committee Meetings are also attended by the Internal Auditors and Statutory Auditors. 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.

## (ii) Related Party Transactions

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions and the same has been reviewed from time to time. 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.

### (iii) Risk Management

Mastek is committed to effective management of risks across the organisation by aligning its risk management strategy to its business objectives and by instituting a risk management structure and frame work 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 Board of Directors of the Company at periodic intervals.

## 2. Nomination and Remuneration Committee

### (i) Terms of Reference

- To identify the persons who are qualified to become Director, or who may be appointed in senior management of the Company.
- To lay down criteria for the Company's nomination process for the above positions and oversee the implementation thereof.
- To finalise and recommend to Board the terms of remuneration for Directors, Senior Management, Key Managerial Personnel & other senior employees of the organisation.
- 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.
- To decide and formulate detailed terms and conditions of the Employees Stock Option Plan, governed by the guidelines issued by SEBI and as amended from time to time.
- To approve the stock options to be granted to the eligible employees of the Company/ Group under the scheme & finalisation of incentive plan for the employees of the Company.

- To recommend the compensation structure of the Directors and Key Managerial Personnel's to the Board.
- 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 other employees.
- To recommend the amount of Bonus to be paid to Managing Director & eligible employees.
- To recommend the sitting fees for Non-Executive Directors for attending Board as well as Committee Meetings.
- To ensure that-
  - a) 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;
  - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c) 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 workings of the company and its goals.
- Succession planning of the Board of Directors and Key/Senior Managerial Personnel.
- Review the performance of the Board of Directors, Key Managerial Personnel based on certain criteria as approved by the Board.
- 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.

### (ii) Composition

The Chairman of the Committee is Mr. Atul Kanagat. The other members are Mr. S. Sandilya and Mr. Ashank Desai. All are Non-Executive Directors.

During the year ended on March 31, 2018 the Committee met 5 (five) times on April 19, 2017, July 18, 2017, October 25, 2016, January 17, 2018 and March 09, 2018. The attendance of the Committee Members at the meetings is stated below:

Name of the Member	Category	No. of Meetings Attended
Mr. Atul Kanagat, Chairman	Non-Executive/Independent	4 of 5
Mr. S. Sandilya, Member	Non-Executive/Independent	5 of 5
Mr. Ashank Desai, Member	Non-Executive/Non-Independent	5 of 5

The Chairman of the Committee was not present at 35<sup>th</sup> Annual General Meeting of the Company since he was out of the Country on unavoidable engagements/circumstances in USA. The declaration for the same was received from him and he had requested Mr. S. Sandilya, Member of the Committee to be his authorised representative to respond to the queries, if any, of the Members with respect to functioning of the Nomination and Remuneration Committee at the 35<sup>th</sup> Annual General Meeting.

The Performance Evaluation criteria of Independent Director has been given elsewhere in this report.

### 3. Stakeholders Relationship Committee

#### (i) Terms of Reference

- To approve requests for share transfer/transmission, issue of duplicate share certificates for shares reported lost, defaced or destroyed, as per the laid down procedure;
- To issue and allot right shares/bonus shares pursuant to a Rights/Bonus Issue subject to such approvals as may be required;
- To issue and allot shares on exercise of Stock options by Employees under various ESOP Schemes, subject to completion of all necessary formalities;
- To approve and monitor dematerialisation/rematerialisation of shares and all matters incidental thereto;
- To authorise the Company Secretary and Registrar and Share Transfer Agent to

attend the matters relating to non-receipt of Annual reports, notices, non-receipt of declared dividend, change of address for correspondence, etc and to monitor action taken;

- To authorise the Company Secretary and Registrar and Share Transfer Agent to attend to matters relating to transfer/transmission of shares, issue of duplicate share certificates for shares reported lost, defaced or destroyed, to issue new certificates against subdivision of shares and renewal, split or consolidation of share certificates;
- To monitor expeditious redressal of grievances including complaints relating to transfer/transmission of shares, non-receipt of declared dividends/ Annual Reports, issue of duplicate certificates, general meetings and other complaints;
- All other matters incidental or related to shares of the Company;
- 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.

#### (ii) Composition

The Chairman of the Committee is Mr. S. Sandilya. Other members are Mr. Ashank Desai, Mr. Sudhakar Ram, and Mr. Atul Kanagat. The Company Secretary acts as the Secretary to the Committee.

During the year ended March 31, 2018 the Committee met 5 (five) times on April 19, 2017, July 18, 2017, October 25, 2017, January 17, 2018 and March 09, 2018. The attendance of the members at the meetings is stated below:

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



Mr. Dinesh Kalani, Company Secretary has been designated as the "Compliance Officer" of the Company. He acted as Secretary to the Committee.

The details of investors' complaints received and resolved during the year under review are as under:

No. of Investors' Complaints received during the year 2017-18	No. of Investors' Complaints resolved during the year 2017-18	No. of Investors' Complaints pending as on March 31, 2018
NIL	NA	NIL

There were no pending transfers/grievances as on March 31, 2018.

#### 4. Corporate Social Responsibility Committee (CSR)

The Company has constituted CSR Committee as required under Section 135 of the Companies Act, 2013.

##### (i) Terms of reference

- 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;
- Decide CSR projects or programmes or activities to be taken up by the company;
- Place before the board the CSR activities proposed to be taken up by the company for approval each year;
- Oversee the progress of the initiatives rolled out under this policy on half yearly basis;
- Define and monitor the budgets for carrying out the initiatives;
- Submit a report to the Board of Directors on all CSR activities during the financial year;
- Monitor and review the implementation of the CSR policy.

##### (ii) Composition

The Chairperson of the Committee is Ms. Priti Rao. The other members are Mr. Sudhakar Ram and Mr. Ashank Desai. The Company Secretary act as the Secretary to the Committee. During the year ended March 31, 2018 the Committee

met 2 (Two) times on April 19, 2017 and October 25, 2017. The attendance of the members at the meeting is stated below:

Name of the Members	Category	No. of Meetings Attended
Ms. Priti Rao, Chairperson	Non-Executive/Independent	2 of 2
Mr. Ashank Desai, Member	Non-Executive/Non-Independent	2 of 2
Mr. Sudhakar Ram, Member	Executive/Non-Independent	2 of 2

#### NON-MANDATORY COMMITTEE:

##### 5. Governance Committee

###### (i) Terms of reference

- To develop and recommend to the Board of Directors a set of corporate governance principles applicable to the Company, to review these principles periodically and to monitor compliance with these principles;
- To review and approve new policies relating to corporate governance and to review current policies and practices and recommend improvements;
- To develop norms for evaluation of the Board of Directors;
- To recommend the areas of training needed for Board members;
- To review the ongoing Business related issues and concerns;
- To review Enterprise Risk Management (ERM) Framework;
- To oversee compliances of various Internal Policies and Procedures;
- To review ongoing legal compliances, legal issues and related matters.

###### (ii) Composition

The Chairman of the Committee is Mr. Ashank Desai. The other members are Mr. Sudhakar Ram, Ms. Priti Rao and Mr. Keith Bogg. The Company Secretary act as the Secretary to the Committee.

During the year ended March 31, 2018 the Committee met 4 (four) times on April 19, 2017, July 18, 2017, October 25, 2017 and January 17, 2018.

The attendance of the members at the meetings is stated below:

Name of the Members	Category	No. of Meetings Attended
Mr. Ashank Desai, Chairman	Non-Executive/ Non-Independent	4 of 4
Ms. Priti Rao, Member	Non-Executive/ Independent	4 of 4
Mr. Sudhakar Ram, Member	Executive/Non-Independent	4 of 4
Mr. Keith Bogg, Member	Non-Executive/ Independent	4 of 4

#### IV. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Nomination and Remuneration Committee has developed a policy which deals with the manner of selection of Board of Directors and Key Managerial Personnel (KMP) and their remuneration. The relevant details are:

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

Mr. Ashank Desai, Non-Executive Director was provided perquisites aggregating to ₹ 61,965/- during the year ended March 31, 2018 for rendering professional services.

The Shareholders at the 33<sup>rd</sup> Annual General Meeting of the Company held on August 17, 2015 had approved the payment of perquisites by enabling resolution which is valid up to June 30, 2018. The Board of Directors at their meeting held on April 18, 2018 and as per the recommendation received from Nomination and Remuneration Committee has proposed to continue to pay Mr. Ashank Desai as a Non-Executive Director, certain benefits/ Perquisites such as re-imbursment of telephone/mobile bills, credit card fees, premium for Mediclaim and Personal Accident Policy (including his family) etc., subject to the approval of the shareholder at the 36<sup>th</sup> Annual General Meeting, for a further period of 3 (three) years from July 01, 2018 till June 30, 2021, over and above the payment of sitting fees and eligible commission. The Monetary value for the said benefits/ perquisites shall not exceed ₹ 15 Lakhs per annum.

During the year, there were no pecuniary relationships or transactions 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 Shareholders.

##### 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 precondition to their appointment as Independent Directors, they shall be required to declare any such conflicts to the Board, in writing at the time of their appointment and/or as and when there is any changes in the directorship and on yearly basis.
- Each Independent Director is issued appointment letter with clear guidelines on their roles, duties and responsibilities as Independent Director. The key elements in which every Independent Director will be expected to contribute are: Strategy, Performance, Risk, People, Reporting and Compliance.

##### 3. Remuneration Policy for the Directors and Key Managerial Personnel (KMPs)

In determining the remuneration of Director and KMPs the Nomination & Remuneration Committee shall ensure / consider the following:

- While fixing the remuneration of Director and/ or KMPs 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 Director and KMPs 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 a Variable Pay Plan guidelines.

The Policy of the Company on Remuneration for Board of Directors, Key Managerial Personnel and Senior Management as required under Section 178 of the Companies Act, 2013, is available on Company's website at <https://www.mastek.com/corporate-governance>.

There has been no change in the policy since last year. We affirm that the remuneration paid to the Directors and KMPs are as per the policy.

#### 4. Remuneration of Directors

- While fixing the remuneration of Directors, 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 Non-Executive Directors are being paid remuneration by way of Commission based on the Net Profits of the Company, subject to a maximum of one percent (1%) of the Net Profits of the Company, as may be approved by the Board and the Shareholders, from time to time.

The Board of Directors decides and Shareholders approves the remuneration of Non-Executive Directors.

Details of Remuneration of Non-Executive Directors for the year ended March 31, 2018 are stated below:

Name	Perquisites (₹)	Commission Payable* (₹)	Total (₹)
Mr. Ashank Desai	61,965	-	61,965
Ms. Priti Rao	-	6,00,000	6,00,000
Mr. S. Sandilya	-	13,50,000	13,50,000
Mr. Atul Kanagat	-	6,00,000	6,00,000
Mr. Keith Bogg	-	-	-
<b>Total</b>	<b>61,965</b>	<b>25,50,000</b>	<b>26,11,965</b>

\*Commission for financial year 2017-18 will be paid in financial year 2018-19 and the Provision for the same has been made in the accounts under review.

#### 5. Criteria for payment of remuneration by way of commission to Non - Executive Directors

Subject to availability of profits, calculated under Section 197 read with Section 198 of the Companies Act, 2013, Non-Executive Directors of the Company are also be entitled to commission and the same will be paid taking into consideration the amount of time spent on the critical policy decisions and higher degree of engagement by the Members. The total remuneration paid to all Non-Executive Directors will have an upper limit of 1% of net profits of the

Company. (Sitting fees are excluded in the above calculation). The payment of remuneration by way of commission to Non-Executive Directors was approved by the shareholders at the 31<sup>st</sup> Annual General Meeting of the Company held on July 17, 2013 which was valid upto the year ending March 31, 2018.

Further, the Board of Directors of the Company at their meeting held on April 18, 2018 and as per the recommendation received from Nomination and Remuneration Committee proposed the payment of remuneration by way of Commission to Non-Executive Directors for further period of 5 (five) years from April 01, 2018 till March 31, 2023, a sum not exceeding 1 % (one percent) per annum of the net profits of the Company calculated in accordance with the provisions of section 198 of the Act, 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.

#### Number of options/equity shares held by Independent Directors as on March 31, 2018:

Name of the Directors	No. of Options Granted before enactment of Companies Act, 2013	No. of Options Exercised	No. of Equity Shares Held
Ms. Priti Rao	29,600	29,600	29,600
Mr. S. Sandilya	26,000	26,000	26,000
Mr. Atul Kanagat*	24,600	24,600	NIL
Mr. Keith Bogg	NIL	NIL	NIL

**Note:** No Stock Options were granted to Mr. Sudhakar Ram, Mr. Ashank Desai and Mr. Keith Bogg.

\* Outstanding Options since exercised and shares allotted on April 17, 2018.

All the Stock Options were in terms of ESOP Plans.

#### Number of equity shares held by other Directors as on March 31, 2018:

Name of the Directors	No. of Equity Shares Held
Mr. Ashank Desai- along with his family members	34,07,952 (14.38%)
Mr. Sudhakar Ram along with his family members (including private family trust)	28,58,608 (12.09%)

## 6. Remuneration of Vice Chairman & Managing Director:

The Remuneration paid to Mr. Sudhakar Ram - Vice Chairman & 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	NIL
3.	Sweat Equity	NIL
4.	- Commission	NIL
5.	Others, please specify (Perquisites)	39,600
6.	Contribution to Provident Fund & Other Fund	8,44,416
7.	Performance Bonus*	15,00,000
	<b>Total</b>	<b>94,20,816</b>

\* Performance Bonus/ Award for the financial year 2017-18 will be paid in financial year 2018-19 and the provision for the same has been made in the accounts under review.

Note: Performance Bonus of Rs.19 Lacs for the Financial Year 2016-17 which was recommended subsequent to the finalisation of previous year annual accounts was paid to Mr. Sudhakar Ram in the current financial year for which the provision for the payment of performance bonus was already made in the previous financial year 2016-17 but paid in the current financial year under review, hence not included in current year remuneration and it was within the overall ceiling limit of Previous Year.

An Employment Agreement was entered between the Company and Mr. Sudhakar Ram for re-appointing him as Vice- Chairman & Managing Director of the Company for a period of 3 (three) years i.e. from July 01, 2017 to June 30, 2020, the re-appointment was approved by the Shareholders at 35<sup>th</sup> Annual General Meeting of the Company. The said Employment Agreement can be terminated by either party by giving three months' notice to the other party.

## 7. Sitting Fees paid to Non-Executive Director:

With effect from April 01, 2017, the sitting fees for Non-Executive Director was revised and fixed at ₹ 1,00,000 for each of the meetings of Board, Audit Committee, Nomination & Remuneration Committee and Governance Committee and ₹ 50,000 for each of the meetings of Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

The details of the Sitting fees paid to each Non-Executive Director for the financial year under review is as follows:

Name	Sitting Fees (₹)
Mr. Ashank Desai	21,50,000
Ms. Priti Rao	14,00,000
Mr. S. Sandilya	16,50,000
Mr. Atul Kanagat	14,00,000
Mr. Keith Bogg	13,00,000
<b>Total</b>	<b>79,00,000</b>

## V. GENERAL BODY MEETINGS

### (i) Particulars of Annual General Meetings held & Special Resolution passed during the last three years:

Financial Year	Date	Time	Location	Special Resolutions Passed
2016-17	June 22, 2017	11.00 A.M	Ahmedabad Management Association, H.T. Parekh Hall, Ahmedabad- 380015	<ul style="list-style-type: none"> <li>Re-appointment of Mr. Sudhakar Ram as Vice- Chairman &amp; Managing Director of the Company for a period of 3 years from July 01, 2017 up to June 30, 2020 and remuneration to be paid to him.</li> <li>Enabling Resolution for giving loans and guarantees and make investment in securities. (₹ 250 Crs.)</li> <li>Enabling Resolution for Creation of Charge/Mortgage on the Assets of the Company, both present and future. (₹ 250 Crs.)</li> <li>Enabling Resolution for borrowings to be made by the Company. (₹ 250 Crs.)</li> </ul>
2015-16	July 25, 2016	11.00 A.M	Ahmedabad Management Association, H.T. Parekh Hall, Ahmedabad- 380015	<ul style="list-style-type: none"> <li>Substitution of then existing Articles of Association of the Company with the new set of Articles of Association due to the requirements of Companies Act, 2013</li> </ul>
2014-15	August 17, 2015	11.00 A.M	Ahmedabad Management Association, H.T. Parekh Hall, Ahmedabad- 380015	<ul style="list-style-type: none"> <li>Payment of certain benefits /Perquisites to Mr. Ashank Desai- Non-Executive Director for 3 years (₹ 15 Lacs)</li> </ul>

All the resolutions as set out in the notices were passed with requisite majority by the members of the Company.

**(ii) 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.

## VI. MEANS OF COMMUNICATION

1. Extract 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). The Quarterly/ Half yearly/ Annual, Un-audited/ Audited Financial Results along with the Press Releases and Analyst Presentation are made available on the website of the Company at <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 website and on Mastek's website at <https://www.mastek.com/investor-information>
2. Official news releases and transcripts of conference calls with the analysts after the quarterly results are displayed on the Company's website at <https://www.mastek.com/financial-information>. The Company has disclosed and complied with all the mandatory requirements as stipulated in 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 Company's website at <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 and are filed electronically on the BSE's Listing Centre at <http://listing.bseindia.com>, and NEAPS portal at [www.connect2nse.com](http://www.connect2nse.com).
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/ Shareholders

- The unaudited quarterly / half yearly and annual audited results are announced generally within thirty 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 forty- eight hours in leading English and Gujarati/Marathi daily newspapers. The 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 Rating.
- 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 Company's website: <https://www.mastek.com/financial-information> and can be downloaded.
- A separate dedicated section under Unpaid Dividends on the Company's website 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, <https://www.mastek.com/investor-information>.

### Codes and Policies

The Board has adopted all applicable codes and policies as per the requirement of the Companies Act, 2013, SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI Listing Regulations. The requisite codes and policies are posted on the Company's website at [www.mastek.com](http://www.mastek.com) and references to these codes and policies have been given elsewhere in this report.

## VII. GENERAL SHAREHOLDER INFORMATION:

### 1. ANNUAL GENERAL MEETING: -

<b>Date and Time :</b>	Thursday, July 19, 2018 at 11.00 a.m.
<b>Venue :</b>	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 1st April to 31st March, as the Financial Year.

#### Financial reporting for the quarters ending –

June 30, 2018	around July 18, 2018
September 30, 2018	around October 25, 2018
December 31, 2018	around January 17, 2019
March 31, 2019	around April 17, 2019

### 3. BOOK CLOSURE DATE: Friday, July 13, 2018 to Thursday, July 19, 2018 (both days inclusive)

### 4. DIVIDEND PAYMENT DATE:

Final dividend payment of ₹ 4/- per equity share (face value of ₹ 5/- each) (@80%) 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.

### 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 Exchange	Script Code	Reuters	Bloomberg	ISIN
<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	523704	MAST.BO	MAST:IN	INE759A01021
<b>National Stock Exchange of India Limited</b> Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.	MASTEK	MAST.NS	NMAST:IN	

### 6. LISTING FEES TO STOCK EXCHANGES AND ANNUAL CUSTODY FEES TO DEPOSITORIES:

All the Listing fees and the Custody fees has been paid upto March 31, 2017.

The Company will pay on or before the due date annual listing fees for the financial year 2018-2019 to the Stock Exchanges where the Company's shares are listed. The Company will also pay on or before the due date Annual Custody Fees for the financial year 2018-19 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

### 7. CAPITAL STRUCTURE:

<b>Authorised Capital</b>	<b>Equity ₹ 200,000,000/- (40,000,000 Equity shares of ₹ 5/- each)</b>
	<b>Preference ₹ 200,000,000/- (20,00,000 Preference shares of ₹ 100/- each)</b>
<b>Issued, Subscribed and Paid-up Capital</b>	<b>₹ 11,84,60,280 (2,36,92,056 Equity Shares of ₹ 5/- each)</b>

### 8. DISTRIBUTION OF SHAREHOLDING

Distribution of Shareholding as on March 31.

Range no. of shares	2018				2017			
	Shareholder Numbers	%	No. of shares	%	Shareholder Numbers	%	No. of shares	%
1 - 500	17,293	88.46	15,00,785	6.33	18,298	88.46	17,04,485	7.29
501 - 1000	1,171	5.99	8,81,862	3.72	1,142	5.52	9,10,908	3.9
1001 - 5000	805	4.12	16,87,923	7.12	1,003	4.85	20,90,136	8.94
5001 - 10000	121	0.62	8,97,455	3.79	110	0.53	7,74,044	3.31
10001 - above	159	0.81	1,87,24,031	79.04	131	0.64	1,78,97,960	76.56
<b>TOTAL:</b>	<b>19,549</b>	<b>100.00</b>	<b>2,36,92,056</b>	<b>100.00</b>	<b>20,684</b>	<b>100.00</b>	<b>2,33,77,533</b>	<b>100.00</b>

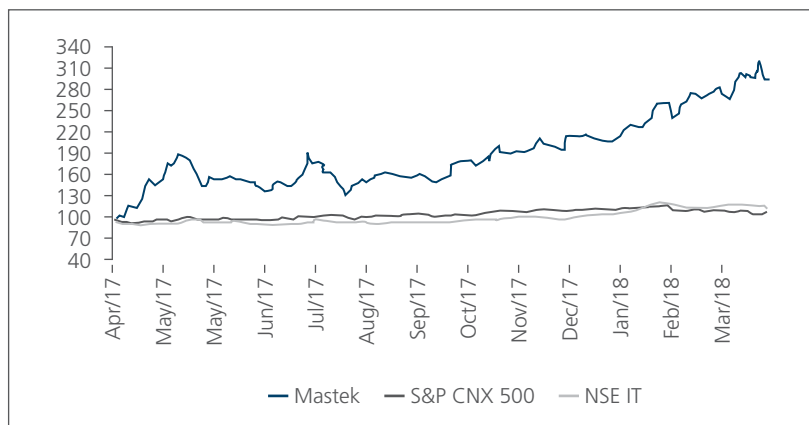
## 9. MONTHLY VOLUMES AND PRICES: FINANCIAL YEAR 2017-18

Month and Year	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume (Total Traded Quantity)	High (₹)	Low (₹)	Volume (Total Traded Quantity)
April 2017	290.00	178.00	38,13,118	289.90	178.00	1,80,75,164
May 2017	363.10	260.05	27,68,285	364.00	261.65	1,09,06,777
June 2017	307.00	246.00	10,84,295	307.65	245.10	42,60,490
July 2017	397.50	263.30	45,96,286	397.90	262.55	2,28,77,609
August 2017	311.00	241.10	27,45,786	310.85	231.00	1,11,11,791
September 2017	315.00	270.00	11,22,175	314.70	272.50	49,38,692
October 2017	372.00	284.20	22,78,045	373.50	284.05	1,21,24,055
November 2017	402.00	284.20	18,68,186	401.70	340.25	73,86,716
December 2017	415.00	355.25	14,68,204	415.60	355.10	65,15,811
January 2018	515.00	366.20	27,62,546	511.30	366.55	1,45,92,135
February 2018	532.00	410.85	16,14,707	531.05	410.20	73,62,615
March 2018	603.00	459.45	22,79,493	603.75	459.60	1,32,08,937

Source: BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com))

## 10. MASTEK SHARE PRICE PERFORMANCE VERSUS NSE's S&P CNX 500

Relative Price Performance Mastek v/s NSE's S&P CNX 500



Source: BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com))

## 11. SHARE TRANSFER SYSTEM / UNCLAIMED DIVIDEND AND OTHER RELATED MATTERS

### i. Registrar and Share Transfer Agent:

All inquiries relating to the shareholder records, share transfers, 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:

**Karvy Computershare 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](mailto:einward.ris@karvy.com)

### ii. 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 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 SEBI Listing Regulations.

### iii. Nomination facility for shareholders

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.

**iv. Permanent Account Number (PAN)**

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

**v. Unclaimed Dividend**

Pursuant to provisions of Section 125 of the Companies Act, 2013 (the Act) the amount of Dividend which has remained unclaimed and unpaid for a consecutive period of seven 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) established by Central Government. Accordingly, the unclaimed dividend pertaining to Final Dividend for the year 2009-10 on completion of seven years has been credited to IEPF during the year. All the members who have not encashed the dividend warrants since financial year 2012-13 & thereafter are requested to take steps to contact the Registrar and Share Transfer Agent of the Company.

Particulars/ Financial year	Date of Declaration	Date of Payment	Tentative dates for transfer to IEPF
Final Dividend 2012-2013	July 17, 2013	July 22, 2013	August 22, 2020
Interim Dividend 2013-2014	October 24, 2013	November 11, 2013	November 29, 2020
Final Dividend 2013-2014	July 23, 2014	July 28, 2014	August 28, 2021
Interim Dividend 2014-2015	January 22, 2015	February 7, 2015	February 27, 2022
Final Dividend 2014-2015	August 17, 2015	August 28, 2015	September 23, 2022
1 <sup>st</sup> Interim Dividend 2015-2016	January 14, 2016	February 4, 2016	February 19, 2023
2 <sup>nd</sup> Interim Dividend 2015-2016	March 12, 2016	March 29, 2016	April 17, 2023
Interim Dividend 2016-2017	October 18, 2016	November 9, 2016	November 23, 2023
Final Dividend 2016-17	June 22, 2017	July 10, 2017	July 28, 2024
Interim Dividend 2017-18	October 26, 2017	November 15, 2017	December 02, 2024

**vi. Transfer of Concerned Equity Shares to Investor Education and Protection Fund Authority (IEPF Authority)**

Pursuant to the provisions of Section 124 and 125 of the Companies Act 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 seven 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.

The Company had identified and initiated 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 Un-Paid Dividend of year 2009-10 and Final Un-Paid Dividend of year 2009-10 in November 2017 and January, 2018 respectively) to Investor Education

and Protection Fund Authority Demat Account to comply with the said Rules. The List of shares transferred to IEPF Authority is available on the Company's website at <https://www.mastek.com/investor-information>

In case the shareholders have any queries on the subject matter and the Rules, they may contact the Company's Share Transfer Agent, Karvy Computershare Private Limited. The Members / claimants whose shares, unclaimed dividend, etc. have been transferred to IEPF may claim the shares and unclaimed dividend or apply for refund by making an application to IEPF Authority in IEPF Form-5 (available on [www.iepf.gov.in](http://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, 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.



**vii. 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 for quick resolution.

**viii. Reconciliation of Share Capital Audit**

As required under Regulation 55A of the Securities & Exchange Board of India (Depositories and Participants) Regulation, 1996 quarterly audit of the Company's share capital is being carried out by a 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.

**ix. Payment of Dividend through Automated Clearing House (ACH)**

The Company provides the facility for direct credit of the dividend to the Members Bank Account. 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 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 demand draft to the Members.

**x. Green Initiatives for sending communication**

Ministry of Corporate Affairs (MCA), Govt. of India has issued circular No. 17/2011 dated April 21, 2011 and circular No. 18/2011 dated April 29, 2011 in respect of Green Initiative. Accordingly, Company send a communication through Annual Reports to all the members requesting them to give their E-mail ID's to 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.

**12. SHAREHOLDING PATTERN AS AT MARCH 31**

Sr. No.	Category	2018		2017	
		No. of Shares	% of Holding	No. of Shares	% of Holding
1	Indian Promoters	1,11,53,660	47.08	1,15,06,660	49.22
2	Financial Institutions /Banks & Insurance Companies	12,88,806	5.44	8,22,243	3.52
4	Insurance Companies	-	-	1,121,532	4.80
5	FII's	25,97,101	10.96	17,44,180	7.46
6	Bodies Corporate	18,09,154	7.64	10,88,597	4.66
7	Resident Individuals	64,78,929	27.35	64,82,617	27.72
8	NRIs	3,09,088	1.30	6,11,704	2.62
10	Investor Education and Protection Fund Authority (IEPF)	55,318	0.23	-	-
	<b>Total</b>	<b>2,36,92,056</b>	<b>100.00</b>	<b>2,33,77,533</b>	<b>100.00</b>

**DEMATERIALISATION OF SHARES:****DETAILS OF SHARES HELD IN PHYSICAL & ELECTRONIC MODE**

About 99.33 % of total equity share capital is held in dematerialised form with NSDL and CDSL as on 31<sup>st</sup> March, 2018.

As on Date	Status of Shares - Physical versus Electronic mode		
	Physical	Electronic	Total
March 31, 2018	1,58,953 (0.67%)	2,35,33,103 (99.33%)	2,36,92,056
March 31, 2017	2,17,606 (0.93%)	2,31,59,927 (99.07%)	2,33,77,533

### 13. SHAREHOLDERS WITH MORE THAN 1% SHAREHOLDING AS ON MARCH 31 (OTHER THAN PROMOTERS)

Sr. No	Name of the shareholder	2018		2017	
		No. of shares	Shares as percentage of total no. of shares	No. of shares	Shares as percentage of total no. of shares
1	KIFS TRADE CAPITAL PRIVATE LIMITED	3,92,000	1.65	NA	NA
2	IDFC CLASSIC EQUITY FUND	3,12,016	1.32	NA	NA
3	IDFC TAX ADVANTAGE (ELSS) FUND	3,10,000	1.31	2,70,000	1.15
4	GLOBEFLEX EMERGING MARKETS SMALL CAP, L.P.	2,96,000	1.25	NA	NA
5	FIDELITY PURITAN TRUST-FIDELITY LOW-PRICED STOCK FUND	NA	NA	10,00,000	4.28
6	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND	NA	NA	5,89,781	2.52
7	LIFE INSURANCE CORPORATION OF INDIA	NA	NA	5,18,435	2.22
8	IDFC CLASSIC EQUITY FUND	NA	NA	3,61,188	1.55
9	MAVEN INDIA FUND	NA	NA	3,00,000	1.28

### 14. INFORMATION FOR SHAREHOLDERS ON THE WEBSITE:

The Company actively communicates its 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.

### 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:

The Company has Off-Shore Software Development Centers at SEEPZ - Mumbai, Millennium Business Park - Mahape, Pune, Noida, Gurgaon and Chennai. The full address of the Company's centres / offices is available elsewhere in the Annual Report.

### 17. COMPLIANCE OFFICER OF THE COMPANY/ ADDRESS FOR CORRESPONDENCE:

<b>Name</b>	Dinesh Kalani, Company Secretary
<b>Address for correspondence</b>	Mastek Limited, #106/107, SDF-IV, SEEPZ, Andheri (East), Mumbai - 400 096 Phone No: + 91-22-6722-4200 Fax: +91-22-6695-1331
<b>E mail</b>	investor_grievances@mastek.com

### 18. 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.

### 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 Indian market regions. 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 and raised ₹ 422.1 lakhs in gross aggregate proceeds. There was an additional public offering in March 1996 when it raised ₹ 720 lakhs in gross aggregate proceeds.

**B. ISSUE OF EQUITY SHARES HISTORY: Number of shares**

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 1996	56,640 shares of ₹ 10 each
Second Public Offer in March, 1996	4,00,000 shares of ₹ 10/- each
Bonus Shares 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
Issued under Employees' Stock Option Plans in Financial Year 2001-02	85,396 shares of ₹ 5/- each
Issued under Employees' Stock Option Plans in Financial 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
Issued under Employees' Stock Option Plans in Financial Year 2006-07	3,26,547 shares of ₹ 5/- each
Issued under Employees' Stock Option Plans in Financial 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
Issued under Employees' Stock Option Plans in Financial Year 2010-11	7,250 shares of ₹ 5/- each
Issued under Employees' Stock Option Plans in Financial 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
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 2013-14	6,500 shares of ₹ 5/- each
Issued under Employees' Stock Option Plans in Financial Year 2014-15	3,85,992 shares of ₹ 5/- each
Issued under Employees' Stock Option Plans in Financial Year 2015-16	4,50,602 shares of ₹ 5/- each
Issued under Employees' Stock Option Plans in Financial Year 2016-17	3,80,259 shares of ₹ 5/- each
Issued under Employees' Stock Option Plans in Financial Year 2017-18	3,14,523 shares of ₹ 5/- each

**VIII. OTHER DISCLOSURES****1. Related Party Transactions**

All the transactions entered into with Related Parties (RP's) 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 are 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 party

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 formulated a policy on dealing with Related Party Transactions. None of the transactions with Related Parties were in conflict with the interest of the Company. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at <http://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 <http://www.mastek.com/corporate-governance>.

The Un-Audited/ Audited Annual Financial Statements of Subsidiary Companies including overview of financials and investments are placed / tabled at the Audit Committee and Board Meetings and same are placed on the website of the Company <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.

## 3. **Strictures and Penalties**

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 three years.

## 4. **Compliance with Accounting Standards / IND AS**

First-time adoption of Indian Accounting Standard (Ind AS):

The Consolidated and Standalone 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. please note that the Company has transitioned to Indian Accounting Standard (Ind AS) with effect from April 01, 2017. Accordingly, the impact of transition has been provided in the opening reserves as at April 01, 2016 and figures for the financial year ended March 31, 2017 have been restated accordingly. For all the periods upto the year ended March 31, 2017, the Company/Group had earlier prepared and presented its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013 (Indian GAAP). The financial statements for the financial year ended March 31, 2018 are the first financial with comparatives, prepared under Ind AS. The adoption was carried out in accordance with Ind AS 101, First Time adoption of Indian Accounting Standards. The transition was carried out from

Indian Accounting Principle generally accepted in India as prescribed under Section 133 of the Act read with the Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP), which was the previous GAAP. Reconciliations and description of the effect of the transition to Ind AS from Indian GAAP is given in Note 33 of the Consolidated Financial Statement and Note 32 of the Standalone Financial Statement.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the consolidated/standalone financial statements under both Ind AS and Indian GAAP as of the Transition Date have been recognised directly in equity at the Transition Date. In preparing the financial statements, the Company has availed itself of certain exemptions and exceptions in accordance with Ind AS 101. 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. **Code of Conduct**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and concerned senior employees. The Code has been posted on the Company's website <http://www.mastek.com/corporategovernance>. The Code lays down the code of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure. All the Board Members and the Senior Managerial Personnel have confirmed about their compliance with the Code during the year.

## 7. 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, if any. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. Pursuant thereto, a dedicated hotline is provided (+91-22) 6791-4675 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 to [whistleblower@mastek.com](mailto:whistleblower@mastek.com). Emails addressed to this ID will be received by the Company Secretary, who 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.

## 8. Prevention of Insider Trading

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading and the same has been posted on the Company's website - <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 unpublished price sensitive information 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 Mr. Dinesh Kalani, 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 unpublished price sensitive information (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, Directors, Key Managerial Personnel, Senior Management and concerned third parties such as Statutory Auditors, Investor Relation Agency, Consultants and other concerned personnel and connected employees who may be in possession of price sensitive information about trading window closure. All Board Members and the designated employees have confirmed compliance with the Code. The Code of Conduct for Prevention of Insider Trading code was amended by the Board of Directors at its meeting held on October 26, 2017 by amending the clause for Window Closure starting from last day of any fiscal quarter of the Company and will continue till the forty-eight hours after the disclosure of such financial results/information made to the Stock Exchanges. The Company also internally reviewed and strengthened the UPSI and its distribution access process and are strictly distributed on "need to know basis".

9. The Company has its own functional website [www.mastek.com](http://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, 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 five 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 [www.mastek.com](http://www.mastek.com).

**IX. COMPLIANCES WITH CORPORATE GOVERNANCE DISCLOSURE REQUIREMENTS AS SPECIFIED IN SEBI LISTING REGULATIONS**

The Company is in compliance with all mandatory requirements as per Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of SEBI Listing Regulation. Generally, there were no instances of non-compliance on any matter related to the capital markets.

**X. MANAGEMENT DISCUSSION & ANALYSIS:**

This 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.
2. **Shareholders Rights** - Quarterly results are subjected to limited review by Statutory Auditors 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 ([www.mastek.com/financial-information](http://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, not been sent to each shareholder.

3. **Modified opinion(s) in Audit Report** - The Company's financial statements for the financial year 2017-18 does not contain any modified audit opinion.

4. **Separate posts of Chairman and Chief Executive Officer (CEO)** - The position of Chairman and CEO is bifurcated in the Company. The Board is headed by an Independent Non-Executive Chairman. Managing Director is another position.

5. **Reporting of Internal Auditor** -

The Internal Auditor reports directly to the Audit Committee and attends the Audit Committee meetings and interacts directly with the Audit Committee members.

**XII. VICE-CHAIRMAN & MANAGING DIRECTOR/ GROUP CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

The Vice-Chairman & Managing Director and the Group CFO have issued a certificate pursuant to the provisions of 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 March 31, 2018. The said certificate is annexed and forms part of this report.

**XIII. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT.**

As on March 31, 2018, there are no outstanding shares credited/lying in the demat suspense account/unclaimed suspense account.

During the year under review, Company has transferred 55,318 equity shares (48,285 shares in November 2017 and 7,033 shares in January 2018) to Investor Education and Protection Fund Authority Demat Account in respect of the dividends which have remained unclaimed for last seven consecutive years.

## 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](http://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 March 31, 2018.

### Sudhakar Ram

Vice Chairman & Managing Director

Place: Mumbai

Date: April 18, 2018

## VICE-CHAIRMAN & MANAGING DIRECTOR (VC & MD) AND GROUP CHIEF FINANCIAL OFFICER (GROUP CFO) CERTIFICATION

We the undersigned, in our respective capacities as Vice-Chairman & 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 March 31, 2018 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,

Place : Mumbai

Date : April 18, 2018

**Sudhakar Ram**

*Vice Chairman & Managing Director*

**Abhishek Singh**

*Group Chief Financial Officer*

## **INDEPENDENT COMPANY SECRETARY CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
**The Members**  
**Mastek Limited (the "Company")**  
**804/805 President House, Opp. C. N. Vidyalaya, Nr. Ambawadi Circle, Ahmedabad-380 006**

I have examined the compliance of conditions of Corporate Governance by the Company, for the financial year ended March 31, 2018 as stipulated under the relevant provisions of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the "Listing Regulation") as referred to in Regulation 15(2) of the 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 has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable.

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.

Place: Mumbai  
Date: April 18, 2018

**Prashant S. Mehta**  
*Practising Company Secretary*  
Membership No.: 5814  
CP. No.: 17341



# Beyond Business: Corporate Social Responsibility

Mastek Foundation is the CSR wing of the parent Company, Mastek Limited. 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 community members. One such medium could be through volunteering and giving opportunities. The Foundation also supports NGOs to scale and build their capabilities through our core skill of IT. Hence, the Foundation has three clearly defined pillars: **ENGAGE, GIVE AND BUILD**.

## ENGAGE:

Mastek engages employees actively with community development and also encourages them to contribute wholeheartedly to society. A number of community development activities have made remarkable progress.

### Inspired 2017 (Lata 75)

Mastek Foundation organized Inspired 2017, an annual fundraising event in support of Snehalaya, Ahmednagar, an NGO that works for the welfare of the less fortunate trafficked children. This event was organized for the fourth consecutive year. Singer Sanjeevani Bhelande paid rich tributes to the renowned music queen, Lata Mangeshkar who completed 75 glorious years in Indian cinema. The evening brought together music lovers of Mumbai in aid of a common humanitarian cause. Snehalaya raised a tidy sum of Rs. 38.5 lakh within three hours. The proceeds went towards a noble cause of constructing an adoption center, named Snehankur for abandoned children. Sudhakar Ram, (Vice Chairman & Managing Director) inaugurated the center in October 2017.



“Since the beginning of setting up Snehankur adoption center in the 600sqft space in Ahmednagar in 2003, we dreamt of having an ideal place for the complete well-being of abandoned infants. However, it took us 12 years to realize this dream. Mastek

foundation has made this possible. The new Snehankur adoption center at Kedgaon, a suburb in Ahmednagar is now a state-of-the-art facility for fulfilling the complete emotional, health and hygienic needs of abandoned, relinquished and special needs children. It is 16000 square feet building on a 20000 sq ft plot of land with all the necessary amenities. Mastek foundation, staff & founders of Mastek have played a huge role in realizing this dream of an ideal adoption center. Snehalaya & Snehankur team express their heartfelt gratitude to Mastek foundation for supporting us to complete this herculean task and helping us save so many precious lives of these infants. A big Thank you to all!” - Dr. Girish Kulkarni, Founder, Snehalaya & Snehankur

### 1. Environment Day:

On Environment Day, Mastek Foundation, joined hands with Srujna Charitable Trust to set up stalls of eco-friendly products like jute bags, cloth bags and paper bags specially handcrafted by women self-help groups. Srujna Charitable Trust especially empowers underprivileged women by providing them with the required skills training to become budding entrepreneurs. The NGO sold goods worth Rs. 5000.

### 2. Tree plantation drive:

A tree plantation drive was organized in collaboration with HARIYALI, an organization that works for environmental sustainability. Thirty-six saplings of neem, mango, peepal and other indigenous plant varieties were planted in Tetavali village in Rabalein, in an attempt to increase the much-needed green cover, improve the quality of air and reduce carbon dioxide.



### 3. Blood donation camps:

Two blood donation camps were conducted in partnership with Think Foundation – a non-profit organization working for the welfare for children with Thalassemia. 397

employees from Mahape, SEEPZ and Pune offices this year donated blood touching the valuable lives of 1191 children fighting Thalassemia.



#### 4. Providing marketplace for NGOs:

To empower and encourage the communities we work with, Mastek Foundation provided opportunities for NGOs to set up stalls at Mastek premises. These stalls help to create awareness among employees on pressing social initiatives, and at the same time aid in capacity building. Eight organizations set up stalls on festive occasions like Diwali, Raksha Bandhan, Christmas and International Womens’ Day. These institutions collected over Rs 28,000/- in support of children with special needs, as also to empower and encourage trafficked women and ambitious women entrepreneurs from underprivileged backgrounds.



Srujna has been doing exhibitions in the Mastek office for 3 years. More than the opportunity to earn, the lesser privileged women have always cherished the positive response and respect from the organizers and employees. Employees are also very eager and supportive towards such causes. Women always have a great sale day. – Jyotika Founder, Srujna Charitable Trust

#### 5. Unique giving - Attitude is Gratitude

A notable initiative of the Mastek Foundation was a very exclusive way of engaging employees with the community

around the theme, “Attitude is Gratitude” where employees expressed gratitude for support from one another. NGO partners of Mastek Foundation visited each office bay to share the social impact created with the support from employees who are part of the monthly payroll giving program. Eight NGOs interacted with employees about their work and tried to mobilize funds. The special event culminated with an extraordinary performance by children from Aarambh Trust, Sangopita and Precious Beacon. Senior management at Mastek encouraged employees to continue to support these social causes.



#### 6. Running for a cause:

For the fifth year the Mastek Foundation Run had over 1000 participants in support of NGO Snehalaya of Ahmednagar, working for the cause of women and children. Our dynamic employees also took part in the Tata Mumbai Marathon 2018 in support of Think Foundation, Kherwadi Social Welfare Association and Samaritan Help Mission. Over 100 participants took part to support the cause of social development.



#### BUILD:

SNEHA (Society for Nutrition, Education, Health and Action) is a secular; Mumbai based non-profit organization that supports the cause of women’s health in disadvantaged urban communities. SNEHA targets 4 leading public health areas namely, Maternal and New Born Health, Child Health and Nutrition, Sexual and Reproductive Health and Prevention of Violence against Woman and Children.

### Referral data collection process in MNH program:



Women in labor/complication are referred from lower health facility to higher health facility

M&E investigators collect referred women data from referred slips in CommCare



Women referred to higher health facility - deliver here or referred again

M&E investigators collect referred data from Hospitals registers in CommCare



Records are matched to track referred women who reached the higher health facility

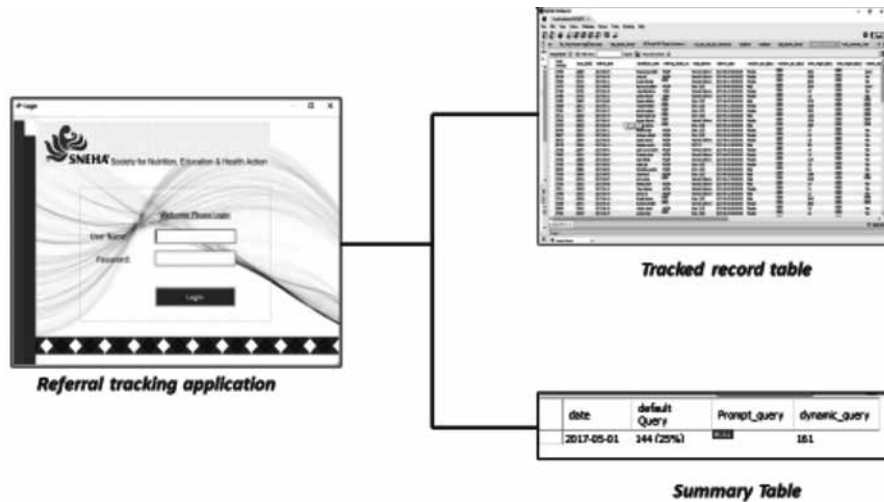
Data Entry Operators match record to record in MS Excel



Tracked records serve as an indicator of the program

M&E coordinators and M&E officers carry out analysis based on these tracked records

### The Tracking Application: Output Tables



SNEHA uses technology to get relevant and timely data to improve its decision-making and efficiency. This institution collects and tracks data for pregnant women including tracking relevant referrals and outcomes through its Maternal Health and Tracking Program.

Over the years, Mastek has helped SNEHA in successfully implementing BI software for 4 of its programs. This year, the SNEHA team independently took up automation of referral tracking with support from Mastek Foundation. Major cost saving in project implementation was achieved. The new system has helped SNEHA to reduce over 50% costs, locate records of 12% data which were earlier unmatched, but were now

retrieved through the system in the first 3 runs itself. In addition, Mastek Foundation provides consultancy to SNEHA on several technology initiatives and projects.

WonderWork is a leading organization which provides free surgeries for poor children in developing countries who are deprived of treatment and care. We developed an EMR (Electronic Medical Records) system to help them maintain the patient demographic information along with eye surgery related medical history. It also has a feature of detecting fraud by performing face recognition /verification for duplicates. The reports are generated under different categories like, Fraud, Geographic (using Google map API), Management, Quality and Outcome.

### **Project Deep Blue:**

In 2015, the dynamic top management of Mastek's leadership team, Sudhakar Ram (Vice Chairman & Managing Director), Radhakrishnan Sundar (Executive Director) & Sanjay Mudnaney (Co-Founder and Trustee, Mastek Foundation), discussed the possibilities of how they could make young students, the future leaders of tomorrow, involve their participation in current innovations and instill in them leadership qualities.

Keeping this in mind, Project Deep Blue was set up as a unique platform for young technology students to solve real-life problems, inspire others around them, and bring about positive changes in society. Now in its 3rd Season, Project Deep Blue saw a 110% growth in participation. Sixty-five teams across 13 different colleges in Mumbai and Navi Mumbai competed in 2017-2018. Various workshops like Design Thinking conducted by Ravindra Kadam (CTO Benow), webinars on latest technologies like Image Processing, Social Data Analytics and a session on Demonstration and presentation skills by Sri Ram Kumar were conducted to support their learnings. The semi-finals and finals were held on 17th Feb 2018 at K.J Somaiya Institute of Information Technology, Sion. 57 to 65 teams proudly presented working solutions on interesting subjects in the semi-finals. The team from Mukhesh Patel Institute of technology bagged the first winning position.

### **GIVE:**

#### **Partnering with Non-profit organizations.**

During the year, a number of NGO partners participated in CSR initiatives at Mastek to support useful causes:

#### **1. Animal Welfare:**

##### **NGOs:**

- Thane SPCA
- PAWS

Project: supporting surgeries and care of stray animals in the urban areas of Thane and Dombivali.

#### **2. Promoting Education:**

##### **NGOs:**

- Tagore Foundation
- Sangopita
- Aarambh Trust
- Sunbird Trust
- Mumbai First
- Kherwadi Social Welfare Association (KSWA)
- Borderless World Foundation

Project: Supporting pre-school and learning centres for migrant children. Arranging mid-day meals to children. Providing vocational training programmes for youth in Mumbai. Arranging educational and recreational facilities for homeless, conflict hit migrant orphan female children from poor and deprived sections of the strife-torn valley of Kashmir.

#### **3. Promoting Healthcare**

##### **NGOs:**

- Mahan Trust
- SEARCH
- Prasad Chikitsa
- Think Foundation

Project: Supporting tribal hospitals in reaching out to 5000 patients, awareness camps for health workers, farmers and villagers on health and sanitation, supporting Thalassemia Prevention programme and mortality control program for tribal people in backward regions of the country with little access to adequate healthcare and nutrition.

#### **4. Women employment**

##### **NGO: Snehalaya**

Project: Building an adoption centre for 345 women (unwed mothers and rape victims)

\*\*\*\*



# Financial Statements

# Independent Auditor's Report

## To the Members of Mastek Limited

### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Mastek Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive loss), 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.

### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('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 loss), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether these standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

### Opinion

8. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its profit (financial performance including other comprehensive loss), its cash flows and the changes in equity for the year ended on that date.

### Other Matter

9. The comparative financial information for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016, prepared in accordance with Ind AS included in these standalone financial statements, are based on the previously issued statutory financial statements for the year ended 31 March 2017 and 31 March 2016, respectively prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditor, whose reports dated 20 April 2017 and 19 April 2016, respectively, expressed unmodified opinion on those standalone financial statements, and

# Independent Auditor's Report

## To the Members of Mastek Limited

have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

10. 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.
11. 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 on 31 March 2018 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 on 31 March 2018, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 31 March 2018 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, as detailed in Note 37 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;
    - (ii) the Company, as detailed in Note 29 to the standalone financial statements, has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts, including derivative contracts;
    - (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
    - (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

per **Khushroo B. Panthaky**

Partner

Membership No.: 42423

Place: Mumbai

Date: 18 April 2018

# 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 2018

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) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (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 loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) 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, sales-tax, service tax, goods and service tax, value added 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, service-tax, goods and service tax and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

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 Gujrat Stamp Act 1958	Demand of Stamp Duty on Demerger	350	350	FY 2014-2015	Chief Controlling Revenue Authority Gujrat	
The Maharashtra Value Added Tax Act, 2002	VAT liability including Interest	840	28	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	77	11	FY 2006-07, FY 2009-10, FY 2012-13 & FY 2013-14	Joint Commissioner of Sales Tax (Appeals), Mumbai	
The Bombay Sales Tax Act, 1959	BST liability including interest	66	5	FY 2001-02	Joint Commissioner of Sales Tax (Appeals), Mumbai	
The Income Tax Act, 1961	Income tax and interest demanded	651	-	AY 2011 - 12, AY 2013 - 14	ITAT	
The Income Tax Act, 1961	Income tax and interest demanded	282	-	AY 2014 - 15	CIT (Appeals)	
The Income Tax Act, 1961	Income tax and interest demanded	854	-	AY 2015 - 16	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 2018

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any 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) and did not have any term loans outstanding during the year. 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.
- (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

per **Khushroo B. Panthaky**

Partner

Membership No.: 42423

Place: Mumbai

Date: 18 April 2018

# Annexure B

## 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 2018

### 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 2018, 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 criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control 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 Company's IFCoFR 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 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 include 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

# Annexure B

## 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 2018

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.

### 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 2018, based on the internal control over financial reporting criteria

established by the Company, considering the essential components of internal control stated in the Guidance Notes issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Khushroo B. Panthaky**

Partner

Membership No.: 42423

Place: Mumbai

Date: 18 April 2018

# Balance Sheet

As at March 31, 2018

(₹ in lakhs)

	Note	As at		
		March 31, 2018	March 31, 2017	April 1, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property plant & equipment, net	3(a)	4,269	4,150	4,252
Capital work-in-progress		208	1	14
Other Intangible assets, net	3(b)	279	328	344
Financial assets				
Investments	4(a)	1,403	1,405	216
Loans	4(b)	89	113	109
Other non-current financial assets	4(c)	202	600	258
Non-current tax assets		871	2,081	1,730
Deferred tax assets	24	3,424	3,550	3,894
Other non-current assets	5	86	71	132
<b>Total non-current assets</b>		<b>10,831</b>	<b>12,299</b>	<b>10,949</b>
<b>Current assets</b>				
Financial Assets				
Investments	6(a)	11,770	10,502	3,138
Trade receivables	6(b)	2,602	1,435	5,405
Cash and Cash equivalents	6(c)	1,199	372	1,410
Bank balances other than cash & cash equivalent	6(c)	29	25	2,134
Loans	6(d)	5	4	14
Other current financial assets	6(e)	792	3,037	1,425
Other current assets	7	762	304	375
<b>Total current assets</b>		<b>17,159</b>	<b>15,679</b>	<b>13,901</b>
<b>Total assets</b>		<b>27,990</b>	<b>27,978</b>	<b>24,850</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	8	1,185	1,169	1,150
Other Equity	9	21,645	21,831	18,546
<b>Total Equity</b>		<b>22,830</b>	<b>23,000</b>	<b>19,696</b>
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	10(a)	73	38	18
Other non-current financial liabilities	10(b)	760	433	72
Deferred tax liabilities	24	180	803	388
Provisions	11	347	606	494
<b>Total non-current liabilities</b>		<b>1,360</b>	<b>1,880</b>	<b>972</b>
<b>Current liabilities</b>				
Financial liabilities				
Trade payables	12(a)	299	175	382
Other current financial liabilities	12(b)	2,606	1,975	2,520
Other current liabilities	13	771	822	729
Provisions	14	124	126	551
<b>Total current liabilities</b>		<b>3,800</b>	<b>3,098</b>	<b>4,182</b>
<b>Total Equity &amp; liabilities</b>		<b>27,990</b>	<b>27,978</b>	<b>24,850</b>

See accompanying notes to the financial statements

As per our report of even date attached

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

**Khushroo B. Panthaky**

Partner

Membership No.: 42423

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

**Sudhakar Ram**

Vice Chairman and Managing Director

**Abhishek Singh**

Chief Financial Officer

**S. Sandilya**

Non-Executive Chairman and Independent Director

**Dinesh Kalani**

Company Secretary

Place : Mumbai

Date : April 18, 2018

Place : Mumbai

Date : April 18, 2018

# Statement of Profit and Loss

For the year ended March 31, 2018

		(₹ in lakhs, except per share data)	
		Year ended	
		March 31, 2018	March 31, 2017
	Note		
<b>INCOME</b>			
Revenue from operations	15	16,232	16,948
Other income	16	2,323	1,282
<b>Total Income</b>		<b>18,555</b>	<b>18,230</b>
<b>EXPENSES</b>			
Employee benefits expenses	17	11,367	9,878
Finance costs	18	19	24
Depreciation and amortization expenses	19	1,119	1,204
Other expenses	20	3,316	4,381
<b>Total Expenses</b>		<b>15,821</b>	<b>15,487</b>
<b>Profit before exceptional item and tax</b>		<b>2,734</b>	<b>2,743</b>
Exceptional items - loss	21	-	(340)
<b>Profit before tax</b>		<b>2,734</b>	<b>2,403</b>
<b>Tax expense :</b>			
Current tax	24	742	695
Deferred tax charge		119	299
Income tax charge / (write back) for earlier years		299	(903)
<b>Total tax expense</b>		<b>1,160</b>	<b>91</b>
<b>Profit after tax for the year</b>		<b>1,574</b>	<b>2,312</b>
<b>Other comprehensive income (OCI), net of taxes</b>			
<b>Items that will not be reclassified subsequently to the statement of profit or loss:</b>			
Defined benefit plan actuarial gains/ (losses)		390	1
Income tax relating to items that will not be reclassified to profit and loss		113	0
<b>Items that will be reclassified subsequently to the statement of profit or loss:</b>			
Net change in fair value of forward contracts designated as cash flow hedges		(2,696)	852
Net change in fair value of financial instruments		292	334
Income tax relating to items that will be reclassified to profit and loss		(812)	397
<b>Total other comprehensive income/(loss) for the year, net of taxes</b>		<b>(1,315)</b>	<b>790</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>259</b>	<b>3,102</b>
<b>Earnings per equity share</b>			
(Equity shares of par value ₹ 5/- each)	22		
Basic		6.69	9.96
Diluted		6.33	9.55

See accompanying notes to the financial statements

As per our report of even date attached

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

**Khushroo B. Panthaky**

Partner

Membership No.: 42423

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

**Sudhakar Ram**

Vice Chairman and Managing Director

**Abhishek Singh**

Chief Financial Officer

**S. Sandilya**

Non-Executive Chairman and Independent Director

**Dinesh Kalani**

Company Secretary

Place : Mumbai

Date : April 18, 2018

Place : Mumbai

Date : April 18, 2018

# Cash Flow Statement

For the year ended March 31, 2018

(₹ in lakhs)

	Year ended	
	March 31, 2018	March 31, 2017
<b>Cash flows from operating activities</b>		
Profit for the year	1,574	2,312
Adjustments for :		
Interest income	(133)	(220)
Guarantee Commission	(40)	(12)
Employee stock compensation expenses	174	83
Interest on finance lease and others	19	24
Depreciation and amortisation	1,119	1,253
Provision / (Reversal) for doubtful debts and loans and advances, net	88	136
Bad debts written off	16	10
Tax Expense	1,160	91
Dividend income from current investments	(6)	-
Dividend from subsidiary	(997)	(237)
Loss/(Profit) on sale of fixed assets net	1	(4)
Profit on sale of current investments	(340)	(305)
Rental income	(249)	(256)
<b>Operating profit before working capital changes</b>	<b>2,386</b>	<b>2,875</b>
Decrease / (Increase) in trade receivables	(1,271)	3,644
(Increase) / Decrease in loans and advances and other current and non current assets	478	(563)
(Decrease) in trade payables, other liabilities and provisions	362	(228)
<b>Cash generated from operations</b>	<b>1,955</b>	<b>5,728</b>
Income taxes (paid)/refund, net	253	(702)
<b>Net cash generated from operating activities</b>	<b>2,208</b>	<b>5,026</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant & equipment	6	29
Purchase of property, plant & equipment and software	(1,272)	(1,106)
Interest received	89	359
Dividend from subsidiary	997	237
Investment in subsidiary	-	(1,187)
Purchase of other investment - equity share warrants	-	(1)
Rental income	239	248
Dividend income from current investments	6	-
Realisation of bank deposits having original maturity over three months	-	2,095
Guarantee Commission received	11	-
Purchase of current investments	(11,305)	(25,825)
Proceeds from current investments	10,668	19,100
<b>Net cash (used in) / generated from investing activities</b>	<b>(561)</b>	<b>(6,051)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares under the employee stock option schemes	243	213
Proceeds from / (Repayment of) borrowings, net	25	18
Dividends paid including dividend distribution tax	(1,069)	(233)
Interest paid on finance lease and others	(19)	(11)
<b>Net cash (used in) financing activities</b>	<b>(820)</b>	<b>(13)</b>
<b>Net (decrease) / increase in cash and cash equivalents during the year</b>	<b>827</b>	<b>(1,038)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>372</b>	<b>1,410</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,199</b>	<b>372</b>

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 issued by the Institute of Chartered Accountants of India.

As per our report of even date attached

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

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

**Khushroo B. Panthaky**

Partner

Membership No.: 42423

**Sudhakar Ram**

Vice Chairman and Managing Director

**S. Sandilya**

Non-Executive Chairman and Independent Director

**Abhishek Singh**

Chief Financial Officer

**Dinesh Kalani**

Company Secretary

Place : Mumbai

Date : April 18, 2018

Place : Mumbai

Date : April 18, 2018

# Statement of Changes in Equity

For the year ended March 31, 2018

## (a) Equity share capital

	(₹ in lakhs)
Balance as at 1st April, 2016	1,150
Add: Shares issued on exercise of stock options and restricted shares	19
<b>Balance as at 31st March, 2017</b>	<b>1,169</b>
Balance as at 1st April, 2017	1,169
Add: Shares issued on exercise of stock options and restricted shares	16
<b>Balance as at 31st March, 2018</b>	<b>1,185</b>

## (b) Other Equity

Particulars	Reserve & Surplus				Other Comprehensive Income			Total other equity
	Capital Redemption Reserve	Securities premium reserve	Share options outstanding account	Retained Earnings	Employee Benefit Expenses	Fair value of Cash Flow Hedge	Fair value of Non Current Investment in Debt Funds	
<b>Balance as at 1st April 2016</b>	1,539	1,081	707	14,494	-	717	8	18,546
Issue of share capital on exercise of employee share option	-	194	-	-	-	-	-	194
Employee share-based compensation	-	-	229	-	-	-	-	229
Transferred to securities premium reserve	-	106	(106)	-	-	-	-	-
Profit for the year	-	-	-	2,312	-	-	-	2,312
Cash dividends	-	-	-	(233)	-	-	-	(233)
ESOP Adjustments *	-	-	(28)	21	-	-	-	(7)
Other comprehensive income (net of taxes)	-	-	-	-	1	571	218	790
<b>Balance as at 31st March 2017</b>	<b>1,539</b>	<b>1,381</b>	<b>802</b>	<b>16,594</b>	<b>1</b>	<b>1,288</b>	<b>226</b>	<b>21,831</b>
<b>Balance as at 1st April 2017</b>	<b>1,539</b>	<b>1,381</b>	<b>802</b>	<b>16,594</b>	<b>1</b>	<b>1,288</b>	<b>226</b>	<b>21,831</b>
Issue of share capital on exercise of employee share option	-	227	-	-	-	-	-	227
Employee share-based compensation	-	-	395	-	-	-	-	395
Transferred to securities premium reserve	-	164	(164)	-	-	-	-	-
Profit for the year	-	-	-	1,574	-	-	-	1,574
Cash dividends	-	-	-	(1,067)	-	-	-	(1,067)
ESOP Adjustments *	-	-	(4)	4	-	-	-	-
Other comprehensive income (net of taxes)	-	-	-	-	264	(1,805)	226	(1,315)
<b>Balance as at 31st March 2018</b>	<b>1,539</b>	<b>1,772</b>	<b>1,029</b>	<b>17,105</b>	<b>265</b>	<b>(517)</b>	<b>452</b>	<b>21,645</b>

\*ESOP adjustment reflects lapse of vested stock options during the year.

See accompanying notes to the financial statements

As per our report of even date attached

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

**Khushroo B. Panthaky**

Partner

Membership No.: 42423

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

**Sudhakar Ram**

Vice Chairman and Managing Director

**Abhishek Singh**

Chief Financial Officer

**S. Sandilya**

Non-Executive Chairman and Independent Director

**Dinesh Kalani**

Company Secretary

Place : Mumbai

Date : April 18, 2018

Place : Mumbai

Date : April 18, 2018

# Significant accounting policies and Notes to accounts

## For the year ended March 31, 2018

(₹ 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, Digital Commerce, Agile Consulting 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. For all the periods upto the year ended March 31, 2017, the Company had earlier prepared and presented its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013 (Indian GAAP). These standalone financial statements for the year ended 31st March, 2018 are the first financial with comparatives, prepared under Ind AS. The adoption was carried out in accordance with Ind AS 101, First Time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principle generally accepted in India as prescribed under Section 133 of the Act read with the Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP), which was the previous GAAP. Reconciliations and description of the effect of the transition to Ind AS from Indian GAAP is given in Note 32.

These standalone financial statement of the Company as at and for the year ended 31st March 2018 (including Comparatives) were approved and authorized by the Company's board of directors as on 18th April 2018.

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

#### (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 recognized 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 recognized 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.



# Significant accounting policies and Notes to accounts

## For the year ended March 31, 2018

(₹ in lakhs, except share and per share data, unless otherwise stated)

- 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.
  - iv) **Property, plant & equipment:** Property, plant and equipment represent 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 realization 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 realizable, however, could be reduced in the near term if estimates of future taxable income during the carryforward 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 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.
  - viii) **Share-based payments:** The Grant date fair value of options granted to employees is recognized as employee expense, with corresponding increase in equity, over the period that the employee become unconditionally entitled to the option. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "share option outstanding account". The amount recognized as expense is adjusted to reflect the impact of the revision estimates based on number of options that are expected to vests, 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.

# Significant accounting policies and Notes to accounts

## For the year ended March 31, 2018

(₹ in lakhs, except share and per share data, unless otherwise stated)

### ii) Foreign currency transactions and balances

Foreign currency transactions of the Company and of its integral foreign branch are accounted at the exchange 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 recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized 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.

###### 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 amortized 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 forwards to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. Derivatives are recognized and measured at fair value.

Cash flow hedges: Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized 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 recognized in the statement of profit and loss.

#### 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) Current Versus Non-Current Classification

#### i) An asset is considered as current when it is:

- a) Expected to be realized or intended to be sold or consumed in normal operating cycle

# Significant accounting policies and Notes to accounts

## For the year ended March 31, 2018

(₹ in lakhs, except share and per share data, unless otherwise stated)

- b) Held primarily for the purpose of trading
  - c) Expected to be realised within twelve months after the reporting period,
  - d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- ii) All other assets are classified as non-current.
  - iii) liability is considered as current when it is:
    - a) Expected to be settled in normal operating cycle
    - b) Held primarily for the purpose of trading
    - c) Due to be settled within twelve months after the reporting period, or
    - d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
  - iv) All other liabilities are classified as non-current  
Deferred tax assets and liabilities are classified as non-current assets and liabilities

### v) Property, Plant & Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized 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.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as on April 1, 2016 measured as per previous GAAP as it deemed cost on the date of transition.

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 years
Plant and Machinery	2 - 5 years
Furniture and fixtures	5 years
Office Equipment	5 years
Vehicles	2 - 5 years
Leasehold Improvements	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.

### vi) Intangible assets

Intangible assets acquired separately are measured at cost of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

The amortization of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated.

The estimated useful life of amortizable intangibles are reviewed and where appropriate are adjusted, annually.

The estimated useful lives of the amortizable intangible assets for the current and comparative periods are as follows:

Category	Useful Life
Computer Software	1 - 5 years

### 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 capitalized 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

# Significant accounting policies and Notes to accounts

For the year ended March 31, 2018

(₹ in lakhs, except share and per share data, unless otherwise stated)

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.

## 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 recognized 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 amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

### b) Financial instrument

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months 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.

## ix) 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 recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized 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 recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

# Significant accounting policies and Notes to accounts

## For the year ended March 31, 2018

(₹ in lakhs, except share and per share data, unless otherwise stated)

- Remeasurement 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.
- 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 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.
- x) **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 amortized on an graded basis over the vesting period. The share based compensation expense is determined based on the Company's estimate of equity instrument that will eventually vest.
- xi) **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 recognized as a separate asset, only when such reimbursement is virtually certain.
- xii) **Revenue Recognition**
- The Company derives revenue primarily from information technology services. The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:
- a) Time and materials contracts
- Revenues and costs relating to time and materials contracts are recognized as the related services are rendered.

# Significant accounting policies and Notes to accounts

## For the year ended March 31, 2018

(₹ in lakhs, except share and per share data, unless otherwise stated)

### b) Fixed price contract

Revenues from fixed-price contracts are recognized using the “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.

If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

“Unbilled revenue” represents cost and earning in excess of billing as at the end of the reporting period. “Unearned revenue” represents billing in excess of revenue recognized. Advance payment received from customer for which no services have been rendered are presented as “Unearned revenue”

### c) Maintenance contract

Revenue from maintenance contracts is recognized ratably over the period of the contract.

When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight line basis over the specified period or under some other method that better represents the stage of completion.

Revenues are shown net of goods and service tax, sales tax, value added tax, service tax and applicable discounts and allowances.

### d) Multiple element arrangements

The Company allocates the arrangement consideration to separately identifiable components based on the cost plus margin method.

### 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 recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized 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 recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized 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.

# Significant accounting policies and Notes to accounts

## For the year ended March 31, 2018

(₹ in lakhs, except share and per share data, unless otherwise stated)

### xiv) 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 recognized using the effective interest method. Dividend income is recognized 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 recognized 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 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.

### xvii) 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.

### 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.

Any gain or loss on disposal of an investment property is recognised in profit and loss.

# Notes to the Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 3(a) Property plant and equipments

Particulars	Gross Block (at cost)			As at March 31, 2018	Depreciation			As at March 31, 2018	Net Block	
	As at April 1, 2017	Additions	Deductions		As at April 1, 2017	For the year	Deductions		As at March 31, 2018	As at March 31, 2018
<b>(i) Own assets :</b>										
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
<b>Total (i)</b>	<b>16,405</b>	<b>836</b>	<b>(1,220)</b>	<b>16,021</b>	<b>12,382</b>	<b>688</b>	<b>(1,220)</b>	<b>11,850</b>	<b>4,171</b>	<b>4,023</b>
<b>(ii) Leased assets :</b>										
Leasehold land	386	-	-	386	304	4	-	308	78	82
Leasehold improvements	334	-	-	334	334	-	-	334	-	0
Vehicles	113	-	(14)	99	68	18	(7)	79	20	45
<b>Total (ii)</b>	<b>833</b>	<b>-</b>	<b>(14)</b>	<b>819</b>	<b>706</b>	<b>22</b>	<b>(7)</b>	<b>721</b>	<b>98</b>	<b>127</b>
<b>Total (i + ii)</b>	<b>17,238</b>	<b>836</b>	<b>(1,234)</b>	<b>16,840</b>	<b>13,088</b>	<b>710</b>	<b>(1,227)</b>	<b>12,571</b>	<b>4,269</b>	<b>4,150</b>

## 3(b) Intangible assets

Particulars	Gross Block (at cost)			As at March 31, 2018	Amortisation			As at March 31, 2018	Net Block	
	As at April 1, 2017	Additions	Deductions		As at April 1, 2017	For the year	Deductions		As at March 31, 2018	As at March 31, 2018
Computer software	4,124	360	(1,691)	2,793	3,796	409	(1,691)	2,514	279	328
<b>Total</b>	<b>4,124</b>	<b>360</b>	<b>(1,691)</b>	<b>2,793</b>	<b>3,796</b>	<b>409</b>	<b>(1,691)</b>	<b>2,514</b>	<b>279</b>	<b>328</b>

## 3(a) Property plant and equipments

Particulars	Gross Block (at cost)			As at March 31, 2017	Depreciation			As at March 31, 2017	Net Block	
	As at April 1, 2016	Additions	Deductions		As at April 1, 2016	For the year	Deductions		As at March 31, 2017	As at March 31, 2017
<b>(i) Own assets :</b>										
Buildings	4,749	-	-	4,749	1,708	90	-	1,798	2,951	3,041
Computers	2,276	162	-	2,438	1,977	301	-	2,278	160	299
Plant and equipment	2,632	163	-	2,795	2,501	78	-	2,579	216	131
Furniture and fixtures	4,329	275	(0)	4,604	3,967	151	(0)	4,118	486	362
Vehicles	246	80	(120)	206	156	38	(99)	95	111	90
Office equipment	1,590	24	(1)	1,613	1,466	49	(1)	1,514	99	124
<b>Total (i)</b>	<b>15,822</b>	<b>704</b>	<b>(121)</b>	<b>16,405</b>	<b>11,775</b>	<b>707</b>	<b>(100)</b>	<b>12,382</b>	<b>4,023</b>	<b>4,047</b>
<b>(ii) Leased assets :</b>										
Leasehold land	386	-	-	386	226	78	-	304	82	160
Leasehold improvements	334	-	-	334	334	-	-	334	0	-
Vehicles	97	23	(7)	113	52	20	(4)	68	45	45
<b>Total (ii)</b>	<b>817</b>	<b>23</b>	<b>(7)</b>	<b>833</b>	<b>612</b>	<b>98</b>	<b>(4)</b>	<b>706</b>	<b>127</b>	<b>205</b>
<b>Total (i + ii)</b>	<b>16,639</b>	<b>727</b>	<b>(128)</b>	<b>17,238</b>	<b>12,387</b>	<b>805</b>	<b>(104)</b>	<b>13,088</b>	<b>4,150</b>	<b>4,252</b>

## 3(b) Intangible assets

Particulars	Gross Block (at cost)			As at March 31, 2017	Depreciation			As at March 31, 2017	Net Block	
	As at April 1, 2016	Additions	Deductions		As at April 1, 2016	For the year	Deductions		As at March 31, 2017	As at March 31, 2017
Computer software	3,692	432	-	4,124	3,348	448	-	3,796	328	344
<b>Total</b>	<b>3,692</b>	<b>432</b>	<b>-</b>	<b>4,124</b>	<b>3,348</b>	<b>448</b>	<b>-</b>	<b>3,796</b>	<b>328</b>	<b>344</b>



# Notes to the Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 4 FINANCIAL ASSETS

### (a) Investments

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
(A) Investment property (at cost less accumulated depreciation) *			
Gross block			
Opening	2	2	389
Less: Transferred pursuant to a scheme of arrangement	-	-	(387)
Closing	2	2	2
Less : Accumulated depreciation			
Opening	2	2	149
Less: Transferred pursuant to a scheme of arrangement	-	-	(147)
Closing	2	2	2
<b>Net block</b>	-	-	-
Aggregate amount of investment property			
* Fair Value of the investment property as at March 31, 2018 is 130 lakhs			
(B) Investment in equity instruments			
Mastek (UK) Ltd.			
200,000 (March 31, 2017 - 200,000, April 1, 2016 - 200,000)	216	216	216
Equity Shares of £ 1 each, fully paid up			
Trans American Information Systems Private Limited			
34,520 equity shares (March 31, 2017 - 34,520, April 1, 2016 - Nil) of ₹ 10 each, fully paid up	1,187	1,187	-
<b>Total</b>	1,403	1,403	216
(C) Investment in share warrant at FVTPL			
Investment in Cashless Technologies India Private Limited			
Share warrants (March 31, 2018- 8,000,000, March 31, 2017 - 8,000,000, April 1, 2016 - NIL)	-	1	-
<b>Total</b>	-	1	-
<b>Total (A + B + C)</b>	<b>1,403</b>	<b>1,405</b>	<b>216</b>

### b. Loans

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured, Considered good			
Security Deposits	89	113	109
	<b>89</b>	<b>113</b>	<b>109</b>

### c. Other non-current financial Assets

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Advances to employees	-	1	1
Foreign exchange forward contract	-	282	257
Guarantee Commission Receivable	202	317	-
	<b>202</b>	<b>600</b>	<b>258</b>

## 5 OTHER NON-CURRENT ASSETS

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Capital advances	47	30	72
Prepaid expenses	0	2	2
Other loans and advances			
Other advances	39	39	58
	<b>86</b>	<b>71</b>	<b>132</b>

# Notes to the Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 6 FINANCIAL ASSETS

### (a) Investments

Particulars	As at					
	March 31, 2018		March 31, 2017		April 1, 2016	
	Units	Amount	Units	Amount	Units	Amount
<b>(i) Investment in mutual funds</b>						
<b>(A) Investment in mutual funds (quoted - FVTPL):</b>						
Birla Sun Life Floating Rate Fund - Short Term Plan - Regular - Growth	-	-	21,143	46	-	-
Mahindra Liquid Fund - Regular - Growth	-	-	13,726	144	-	-
Indiabulls Liquid Fund - Growth	-	-	13,045	206	-	-
IDFC Cash Fund -Growth- Regular Plan	-	-	3,054	60	-	-
Baroda Pioneer Liquid Fund - Plan A - Growth	-	-	14,085	263	37,027	643
Birla Sun Life Cash Plus Fund - Growth	1,50,457	419	-	-	2,46,814	599
ICICI Prudential Money Market Fund - Growth	-	-	90,678	204	71,787	150
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	-	-	-	-
IDFC Yearly Series Interval Fund - Regular -Series II - Growth (9%)	10,02,363	151	-	-	-	-
Reliance Quarterly Interval Fund Series II	8,46,468	202	-	-	-	-
<b>Total (A)</b>		<b>1,024</b>		<b>923</b>		<b>1,392</b>
<b>(B) Investment in mutual funds (quoted - FVOCI):</b>						
Kotak Floater Short Term Fund - Growth	-	-	-	-	8,064	200
Franklin India TMA - Super IP - Growth	-	-	-	-	9,282	210
Kotak Treasury Advantage Fund - Reg - Growth	-	-	19,46,216	507	17,64,200	426
Sundaram Ultra Short Term - Reg - Growth	-	-	-	-	21,86,228	452
ICICI Prudential Ultra Short Term Plan - Growth	-	-	14,59,579	243	29,88,941	458
UTI Short Term Income Fund	26,77,937	566	17,21,850	343	-	-
Kotak Corporate Bond Fund Standard Growth (Regular Plan)	41,894	956	31,422	671	-	-
HDFC Cash Mgmt Fund - Treasury Advantage Ret Growth	23,96,953	877	-	-	-	-
IDFC Corporate Bond Fund Regular Plan Growth	79,00,114	939	58,90,210	658	-	-
IDFC Credit Opportunities Fund Regular Plan Growth	48,56,963	521	-	-	-	-
Kotak Low Duration Fund -Growth	45,658	969	32,312	641	-	-
Kotak Treasury Advantage Fund - Reg - Growth	20,17,768	561	-	-	-	-
Birla Sun Life Floating Rate Fund - Long Term Plan - Regular - Growth	1,22,776	261	1,22,776	244	-	-
ICICI Prudential-Flexible Income Plan - Regular - Growth	5,73,138	1,910	6,16,067	1,918	-	-
HDFC Cash Management Fund - Treasury Advantage Ret Growth	-	-	41,62,273	1,430	-	-
Reliance Corporate Bond Fund -Growth Plan	7,25,674	102	-	-	-	-
UTI Treasury Advantage Fund Institutional Plan - Growth	1,03,699	2,484	1,03,699	2,324	-	-
<b>Total (B)</b>		<b>10,146</b>		<b>8,979</b>		<b>1,746</b>
<b>Total (A+B)</b>		<b>11,170</b>		<b>9,902</b>		<b>3,138</b>
<b>(ii) Investment in term deposit (unquoted):</b>						
Term deposit with Housing Development Finance Corporation		600		600		
<b>Total</b>		<b>600</b>		<b>600</b>		<b>-</b>
<b>Grand Total</b>		<b>11,770</b>		<b>10,502</b>		<b>3,138</b>
Aggregate market value of quoted investments		11,170		9,902		3,138
Aggregate amount of unquoted investment		600		600		-

# Notes to the Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## (b) Trade receivables

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured			
Considered Good	2,602	1,435	5,405
Considered Doubtful	256	180	148
Less: Provision for doubtful debts	(256)	(180)	(148)
	<b>2,602</b>	<b>1,435</b>	<b>5,405</b>

## (c) Cash and bank balances

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Cash and cash equivalents	1	3	3
Cash on hand			
Bank balances	1,198	315	429
In current accounts	-	54	978
Fixed deposits	1,199	372	1,410
Other bank balances			
Fixed deposits (with original maturity more than 3 months but less than 12 months)	-	-	2,095
Unpaid dividend account*	29	25	39
	<b>29</b>	<b>25</b>	<b>2,134</b>

\* Other bank balance represents earmarked balance in respect of unpaid dividend.

## (d) Loans

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured, Considered good			
Security Deposits	5	4	14
	<b>5</b>	<b>4</b>	<b>14</b>

## (e) Other current financial assets

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Advances to employees	40	14	43
Interest accrued on fixed deposits	46	3	89
Margin money deposit	1	1	2
Unbilled revenue	419	512	313
Other receivable from subsidiary	118	36	-
Reimbursable expenses receivable	81	95	137
Foreign exchange forward contract	-	1,668	841
Tax credit receivable, net of provision	-	621	-
Guarantee Commission Receivable	87	87	-
	<b>792</b>	<b>3,037</b>	<b>1,425</b>

# Notes to the Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 7 OTHER CURRENT ASSETS

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Surplus contribution to employee benefit plan - gratuity [Refer Note 23]	73	-	29
Prepaid expenses	237	229	91
Advances to suppliers	176	4	145
Input credit receivable	276	71	56
Interest accrued on Income tax refunds	-	-	54
	<b>762</b>	<b>304</b>	<b>375</b>

## 8 EQUITY SHARE CAPITAL

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
<b>Authorised:</b>			
40,000,000 (March 31, 2017: 40,000,000; April 1, 2016: 40,000,000) equity shares of ₹ 5/- each	2,000	2,000	2,000
2,000,000 (March 31, 2017: 2,000,000; April 1, 2016: 2,000,000) preference shares of ₹ 100/- each	2,000	2,000	2,000
	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>
<b>Issued, subscribed and fully paid up :</b>			
23,692,056 (March 31, 2017 :23,377,533; April 1, 2016 : 22,997,274) equity shares of ₹ 5/- each fully paid	1,185	1,169	1,150
	<b>1,185</b>	<b>1,169</b>	<b>1,150</b>

(a) Reconciliation of the number of equity shares outstanding at the beginning and end of the year are as given below:

Particulars	As at					
	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>Equity Shares</b>						
Balance as at the beginning of the year	23,377,533	1,169	22,997,274	1,150	22,546,672	1,127
Add: Addition on account of exercise of employee stock option plans	314,523	16	380,259	19	450,602	23
Balance as at the end of the year	<b>23,692,056</b>	<b>1,185</b>	<b>23,377,533</b>	<b>1,169</b>	<b>22,997,274</b>	<b>1,150</b>

(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.

# Notes to the Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## (c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at					
	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
<b>Equity Shares of ₹ 5/- each held by :</b>						
Ashank Desai	3,099,552	13.1%	3,099,552	13.3%	3,099,552	13.5%
Sudhakar Ram	1,588,680	6.7%	2,791,680	11.9%	2,791,680	12.1%
Ketan Mehta	2,399,100	10.1%	2,519,100	10.8%	2,519,100	11.0%
Fidelity Purita Trust Fidelity Low Priced *	-	0.0%	-	0.0%	1,275,000	5.5%
Radhakrishnan Sundar	1,415,800	6.0%	1,445,800	6.2%	1,445,800	6.3%

\* Shareholding as at March 31, 2018 & March 31, 2017 is reduced to less than 5%.

## (d) Shares reserved for issue under options

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Number of shares to be issued under the Employee Stock Option Plans	2,324,638	2,327,292	2,739,627

## (e) Shares bought back (during 5 years immediately preceding March 31, 2018)

Particulars	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Equity Shares bought back	-	-	-	-	2,484,007

## 9 OTHER EQUITY

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
<b>Capital redemption reserve</b> Any profit or loss on purchase and sale, issue and cancellation of the company own equity instrument transferred in capital reserve	1,539	1,539	1,539
<b>Security Premium</b> Amount received (on issue of shares) in excess of the par value has been classified as securities premium	1,772	1,381	1,081
<b>Employee stock options outstanding account</b> 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.	1,029	802	707
<b>Retained earnings</b> Retained earnings comprises of the prior year's undistributed earning after taxes	17,105	16,594	14,494
<b>Other item of other comprehensive income</b> Other item of other comprehensive income consist of FVOCI financial assets and financial liabilities and remeasurement of defined benefit assets and liability	200	1,515	725
	<b>21,645</b>	<b>21,831</b>	<b>18,546</b>

# Notes to the Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 9.1 Distributions made and proposed

The Board of Directors at its meeting held on April 20, 2017 had recommended a final dividend of 50% (₹ 2.5 per equity share of par value ₹ 5 each). The proposal was approved by shareholders at the Annual General Meeting held on June 22, 2017, this has resulted in a cash outflow of ₹ 585 lakhs, inclusive of dividend distribution tax. Also, the Board of Directors at its meeting held on October 26, 2017, had declared an interim dividend of 40% (₹ 2 per equity share of par value of ₹ 5 each) for the quarter ended September 30, 2017. Further, the Board of Directors at its meeting held on April 18, 2018 have recommended a final dividend of 80% (₹ 4 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 ₹ 948 lakhs, exclusive of dividend distribution tax.

## NON-CURRENT LIABILITIES

### 10 FINANCIAL LIABILITIES

#### (a) Borrowings

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Vehicle loans from financial institution [Refer note (i) below]	73	15	-
Long term maturities of finance lease obligations in respect of vehicles [Refer note (ii) below]	-	23	18
	<b>73</b>	<b>38</b>	<b>18</b>

(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%.

(ii) Finance lease obligations are secured by hypothecation of assets (Vehicles) underlying the leases.

Monthly payment of Equated Monthly Instalments beginning from the month subsequent to taking the lease along with interest.

#### (b) Other non-current financial liabilities

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Security and other deposits	111	107	72
Guarantee Liability payable	240	326	-
Foreign exchange forward contract	409	-	-
	<b>760</b>	<b>433</b>	<b>72</b>

### 11 PROVISIONS

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Provision for employee benefits			
Provision for gratuity [Refer Note 23]	-	85	-
Provision for leave encashment	321	495	469
Other provisions			
Provision for cost overrun on contracts	26	26	25
	<b>347</b>	<b>606</b>	<b>494</b>

# Notes to the Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## CURRENT LIABILITIES

### 12 FINANCIAL LIABILITIES

#### (a) Trade payables

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Trade payables	299	175	382
	<b>299</b>	<b>175</b>	<b>382</b>

#### (b) Other financial liabilities

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Current maturities of finance lease in respect of vehicles	-	25	30
Current maturities of vehicle loans from financial institutions	18	3	-
Unpaid dividends (Refer note (a) below)	29	25	39
Security and other deposits	2	5	0
Other payable to subsidiary	-	165	-
Other payables			
Employee benefits payable	757	476	671
Accrued expenses	1,376	1,189	1,780
Foreign exchange forward contract	337	-	-
Guarantee Liability payable	87	87	-
	<b>2,606</b>	<b>1,975</b>	<b>2,520</b>

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 March 31, 2018.

### 13 OTHER CURRENT LIABILITIES

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Unearned revenue	33	196	286
Statutory dues (including stamp duty, provident fund and tax deducted at source)	526	554	393
Capital creditors	193	45	25
Deferred Rent	19	27	25
	<b>771</b>	<b>822</b>	<b>729</b>

### 14 PROVISIONS

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Provision for employee benefits			
Provision for leave encashment	124	126	551
	<b>124</b>	<b>126</b>	<b>551</b>

# Notes to the Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 15 REVENUE FROM OPERATIONS

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Information technology services	16,232	16,040
Other operating revenue		
One time fee	-	908
	<b>16,232</b>	<b>16,948</b>

## 16 OTHER INCOME

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Interest income		
On fixed deposits	44	92
On income tax refunds	72	118
On others	17	10
On guarantee	40	12
Recovery of debts written off earlier	1	40
Recovery of doubtful debts	14	102
Dividend income from current investments	6	-
Dividend income from UK subsidiary	997	237
Profit on sale of tangible assets, net	-	4
Profit on sale of current investments	340	305
Rental income	249	256
Net gain on foreign currency transactions and translation	405	-
Others	138	106
	<b>2,323</b>	<b>1,282</b>

## 17 EMPLOYEE BENEFITS EXPENSES

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Salaries, wages and performance incentives	10,308	8,938
Gratuity (Refer Note 23)	231	202
Contribution to provident and other funds	408	388
Employee stock compensation expenses	174	83
Staff welfare expense	246	267
	<b>11,367</b>	<b>9,878</b>

## 18 FINANCE COSTS

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Interest on finance lease	5	11
Bank charges	4	6
Other finance charges	10	7
	<b>19</b>	<b>24</b>



# Notes to the Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 19 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Depreciation on tangible assets	710	805
Amortisation on intangible assets	409	448
Less: Reimbursement of common cost received from Majesco Limited and Majesco software and Solutions India Private Limited	-	(49)
	<b>1,119</b>	<b>1,204</b>

## 20 OTHER EXPENSES

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Hire charges	60	82
Recruitment and training expenses	37	61
Travelling and conveyance	409	474
Communication charges	91	121
Electricity	303	364
Consultancy and sub-contracting charges	602	598
Audit Fees (Refer note 38)	47	67
Rates and taxes	112	147
Repairs to buildings	252	310
Repairs : others	357	488
Insurance	107	53
Printing and stationery	19	24
Professional fees	597	712
Rent	68	76
Advertisement and publicity	20	157
Expenditure towards corporate social responsibility (CSR) activities (Refer note 39)	84	130
Net loss on foreign currency transactions and translation	-	251
Provision / (Reversal) for doubtful debts and loans and advances, net	88	136
Bad debt written off	16	10
Provision for cost overrun on contracts, net	-	1
Loss on sale of tangible assets, net	1	-
Miscellaneous expenses	46	119
	<b>3,316</b>	<b>4,381</b>

## 21 EXCEPTIONAL ITEMS, NET

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Others	-	340
	<b>-</b>	<b>340</b>

# Notes to the Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 22 EARNINGS PER SHARE (EPS)

Particulars	Year ended	
	March 31, 2018	March 31, 2017
The components of basic and diluted earnings per share for total operations are as follows:		
(a) Net profit attributable to equity shareholders	1,574	2,312
(b) Weighted average number of outstanding equity shares		
Considered for basic EPS	23,521,823	23,214,937
Add : Effect of dilutive potential equity shares arising from outstanding stock options	1,335,225	1,003,614
Considered for diluted EPS	24,857,048	24,218,551
(c) Earnings per share in ₹		
Basic	6.69	9.96
Diluted	6.33	9.55
(Face value per share ₹ 5/- each)		

## 23 EMPLOYEE BENEFIT PLANS

Amount recognized in the statement of profit and loss in respect of gratuity cost (defined benefit plan) is as follows:

Particulars	Year ended	
	March 31, 2018	March 31, 2017
<b>Gratuity Cost</b>		
Service cost	232	212
Net interest on net defined liability/(asset)	(1)	(10)
<b>Net gratuity cost</b>	231	202
<b>Actuarial (Gain) / Loss charged to Other Comprehensive Income</b>	390	1
Interest rate	7.75%	7.60%
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.

The following table sets out the status of gratuity plan.

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
<b>Obligation at the beginning of the year</b>	1,920	1,764	3,662
Service cost	232	212	259
Interest cost	141	135	175
Actuarial (gain)/loss- financial assumption	(15)	83	(167)
Actuarial (gain)/loss- experience	(142)	(96)	-
Liabilities assumed on acquisition/(settled on divestiture)	-	-	(1,964)
Actuarial (gain)/loss- Demographic assumptions	(245)	-	-
Benefits paid	(151)	(178)	(201)
<b>Obligation at the end of the year</b>	1,740	1,920	1,764
<b>Change in plan assets</b>			
Plan assets at the beginning of the year, at fair value	1,835	1,793	3,784
Employer Contribution	-	86	0
Interest income on plan assets	141	146	205
Assets acquired on acquisition/ (distributed on divestiture)	-	-	(1,964)
Remeasurement on plan assets less interest on plan assets	(12)	(12)	(31)
Benefits paid	(151)	(178)	(201)
<b>Plan assets at the end of the year, at fair value</b>	1,813	1,835	1,793

# Notes to the Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## Historical information

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Present value of defined benefit obligation	1,740	1,920	1,764	3,662	2,884
Fair value of plan assets	1,813	1,835	1,793	3,784	2,157
Asset/(liability) recognized	73	(85)	29	122	(727)

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	
	March 31, 2018	March 31, 2017
Experience adjustment on plan liabilities	(402)	(13)
Experience adjustment on plan assets	12	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	As at			
	March 31, 2018		March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount Rate (50 bps)	(49)	52	(103)	112
Salary Growth (50 bps)	50	(48)	109	(101)

Maturity profile of defined benefit obligation:

Particulars	As at	
	March 31, 2018	March 31, 2017
1 Year	260	131
2 Year	355	96
3 Year	219	23
4 Year	192	101
5 Year	176	102
6 Year	196	106
7 Year	146	145
8 Year	137	101
9 Year	142	112
10 Year	1,219	4,386

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.

# Notes to the Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 24 INCOME TAXES

Income tax expense in the statement of profit and loss consists of:

Particulars	Year ended	
	March 31, 2018	March 31, 2017
<b>Current income tax</b>		
In respect of current year	1,041	(208)
<b>Deferred tax</b>		
In respect of current year	119	299
<b>Income tax expense recognised in the statement of profit or loss</b>	<b>1,160</b>	<b>91</b>
<b>Income tax expense recognised in other comprehensive income:</b>	<b>(699)</b>	<b>397</b>

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	Year ended	
	March 31, 2018	March 31, 2017
<b>Profit before tax</b>	<b>2,734</b>	2,403
Enacted income tax rate in India	<b>34.608%</b>	34.608%
Computed expected tax expense	<b>946</b>	832
<b>Effect of:</b>		
Additional Provision on account of disallowance before Income tax authorities	<b>299</b>	-
Impact of deferred tax due to change in Income tax rate	<b>128</b>	-
Expenses that are not deductible in determining taxable profit	<b>23</b>	139
Tax credit	-	(903)
Income subject to different tax rates	<b>(172)</b>	(41)
Others	<b>(64)</b>	64
<b>Total income tax expense recognised in the statement of profit and loss</b>	<b>1,160</b>	<b>91</b>

**Deferred tax assets/ (liabilities) as at March 31, 2018, March 31, 2017 & April 1, 2016 in relation to:**

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Property, plant and equipment	664	798	892
Provision for doubtful debts	78	63	51
Provision for compensated absence/gratuity	116	253	427
Net gain on fair value of mutual funds	(180)	(129)	(8)
Cash flow hedge	217	(675)	(380)
Others	58	63	87
MAT Credit entitlement	2,291	2,374	2,437
<b>Total</b>	<b>3,244</b>	<b>2,747</b>	<b>3,506</b>

# Notes to the Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 25 RELATED PARTY DISCLOSURES

Name of Related Party	Nature of relationship	Country of Incorporation
Mastek (UK) Limited	Subsidiary	United Kingdom
IndigoBlue Consulting Limited	Step-down Subsidiary	United Kingdom
Digility Inc.	Step-down Subsidiary	United States of America
Trans American Information Systems Inc.	Step-down Subsidiary with effect from December 23, 2016	United States of America
Taistech LLC	Step-down Subsidiary with effect from December 23, 2016	United States of America
Trans American Information Systems Private Limited	Subsidiary with effect from December 23, 2016	India
Cashless Technologies India Private Limited	Entity with common key managerial personnel	India
Legal Practice Technologies Limited	Joint Venture upto December 6, 2016	United Kingdom

### Transaction with above related parties during the year were:-

Name of Related Party	Nature of transactions	Year ended	
		March 31, 2018	March 31, 2017
Mastek (UK) Limited	Information Technology Services	12,168	11,249
	Other Operating Revenue - One time fees	-	908
	Dividend received from subsidiary	997	237
	Reimbursable / Other expenses recoverable	1,536	404
	Reimbursement of Customer Claim	-	(389)
IndigoBlue Consulting Limited	Reimbursable / Other expenses recoverable	37	-
Digility Inc.	Information Technology Services	1,056	-
	Corporate guarantee	-	6,485
	Guarantee Commission	156	42
	Reimbursable / Other expenses recoverable	23	-
Trans American Information Systems Inc.	Reimbursable / Other expenses recoverable	7	-
Taistech LLC	Information Technology Services	16	-
	Reimbursable / Other expenses recoverable	6	-
Trans American Information Systems Private Limited	Rental Income	1	0
	Investment in equity instruments	-	1,187
Cashless Technologies India Private Limited	Information Technology Services	25	402
	Rental Income	-	9
	Investment in share warrants	-	1
	Reimbursable / Other expenses recoverable	-	4

# Notes to the Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## Balances payable to related parties are as follows:-

Name of Related Party	Nature of balances	As at		
		March 31, 2018	March 31, 2017	April 1, 2016
Mastek (UK) Limited	Trade receivables	1,954	977	4,347
	Reimbursements of expenses receivable / (payable)	117	(399)	(143)
IndigoBlue Consulting Limited	Reimbursements of expenses receivable	1	-	-
Digility Inc.	Trade receivables	399	42	-
	Reimbursements of expenses receivable	1	-	-
Trans American Information Systems Inc.	Reimbursements of expenses receivable	1	-	-
Taistech LLC	Trade receivables	16	-	-
Trans American Information Systems Private Limited	Security deposits	0	0	-
Cashless Technologies India Private Limited	Trade receivables	-	1	-
	Reimbursements of expenses receivable	-	0	-
	Security deposits	-	5	-

Key Management Personnel (KMP):	<p>Sudhakar Ram, Vice Chairman and Managing Director</p> <p>Ashank Desai, Non Executive Director</p> <p>Atul Kanagat, Non Executive Director</p> <p>Keith Bogg, Non Executive Director</p> <p>Priti Rao, Non Executive Director</p> <p>S. Sandilya, Non Executive Director</p> <p>Abhishek Singh, Chief Financial Officer (from September 17, 2016)</p> <p>Jamshed Jussawalla, Chief Financial Officer (up to September 16, 2016)</p> <p>Dinesh Kalani, Company Secretary</p>
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## Compensation of key management personnel of the Company

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Short Term employee benefit	266	194
Share based payment transactions	7	1
Director Sitting fees	79	30
Director Commission Paid	25	16
Total compensation paid to key management personnel	377	241

# Notes to the Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 26 SEGMENT REPORTING

The Company has presented data 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.

## 27 ACQUISITION OF TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED

During the previous year, Company has acquired 100% stake in Trans American Information Systems Private Limited, a company engaged in IT consulting and Software Services, for a fixed consideration of 1187 lakhs. Trans American Information Systems Private 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.

## 28 FINANCIAL INSTRUMENTS

The carrying value and fair value of financial instruments by categories as at March 31, 2018, March 31, 2017 and April 1, 2016 is as follows:

As At March 31, 2018

Particulars	Carrying Value			Fair Value		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
<b>Financial Assets</b>						
<b>Amortised Cost</b>						
Loans	94	117	123	94	117	123
Trade Receivables	2,602	1,435	5,405	2,602	1,435	5,405
Cash and Cash Equivalents	1,199	372	1,410	1,199	372	1,410
Other Bank Balances	29	25	39	29	25	39
Other Assets	994	1,687	584	994	1,687	584
Investment in Term Deposits	600	600	2,095	600	600	2,095
Investment in Equity Shares (Unquoted)	1,403	1,405	216	1,403	1,405	216
<b>FVOCI</b>						
Investment in MF (Quoted)	10,146	8,979	1,746	10,146	8,979	1,746
Derivative Assets	-	1,950	1,098	-	1,950	1,098
<b>FVTPL</b>						
Investment in Liquid Fund	1,024	923	1,392	1,024	923	1,392
<b>Total Assets</b>	<b>18,091</b>	<b>17,492</b>	<b>14,108</b>	<b>18,091</b>	<b>17,492</b>	<b>14,108</b>
<b>Financial Liabilities</b>						
<b>Amortized Cost</b>						
Borrowings	91	66	48	91	66	48
Trade payables	299	175	382	299	175	382
Other liabilities	2,602	2,380	2,562	2,602	2,380	2,562
<b>FVOCI</b>						
Derivative Liabilities	746	-	-	746	-	-
<b>Total Liabilities</b>	<b>3,738</b>	<b>2,621</b>	<b>2,992</b>	<b>3,738</b>	<b>2,621</b>	<b>2,992</b>

# Notes to the Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 29 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 March 31, 2018, March 31, 2017 and April 1, 2016

Quantitative disclosures of fair value measurement hierarchy for financial assets as at March 31, 2018:

Particulars	Fair value measuring using				
	Date of valuation	Total	Level 1	Level 2	Level 3
Financial liabilities measuring at fair value					
<b>Derivative Liabilities</b>					
Foreign exchange forward contract	March 31, 2018	746	-	746	-
<b>FVTOCI financial assets designated at fair value</b>					
Investment in MF	March 31, 2018	10,146	10,146	-	-
<b>FVTPL financial assets designated at fair value</b>					
Investment in Liquid Fund	March 31, 2018	1,024	1,024	-	-

Quantitative disclosures of fair value measurement hierarchy for financial assets as at March 31, 2017:

Particulars	Fair value measuring using				
	Date of valuation	Total	Level 1	Level 2	Level 3
Financial assets measuring at fair value					
<b>Derivative Assets</b>					
Foreign exchange forward contract	March 31, 2017	1,950	-	1,950	-
<b>FVTOCI financial assets designated at fair value</b>					
Investment in MF	March 31, 2017	8,979	8,979	-	-
<b>FVTPL financial assets designated at fair value</b>					
Investment in Liquid Fund	March 31, 2017	923	923	-	-

Quantitative disclosures of fair value measurement hierarchy for financial assets as at April 01, 2016:

Particulars	Fair value measuring using				
	Date of valuation	Total	Level 1	Level 2	Level 3
Financial assets measuring at fair value					
<b>Derivative Assets</b>					
Foreign exchange forward contract	April 1, 2016	1,098	-	1,098	-
<b>FVTOCI financial assets designated at fair value</b>					
Investment in MF	April 1, 2016	1,746	1,746	-	-
<b>FVTPL financial assets designated at fair value</b>					
Investment in Liquid Fund	April 1, 2016	1,392	1,392	-	-



# Notes to the Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## Derivative financial instrument

The Company's risk management policy is to hedge substantial amount of forecast transactions under GBP. Hedge is broadly classified as revenue hedge. 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 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.

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		
	March 31, 2018	March 31, 2017	April 1, 2016
Non Designated derivative instrument	22,792	15,150	15,061
Non Designated derivative instrument in GBP lakhs	240	154	139
No. of Contracts	205	86	53

Forward Contracts covers part of the exposure during the period April 2018 - January 2022

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Opening balance of Mark-to-market gains receivable on outstanding derivative contracts	1,950	1,098	1,881
Less: Released from Hedging reserve account to statement of profit and loss under revenue account upon occurrence of forecasted sales transactions	(1,300)	(1,894)	(900)
Add: Changes in the value of derivative instrument recognised in Hedging reserve account	(1,396)	2,746	305
Less: Transferred pursuant to a scheme of arrangement	-	-	(188)
Closing balance of Mark-to-market gains receivable on outstanding derivative contracts	(746)	1,950	1,098
Disclosed under:			
Other current financial assets (Refer note 6(e))	-	1,668	841
Other non-current financial assets (Refer note 4(c))	-	282	257
Other current financial liabilities (Refer note 12(b))	(337)	-	-
Other non-current financial liabilities (Refer note 10(b))	(409)	-	-
	(746)	1,950	1,098

There were no ineffectiveness recognised in the Statement of profit and loss during the period.

# Notes to the Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 30 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.

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 analyzing specific risk.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Revenue from Top Customers	12,168	11,249
Revenue from Top 5 Customers	13,935	13,605

### 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 unutilized 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		
	March 31, 2018	March 31, 2017	April 1, 2016
Cash and Cash Equivalents	1,199	372	1,410
Other bank balances	29	25	39
Investment in MF	11,170	9,902	3,138
Investment in Term Deposit	600	600	2,095
<b>Total</b>	<b>12,998</b>	<b>10,899</b>	<b>6,682</b>

# Notes to the Financial Statements

## For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018, March 31, 2017 and April 1, 2016:

Particulars	As At March 31, 2018	
	Less than 1 Year	1 Year and above
Borrowings	18	73
Trade Payables	299	-
Other Financial Liabilities	2,251	351
Derivative Financial Liabilities	337	409

Particulars	As At March 31, 2017	
	Less than 1 Year	1 Year and above
Borrowings	28	38
Trade Payables	175	-
Other Financial Liabilities	1,947	433

Particulars	As At April 1, 2016	
	Less than 1 Year	1 Year and above
Borrowings	30	18
Trade Payables	382	-
Other Financial Liabilities	2,490	72

### 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.

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 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.

# Notes to the Financial Statements

## For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

The following table presents foreign currency risk from non- derivative financial instrument as of March 31, 2018, March 31, 2017 and April 1, 2016.

Particulars	As at					
	March 31, 2018		March 31, 2017		April 1, 2016	
	USD \$ in lacs	INR ₹	USD \$ in lacs	INR ₹	USD \$ in lacs	INR ₹
Assets	6	412	1	81	1	62
Liabilities	2	102	1	34	-	-
<b>Net Assets/(Liabilities)</b>		<b>310</b>		<b>47</b>		<b>62</b>

As at March 31, 2018, March 31, 2017 and April 1, 2016 respectively, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact results by approximately ₹ 3, ₹ 1 and ₹ 1 respectively.

### 31 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 maximize shareholder value. The capital structure is as follows:

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
<b>Total Equity Attributable to the Equity Share Holders of Company</b>	<b>22,830</b>	<b>23,000</b>	<b>19,696</b>
As percentage of total Capital	99.60%	99.71%	99.76%
Current Borrowings	18.17	28.33	30.23
Non Current Borrowings	72.74	37.77	17.79
<b>Total Borrowings</b>	<b>90.91</b>	<b>66.10</b>	<b>48.02</b>
As a percentage of total Capital	0.40%	0.29%	0.24%
<b>Total Capital (Borrowings and Equity)</b>	<b>22,921</b>	<b>23,066</b>	<b>19,744</b>

The Company is predominantly equity financed which is evident from capital structure table. Further, the Company has always been a net cash Company with cash and bank balances along with current financial assets which is predominantly investment in liquid and short term mutual funds being far in excess of debt.

### 32 FIRST-TIME ADOPTION OF INDIAN ACCOUNTING STANDARD (IND AS)

The Company's standalone financial statements for the year ended March 31, 2018 are prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2016 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the Ind AS Financial Statements for the year ended March 31, 2018, be applied consistently and retrospectively for all fiscal years presented.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the standalone financial statements under both Ind AS and Indian GAAP as of the Transition Date have been recognized directly in equity at the Transition Date.

# Notes to the Financial Statements

## For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

In preparing these financial statements, the Company has availed itself of certain exemptions and exceptions in accordance with Ind AS 101 as explained below:

### (a) Exception from full retrospective application:

1. Estimates exception: Upon an assessment of the estimates made under previous GAAP, the management is of the opinion that there was no need to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by previous GAAP.

### (b) Exemption from retrospective application:

1. Share-based payment exemption: The Company has availed exemption available under Ind AS 101 on application of Ind AS 102, "Share Based Payment", to equity instruments that vested before the date of transition to Ind AS.
2. The Company has elected to continue with the carrying value of all its property, plant and equipment including asset held for sale as recognised in standalone financial statements as at April 1, 2016 (transition date) to Ind AS measured as per the Previous GAAP and use that as its deemed cost as at the transition date. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2016, measured as per the Previous GAAP, and use that carrying value as the deemed cost of such intangible assets.
3. The Company has designated various hedging relationships as cash flow hedges under the Previous GAAP. On date of transition to Ind AS, the Company has assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently, the Company continues to apply hedge accounting on and after the date of transition to Ind AS.
4. In accordance with exemption given in Ind AS 101, the Company has recorded investments in subsidiaries at deemed cost i.e previous GAAP carrying amount on transition date.

### (c) Reconciliations:

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101:

Equity as at April 1, 2016;

Equity as at March 31, 2017;

Total comprehensive income for the year ended March 31, 2017;

#### i) Equity reconciliation

Particulars	Notes	As At	
		March 31, 2017	April 1, 2016
<b>Equity under previous GAAP</b>		<b>23,164</b>	<b>19,789</b>
Fair Valuation of Mutual Funds	1	372	24
Employee Benefit Expenses		297	180
Taxes		(800)	(384)
Others		(33)	87
<b>Equity as per Ind AS</b>		<b>23,000</b>	<b>19,696</b>

# Notes to the Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## ii) Total comprehensive income reconciliation

Particulars	Notes	As At
		March 31, 2017
<b>Net Profit as per Previous GAAP</b>		<b>2,526</b>
Fair value of investment designated at FVTPL	1	13
Employee Benefit Expenses		(84)
Revenue recognition - multiple element accounting		(88)
Others		(55)
<b>Net profit for the period as per IND AS</b>		<b>2,312</b>
Other Comprehensive Income		790
<b>Total Comprehensive Income</b>		<b>3,102</b>

### Notes

1. Fair valuation of investments:
  - a) 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 recognized in the statement of profit and loss. Under previous GAAP, they are measured at lower of cost or net realisable value. Some mutual fund Liquid fund investments have been classified as FVTPL based on business model of the company. Consequently, increase in fair value of such investments in quoted mutual funds has resulted in a gain.
  - b) Under Ind AS, financial assets designated at fair value through other comprehensive income (FVTOCI) are fair valued at each reporting date with changes in fair value (net of deferred taxes) recognized directly in other comprehensive income. Under previous GAAP, they are measured at cost with provision for diminution other than temporary.
2. Under previous GAAP, actuarial gains and losses were recognised in the statement profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of statement of profit and loss.
3. Under the Previous GAAP, the Company was not required to present other comprehensive income (OCI) separately. As per Ind AS 1, Presentation of Financial Statements, Ind AS 19, Employee Benefits and Ind AS 109, actuarial gain / loss on defined benefit liability, effective portion of cash flow hedges reserve has been shown separately and gain/loss on other financial assets measured through OCI.
4. The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31st March, 2017 as compared with the previous GAAP.

# Notes to the Financial Statements

## For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

### 33 EMPLOYEE STOCK BASED COMPENSATION

#### i) Plan IV

The Shareholders of the Company through Postal Ballot on August 9, 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			
	March 31, 2018		March 31, 2017	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options at beginning of the year	1,47,927	99	2,76,117	105
Granted during the year	-	-	-	-
Exercised during the year	(15,894)	116	(7,247)	113
Lapsed/Cancelled during the year	(86,382)	97	(1,20,943)	113
Outstanding options, end of the year	45,651	97	1,47,927	99
Options exercisable, end of the year	45,651	97	1,47,927	99

#### 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			
	March 31, 2018		March 31, 2017	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options at beginning of the year	62,225	68	1,43,825	65
Granted during the year	-	-	-	-
Exercised during the year	(10,000)	47	(79,100)	63
Lapsed/Cancelled during the year	-	-	(2,500)	47
Cancelled revoked during the year	2,500	47	-	-
Outstanding options, end of the year	54,725	71	62,225	68
Options exercisable, end of the year	54,725	71	62,225	68

# Notes to the Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 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			
	March 31, 2018		March 31, 2017	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options at beginning of the year	10,23,660	79	13,42,312	81
Granted during the year	-	-	-	-
Exercised during the year	(1,92,744)	62	(1,89,869)	48
Lapsed/Cancelled during the year	(29,875)	175	(1,28,783)	139
Outstanding options, end of the year	8,01,041	80	10,23,660	79
Options exercisable, end of the year	6,49,506	66	5,90,631	60

## 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 and its Independent Directors, 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			
	March 31, 2018		March 31, 2017	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options at beginning of the year	10,93,480	114	9,77,373	87
Granted during the year	6,65,825	218	3,20,000	169
Exercised during the year	(95,885)	100	(1,04,043)	62
Lapsed/Cancelled during the year	(2,40,199)	294	(99,850)	84
Outstanding options, end of the year	14,23,221	133	10,93,480	114
Options exercisable, end of the year	4,91,232	94	2,89,384	82



# Notes to the Financial Statements

## For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

The following tables summarize information about the options/ shares outstanding under various programs as at March 31, 2018, March 31, 2017 and April 1, 2016 respectively:

Particulars	As at March 31, 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

Particulars	As at March 31, 2017		
	No. of share options	Weighted average remaining contractual life in years	Weighted average exercise price
Programme IV	1,47,927	0.7	99
Programme V	62,225	3.5	68
Programme VI	10,23,660	6.4	79
Programme VII	10,93,480	7.7	114

Particulars	As at April 1, 2016		
	No. of share options	Weighted average remaining contractual life in years	Weighted average exercise price
Programme IV	2,76,117	3.5	105
Programme V	1,43,825	4.5	65
Programme VI	13,42,312	7.2	81
Programme VII	9,77,373	6.7	87

The weighted average fair value of each unit under the plan, granted during the year ended was ₹ 257 using the Black-Scholes model with the following assumptions:

Particulars	As at March 31, 2018
Weighted average grant date share price	349.8
Weighted average exercise price	217.5
Dividend yield %	1.72%
Expected life	4-7
Risk free interest rate	6.80%
Volatility	67.80%

# Notes to the Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 34 LEASES

### 1. Operating Lease

#### i) Lease payment

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Future minimum lease payment under non-cancellable operating lease (in respect of properties):			
Due within one year	-	-	56
Due later than one year but not later than five years	-	-	59
Due later than five years	-	-	-
<b>Total Minimum lease payment</b>	<b>-</b>	<b>-</b>	<b>114</b>

#### ii) Lease income

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Future minimum lease income under non-cancellable operating lease (in respect of properties):			
Due within one year	44	234	168
Due later than one year but not later than five years	-	39	196
	<b>44</b>	<b>273</b>	<b>364</b>

### 2. Finance Lease

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Total minimum finance lease payment outstanding			
Due within one year	-	30	36
Due later than one year but not later than five years	-	26	20
Total minimum lease payments	-	56	56
Less: interest not due	-	(8)	(8)
Present value of net minimum lease payments	-	48	48

## 35 MICRO, SMALL AND MEDIUM ENTERPRISES

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. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or on balance brought forward from previous year.

# Notes to the Financial Statements

## For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

### 36 CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2018 is ₹130 (March 31, 2017: ₹133 and April 1, 2016: ₹295)

### 37 CONTINGENT LIABILITIES

Particulars	As at	
	March 31, 2018	March 31, 2017
Claims against Company not acknowledged as debts		
(a) Sales tax matter	362	238
(b) Stamp duty matter	-	-
(c) Income tax matter	-	854
(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.		

### 38 PAYMENT TO THE AUDITOR

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Statutory Audit Fees	34	40
Other Expenses	13	27
<b>Total</b>	<b>47</b>	<b>67</b>

### 39 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITIES

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Amount required to be spent as per Section 135 of the Companies Act	84	97
Amount spent during the year	84	130

As per our report of even date attached

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

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

**Khushroo B. Panthaky**

Partner

Membership No.: 42423

**Sudhakar Ram**

Vice Chairman and Managing Director

**S. Sandilya**

Non-Executive Chairman and Independent Director

**Abhishek Singh**

Chief Financial Officer

**Dinesh Kalani**

Company Secretary

Place : Mumbai

Date : April 18, 2018

Place : Mumbai

Date : April 18, 2018

# Independent Auditor's Report

## To the Members of Mastek Limited

### Report on the Consolidated Financial Statements

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 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive loss), 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.

### Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') 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 loss), consolidated cash flows and consolidated changes in equity of the Group, in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The Holding Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group, are responsible for the design, implementation and maintenance of internal control 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. Further, in terms of the provisions of the Act, the respective Board of Directors/management 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.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

### Opinion

8. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position) of the Group, as at 31 March 2018, and their consolidated profit (consolidated financial performance including other comprehensive loss), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

# Independent Auditor's Report

## To the Members of Mastek Limited

### Other Matter

9. The comparative financial information for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016, prepared in accordance with Ind AS and included in these consolidated financial statements, are based on the previously issued statutory consolidated financial statements for the year ended 31 March 2017 and 31 March 2016, respectively, prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), which were audited by the predecessor auditor whose reports dated 20 April 2017 and 19 April 2016, respectively, expressed unmodified opinion on those consolidated financial statements, and have been adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, based on our audit on separate financial statements and other financial information of the subsidiaries, 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 and the reports of the other auditors,
- 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;
- 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, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2018 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 A';
- 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 Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements, as also the other financial information of the subsidiaries:
  - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 37 to the consolidated financial statements.
  - (ii) provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts, including derivative contracts, as detailed in Note 30 to the consolidated financial statements;
  - (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies covered under the Act;
  - (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

per **Khushroo B. Panthaky**

Partner

Membership No.: 42423

Place: Mumbai

Date: 18 April 2018

# Annexure A

## to the Independent Auditor's Report of even date to the members of Mastek Limited on the consolidated financial statements for the year ended 31 March 2018.

### 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 subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its one 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 its one subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the 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 its 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 its 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 include 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.

# Annexure A

## to the Independent Auditor's Report of even date to the members of Mastek Limited on the consolidated financial statements for the year ended 31 March 2018.

### 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.

### Opinion

8. In our opinion, the Holding Company and its 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 2018, based on internal control over financial reporting criteria established by the respective companies 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

Place: Mumbai

Date: 18 April 2018

per **Khushroo B. Panthaky**

Partner

Membership No.: 42423

# Consolidated Balance Sheet

As at March 31, 2018

(₹ in lakhs)

	Note	As at		
		March 31, 2018	March 31, 2017	April 1, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property plant & equipment, net	3(a)	4,589	4,331	4,352
Capital work-in-progress		208	22	14
Goodwill	3(c)	10,803	10,536	1,890
Other intangible assets, net	3(b)	2,494	3,111	333
Financial assets				
Investments	4(a)	16,637	16,882	20,356
Loans	4(b)	201	176	102
Other non-current financial assets	4(c)	-	283	258
Non-current tax assets		839	2,087	2,287
Deferred tax assets, net	24(c)	5,304	3,648	3,916
Other non-current assets	5	86	72	132
<b>Total non-current assets</b>		<b>41,161</b>	<b>41,148</b>	<b>33,640</b>
<b>Current assets</b>				
Financial Assets				
Investments	6(a)	11,770	10,502	3,138
Trade receivables	6(b)	13,514	8,509	9,713
Cash and Cash equivalents	6(c)	8,773	4,772	6,723
Bank balances, other than cash & cash equivalent	6(c)	29	25	2,134
Loans	6(d)	44	12	24
Other current financial assets	6(e)	7,670	7,383	4,587
Other current assets	7	1,037	794	1,439
<b>Total current assets</b>		<b>42,837</b>	<b>31,997</b>	<b>27,758</b>
<b>Total Assets</b>		<b>83,998</b>	<b>73,145</b>	<b>61,398</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	8	1,185	1,169	1,150
Other Equity	9	53,743	45,737	46,436
<b>Total Equity</b>		<b>54,928</b>	<b>46,906</b>	<b>47,586</b>
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	10(a)	4,961	6,523	18
Other non-current financial liabilities	10(b)	2,653	3,838	279
Deferred tax liabilities, net	24(c)	1,865	2,654	2,279
Provisions	11	664	967	550
<b>Total non-current liabilities</b>		<b>10,143</b>	<b>13,982</b>	<b>3,126</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	12(a)	391	2	-
Trade payables	12(b)	1,889	1,989	949
Other current financial liabilities	12(c)	10,929	6,310	4,254
Other current liabilities	13	4,359	3,214	4,883
Provisions	14	474	328	600
Current tax liability (net)		885	414	-
<b>Total current liabilities</b>		<b>18,927</b>	<b>12,257</b>	<b>10,686</b>
<b>Total Equity &amp; liabilities</b>		<b>83,998</b>	<b>73,145</b>	<b>61,398</b>

See accompanying notes to the consolidated financial statements

As per our report of even date attached  
For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013

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

**Khushroo B. Panthaky**  
Partner  
Membership No.: 42423

**Sudhakar Ram**  
Vice Chairman and Managing Director

**S. Sandilya**  
Non-Executive Chairman and Independent Director

**Abhishek Singh**  
Chief Financial Officer

**Dinesh Kalani**  
Company Secretary

Place : Mumbai  
Date : April 18, 2018

Place : Mumbai  
Date : April 18, 2018



# Consolidated Statement of Profit and Loss

For the year ended March 31, 2018

(₹ in lakhs, except per share data)

	Note	Year ended	
		March 31, 2018	March 31, 2017
<b>INCOME</b>			
Revenue from operations	15	81,721	56,016
Other income	16	2,099	1,260
<b>Total Income</b>		<b>83,820</b>	<b>57,276</b>
<b>EXPENSES</b>			
Employee benefits expenses	17	48,094	32,324
Finance costs	18	586	377
Depreciation and amortization expenses	19	1,876	1,493
Other expenses	20	23,661	18,836
<b>Total expenses</b>		<b>74,217</b>	<b>53,030</b>
<b>Profit before exceptional item and tax</b>		<b>9,603</b>	<b>4,246</b>
Exceptional items - loss	21	-	(340)
<b>Profit before tax</b>		<b>9,603</b>	<b>3,906</b>
<b>Tax expense</b>			
Current tax	24(a)	2,426	1,281
Deferred tax (benefit) expense		(118)	287
Income tax charge / (write back) for earlier years		299	(903)
<b>Total tax expense</b>		<b>2,607</b>	<b>665</b>
<b>Profit after tax for the year</b>		<b>6,996</b>	<b>3,241</b>
<b>Other comprehensive income (OCI), net of taxes</b>			
<b>Items that will not be reclassified subsequently to the statement of profit or loss:</b>			
Defined benefit plan actuarial gains/ (losses)		375	0
Net change in fair value of financial instruments through OCI		(2,426)	(397)
Income tax relating to items that will not be reclassified to profit and loss		122	0
<b>Items that will be reclassified subsequently to the statement of profit or loss:</b>			
Foreign currency translation differences		3,503	(4,549)
Net change in fair value of forward contracts designated as cash flow hedges		(2,696)	852
Net change in fair value of financial instruments		292	334
Income tax relating to items that will be reclassified to profit and loss		(826)	397
<b>Total other comprehensive loss for the year, net of taxes</b>		<b>(248)</b>	<b>(4,157)</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>6,748</b>	<b>(916)</b>
<b>Earning per equity share</b>			
(Equity shares of par value ₹ 5/- each)	22		
Basic		29.74	13.96
Diluted		28.14	13.38

See accompanying notes to the consolidated financial statements

As per our report of even date attached  
For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013

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

**Khushroo B. Panthaky**  
Partner  
Membership No.: 42423

**Sudhakar Ram**  
Vice Chairman and Managing Director

**S. Sandilya**  
Non-Executive Chairman and Independent Director

**Abhishek Singh**  
Chief Financial Officer

**Dinesh Kalani**  
Company Secretary

Place : Mumbai  
Date : April 18, 2018

Place : Mumbai  
Date : April 18, 2018

# Consolidated Cash Flow Statement

For the year ended March 31, 2018

(₹ in lakhs)

	Year ended	
	March 31, 2018	March 31, 2017
<b>Cash flows from operating activities</b>		
Profit for the year	6,996	3,241
<b>Adjustments:</b>		
Interest income	(152)	(252)
Employee stock compensation expenses	395	228
Finance costs	586	377
Depreciation and amortisation	1,876	1,493
Tax Expense	2,607	665
Dividend Income from current investment	(6)	
Provision / (Reversal) for doubtful debts and loans and advances, net	88	136
Bad debts written off	16	10
Loss / (Profit) on sale of property plant and equipment, net	1	(4)
Profit on sale of current investments	(340)	(305)
Rental income	(253)	(256)
<b>Changes in operating assets and liabilities; net of effects from acquisitions</b>	<b>11,814</b>	<b>5,333</b>
Decrease / (Increase) in trade receivables	(3,800)	3,562
(Increase) / Decrease in loans and advances and other assets	(2,009)	(1,955)
(Decrease)/increase in trade payables, other liabilities and provisions	1,330	(2,285)
Cash generated from operating activities before taxes	7,335	4,655
Income taxes refunds (paid), net	(925)	(370)
<b>Net cash generated from operating activities</b>	<b>6,410</b>	<b>4,285</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	6	29
Purchase of property, plant and equipment and software	(1,544)	(1,258)
Interest received	109	391
Rental income	243	248
Earnout payment on account of Business Combination	(552)	(193)
Dividend Income from current investment	6	-
Realisation in bank deposits having original maturity over three months	-	2,095
Purchase of equity share warrants	-	(1)
Purchase consideration paid for acquisition of subsidiary, net of cash	-	(6,487)
Purchase of current investments	(11,305)	(25,825)
Proceeds from current investments	10,668	19,100
<b>Net cash (used in) / generated from investing activities</b>	<b>(2,369)</b>	<b>(11,901)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares under the employee stock option schemes	243	213
Proceeds / (Repayment) of borrowings	390	6,722
Proceeds / (Repayment) of finance Leases	25	15
Dividends paid including dividend distribution tax	(1,069)	(233)
Interest paid on loans and on finance lease	(272)	(258)
<b>Net cash generated from / (used in) financing activities</b>	<b>(683)</b>	<b>6,459</b>
Effect of changes in exchange rates for cash and cash equivalents	643	(794)
Net increase/(decrease) in cash and cash equivalents during the year	4,001	(1,951)
Cash and cash equivalents at the beginning of the year	4,772	6,723
<b>Cash and cash equivalents at the end of the year</b>	<b>8,773</b>	<b>4,772</b>

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 issued by The Institute of Chartered Accountants of India

As per our report of even date attached  
For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013

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

**Khushroo B. Panthaky**  
Partner  
Membership No.: 42423

**Sudhakar Ram**  
Vice Chairman and Managing Director

**S. Sandilya**  
Non-Executive Chairman and Independent Director

**Abhishek Singh**  
Chief Financial Officer

**Dinesh Kalani**  
Company Secretary

Place : Mumbai  
Date : April 18, 2018

Place : Mumbai  
Date : April 18, 2018

# Consolidated Statement of Changes in Equity

## For the year ended March 31, 2018

### (a) Equity share capital

	(₹ in lakhs)
Balance as at April 1, 2016	1,150
Add: Shares issued on exercise of stock options and restricted shares	19
<b>Balance as at March 31, 2017</b>	<b>1,169</b>
Balance as at April 1, 2017	1,169
Add: Shares issued on exercise of stock options and restricted shares	16
<b>Balance as at March 31, 2018</b>	<b>1,185</b>

### (b) Other Equity

Particulars	Reserve & Surplus						Other Comprehensive Income				Total other equity		
	Capital reserve	Capital Redemption Reserve	Securities premium reserve	Share options outstanding account	General Reserve	Excess tax benefits from exercise of share based options	Retained Earnings	Employee Benefit Expenses	Fair value of Cash Flow Hedge	Current Investment in Debt Funds		Fair value of non-current Investment in Majesco USA	Foreign Currency Translation Reserve
<b>Balance as at 1 April 2016</b>	21	1,539	1,081	707	362	10	24,613	-	718	8	17,377	-	46,436
Issue of share capital on exercise of employee share option	-	-	194	-	-	-	-	-	-	-	-	-	194
Employee share-based compensation	-	-	-	229	-	-	-	-	-	-	-	-	229
Transferred to securities premium reserve	-	-	106	(106)	-	-	3,241	-	-	-	-	-	3,241
Profit for the year	-	-	-	-	-	-	(233)	-	-	-	-	-	(233)
Cash dividends	-	-	-	(28)	-	-	28	-	-	-	-	-	-
ESOP Adjustments*	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income (net of taxes)	-	-	-	-	-	-	-	0	558	218	(384)	(4,550)	(4,157)
Excess tax benefits from exercise of share-based options	-	-	-	-	-	28	-	-	-	-	-	-	28
<b>Balance as at 31 March 2017</b>	<b>21</b>	<b>1,539</b>	<b>1,381</b>	<b>802</b>	<b>362</b>	<b>38</b>	<b>27,649</b>	<b>0</b>	<b>1,276</b>	<b>226</b>	<b>16,993</b>	<b>(4,550)</b>	<b>45,737</b>
<b>Balance as at 1 April 2017</b>	<b>21</b>	<b>1,539</b>	<b>1,381</b>	<b>802</b>	<b>362</b>	<b>38</b>	<b>27,649</b>	<b>0</b>	<b>1,276</b>	<b>226</b>	<b>16,993</b>	<b>(4,550)</b>	<b>45,737</b>
Issue of share capital on exercise of employee share option	-	-	227	-	-	-	-	-	-	-	-	-	227
Employee share-based compensation	-	-	-	395	-	-	-	-	-	-	-	-	395
Transferred to securities premium reserve	-	-	164	(164)	-	-	6,996	-	-	-	-	-	6,996
Profit for the year	-	-	-	-	-	-	(1,056)	-	-	-	-	-	(1,056)
Cash dividends	-	-	-	(4)	-	-	4	-	-	-	-	-	-
ESOP Adjustments*	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-	(12)	-	-	-	-	-	(12)
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
<b>Balance as at 31 March 2018</b>	<b>21</b>	<b>1,539</b>	<b>1,772</b>	<b>1,029</b>	<b>362</b>	<b>1,742</b>	<b>33,581</b>	<b>253</b>	<b>(528)</b>	<b>452</b>	<b>14,567</b>	<b>(1,047)</b>	<b>53,743</b>

\*ESOP adjustment reflects lapse of vested stock options during the year.

See accompanying notes to the consolidated financial statements

As per our report of even date attached

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No: 001076/N/IN500013

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

**Khushroo B. Panthaky**

Partner

Membership No.: 42423

**Sudhakar Ram**

Vice Chairman and Managing Director

**S. Sandilya**

Non-Executive Chairman and Independent Director

**Abhishek Singh**

Chief Financial Officer

**Dinesh Kalani**

Company Secretary

Place : Mumbai

Date : April 18, 2018

Place : Mumbai

Date : April 18, 2018

# Significant accounting policies and notes to accounts

For the year ended March 31, 2018

(₹ 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") and a joint venture 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 centres in India at Mumbai, Delhi, Gurugram, Noida, Pune, Chennai and Mahape.

**The details of subsidiaries including step-down subsidiaries and joint venture considered in these consolidated financial statements are:**

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2018	% of voting power held as at March 31, 2017	% of voting power held as at April 1, 2016
Mastek (UK) Limited	UK	100%	100%	100%
IndigoBlue Consulting Limited	UK	100%	100%	100%
Digility Inc. **	USA	100%	100%	100%
Trans American Information Systems Private Limited ^^	India	100%	100%	-
Trans American Information Systems Inc. @	USA	100%	100%	-
Taistech LLC @	USA	100%	100%	-
Legal Practice Technologies Limited @@	UK	-	-	40%

\*\*Incorporated with effect from November 17, 2015

^^ Acquired with effect from December 23, 2016

@ Acquired with effect from December 23, 2016

@@ Dissolved with effect from December 6, 2016

## 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. For all the periods upto the year ended March 31, 2017, the Group had earlier prepared and presented its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013 (Indian GAAP). These consolidated financial statements for the year ended 31st March, 2018 are the first financial with comparatives, prepared under Ind AS. The adoption was carried out in accordance with Ind AS 101, First Time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principle generally accepted in India as prescribed under Section 133 of the Act read with the Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP), which was the previous GAAP. Reconciliations and description of the effect of the transition to Ind AS from Indian GAAP is given in Note 33.

These consolidated financial statement of the Group as at and for the year ended 31st March 2018 (including Comparatives) were approved and authorized by the Company's board of directors as on 18th April 2018.

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

# Significant accounting policies and notes to accounts

For the year ended March 31, 2018

(₹ in lakhs, except share and per share data, unless otherwise stated)

## (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 recognized 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 recognized in the consolidated financial statements is included in the following notes:

- 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 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.
- ii) **Income taxes:** The Group's three major tax jurisdictions are India, UK and the U.S. 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

**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 & equipment

Property, plant and equipment represent 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 value 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

## vi) Impairment testing

Goodwill and Intangible assets recognized 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

# Significant accounting policies and notes to accounts

For the year ended March 31, 2018

(₹ in lakhs, except share and per share data, unless otherwise stated)

assumptions about risk of default and expected timing of collection. The Company uses judgment 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.

**viii) Research & 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 realization 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 realizable, 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 recognized as employee expense, with corresponding increase in equity, over the period

that the employee become unconditionally entitled to the option. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "share option outstanding account". The amount recognized as expense is adjusted to reflect the impact of the revision estimates based on number of options that are expected to vests, 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 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 losses resulting from the settlement of such transactions and from the translation at

# Significant accounting policies and notes to accounts

For the year ended March 31, 2018

(₹ in lakhs, except share and per share data, unless otherwise stated)

the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized 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 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 Company recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized 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. Further in cases where the Company 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 amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. 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 Financial Instruments

The Company holds derivative financial instruments such as foreign exchange forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. Derivatives are recognized and measured at fair value.

Cash flow hedges: Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other

# Significant accounting policies and notes to accounts

For the year ended March 31, 2018

(₹ in lakhs, except share and per share data, unless otherwise stated)

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 recognized in the consolidated statement of profit and loss.

## 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) Current Versus Non-Current Classification

- i) An asset is considered as current when it is:
  - a) Expected to be realized or intended to be sold or consumed in normal operating cycle
  - b) Held primarily for the purpose of trading
  - c) Expected to be realised within twelve months after the reporting period, or
  - d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- ii) All other assets are classified as non-current.
- iii) liability is considered as current when it is:
  - a) Expected to be settled in normal operating cycle
  - b) Held primarily for the purpose of trading
  - c) Due to be settled within twelve months after the reporting period, or
  - d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- iv) All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities

## v) Property, Plant & Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable

to acquisition are capitalized 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.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as on April 1, 2016 measured as per previous GAAP as it deemed cost on the date of transition.

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 Machinery	2 - 5 years
Furniture and fixtures	5 years
Office Equipment	5 years
Vehicles	2 - 5 years
Leasehold Improvements	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.

## vi) Intangible assets

Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired in a business combination are measured at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.



# Significant accounting policies and notes to accounts

For the year ended March 31, 2018

(₹ in lakhs, except share and per share data, unless otherwise stated)

The amortization of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated.

The estimated useful life of amortizable intangibles are reviewed and where appropriate are adjusted, annually.

The estimated useful lives of the amortizable 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

## vii) 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 Company. 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.

## viii) 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 capitalized 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.

## ix) 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 recognized 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 amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

### b) Financial instrument

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months 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 March 31, 2018

(₹ in lakhs, except share and per share data, unless otherwise stated)

## x) 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 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 recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized 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 recognized 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 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.

### 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.

# Significant accounting policies and notes to accounts

For the year ended March 31, 2018

(₹ in lakhs, except share and per share data, unless otherwise stated)

## xi) 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 amortized on graded basis over the vesting period. The share based compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

## xii) 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 recognized as a separate asset, only when such reimbursement is virtually certain.

## xiii) Revenue Recognition

The Group derives revenue primarily from information technology services. The Group recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:

- a) Time and materials contracts  
Revenues and costs relating to time and materials contracts are recognized as the related services are rendered.

b) Fixed price contract

Revenues from fixed-price contracts are recognized using the "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.

If the Group does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

Unbilled revenue represents cost and earning in excess of billing as at the end of the reporting period. "Unearned revenue" represents billing in excess of revenue recognized. Advance payment received from customer for which no services have been rendered are presented as 'Unearned revenue'.

c) Maintenance contract

Revenue from maintenance contracts is recognized ratably over the period of the contract.

When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight line basis over the specified period or under some other method that better represents the stage of completion.

Revenues are shown net of goods and service tax, sales tax, value added tax and applicable discounts and allowances.

d) Multiple element arrangements

The Company allocates the arrangement consideration to separately identifiable components based on the cost plus margin method.

# Significant accounting policies and notes to accounts

For the year ended March 31, 2018

(₹ in lakhs, except share and per share data, unless otherwise stated)

## xiv) 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 recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized 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 recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred Income tax liabilities are recognized 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.

## xv) Other Income

Other income comprises interest income on deposits, research and development credits,

dividend income and gains / (losses) on disposal of investments except investments fair value through OCI. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

## xvi) 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 recognized in the statement of profit and loss using the effective interest method.

## xvii) 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.

## xviii) 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.

## xix) 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.

Any gain or loss on disposal of an investment property is recognised in profit and loss

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 3(a) Property plant and equipments

Particulars	Gross Block (at cost)				Depreciation				Net Block		
	As at April 1, 2017	Addition arising from business acquisition	Foreign Exchange Translation Adjustments	As at March 31, 2018	As at April 1, 2017	Accumulated depreciation transferred upon business acquisition	For the year	Foreign Exchange Translation Adjustments	Deductions	As at March 31, 2018	As at March 31, 2017
<b>(i) Own assets :</b>											
Buildings*	4,749	-	-	4,737	1,799	-	165	-	(12)	1,952	2,950
Computers	2,987	389	45	3,009	2,680	-	311	36	(412)	2,615	307
Plant and equipment	2,874	172	13	2,501	2,637	-	106	9	(558)	2,194	237
Furniture and fixtures	4,733	113	15	4,858	4,242	-	158	15	(4)	4,411	491
Vehicles	206	56	-	247	70	-	43	-	(15)	98	136
Office equipment	1,652	347	0	1,779	1,544	-	67	0	(220)	1,391	108
<b>Total (i)</b>	<b>17,201</b>	<b>1,077</b>	<b>73</b>	<b>17,131</b>	<b>12,972</b>	<b>-</b>	<b>850</b>	<b>60</b>	<b>(1,220)</b>	<b>12,661</b>	<b>4,470</b>
<b>(ii) Leased assets :</b>											
Leasehold land	386	-	-	386	304	-	4	-	-	308	82
Leasehold improvements	348	26	0	374	346	-	7	0	-	353	21
Vehicles	113	27	-	126	95	(14)	18	-	(7)	106	18
<b>Total (ii)</b>	<b>847</b>	<b>53</b>	<b>0</b>	<b>886</b>	<b>745</b>	<b>-</b>	<b>29</b>	<b>0</b>	<b>(7)</b>	<b>767</b>	<b>102</b>
<b>Total (i + ii)</b>	<b>18,048</b>	<b>1,130</b>	<b>73</b>	<b>18,017</b>	<b>13,717</b>	<b>-</b>	<b>879</b>	<b>60</b>	<b>(1,227)</b>	<b>13,428</b>	<b>4,589</b>

## 3(b) Other intangible assets

Particulars	Gross Block (at cost)				Amortisation				Net Block		
	As at April 1, 2017	Addition arising from business acquisition	Foreign Exchange Translation Adjustments	As at March 31, 2018	As at April 1, 2017	Accumulated amortisation upon business acquisition	For the year	Foreign Exchange Translation Adjustments	Deductions	As at March 31, 2018	As at March 31, 2017
Computer softwares	4,198	-	10	2,889	3,871	-	415	9	(1,691)	2,603	327
Customer Contracts	558	-	3	561	151	-	404	6	-	561	407
Customer Relationships	2,425	-	13	2,438	48	-	178	3	-	229	2,377
<b>Total</b>	<b>7,181</b>	<b>372</b>	<b>26</b>	<b>5,888</b>	<b>4,070</b>	<b>-</b>	<b>997</b>	<b>18</b>	<b>(1,691)</b>	<b>3,393</b>	<b>2,494</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 3(a) Property plant and equipments

Particulars	Gross Block (at cost)				Depreciation				Net Block				
	As at April 1, 2016	Additions from business acquisition	Foreign Exchange Translation Adjustments	Deductions	As at March 31, 2017	As at April 1, 2016	Accumulated depreciation transferred upon business acquisition	For the year	Foreign Exchange Translation Adjustments	Deductions	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016
<b>(i) Own assets :</b>													
Buildings*	4,749	-	-	-	4,749	1,708	-	91	-	-	1,799	2,950	3,041
Computers	2,545	234	(46)	-	2,987	2,194	168	358	(40)	-	2,680	307	351
Plant and equipment	2,721	-	(13)	-	2,874	2,563	-	84	(10)	-	2,637	237	158
Furniture and fixtures	4,458	20	(20)	(0)	4,733	4,073	19	167	(17)	(0)	4,242	491	385
Vehicles	246	80	-	(120)	206	131	-	38	-	(99)	70	136	115
Office equipment	1,591	38	-	(1)	1,652	1,467	28	50	-	(1)	1,544	108	124
<b>Total</b>	<b>16,310</b>	<b>292</b>	<b>(79)</b>	<b>(121)</b>	<b>17,201</b>	<b>12,136</b>	<b>215</b>	<b>788</b>	<b>(67)</b>	<b>(100)</b>	<b>12,972</b>	<b>4,229</b>	<b>4,174</b>
Share of Joint Venture	7	-	-	(7)	-	7	-	-	-	(7)	-	-	-
<b>Total (i)</b>	<b>16,317</b>	<b>292</b>	<b>(79)</b>	<b>(128)</b>	<b>17,201</b>	<b>12,143</b>	<b>215</b>	<b>788</b>	<b>(67)</b>	<b>(107)</b>	<b>12,972</b>	<b>4,229</b>	<b>4,174</b>
<b>(ii) Leased assets :</b>													
Leasehold land	386	-	-	-	386	226	-	78	-	-	304	82	160
Leasehold improvements	334	14	-	-	348	334	11	1	-	-	346	2	-
Vehicles	97	23	-	(7)	113	79	-	20	-	(4)	95	18	18
<b>Total (ii)</b>	<b>817</b>	<b>14</b>	<b>23</b>	<b>(7)</b>	<b>847</b>	<b>639</b>	<b>11</b>	<b>99</b>	<b>-</b>	<b>(4)</b>	<b>745</b>	<b>102</b>	<b>178</b>
<b>Total (i + ii)</b>	<b>17,134</b>	<b>306</b>	<b>(822)</b>	<b>(135)</b>	<b>18,048</b>	<b>12,782</b>	<b>226</b>	<b>887</b>	<b>(67)</b>	<b>(111)</b>	<b>13,717</b>	<b>4,331</b>	<b>4,352</b>

## 3(b) Other intangible assets

Particulars	Gross Block (at cost)				Amortisation				Net Block				
	As at April 1, 2016	Additions from business acquisition	Foreign Exchange Translation Adjustments	Deductions	As at March 31, 2017	As at April 1, 2016	Accumulated amortisation transferred upon business acquisition	For the year	Foreign Exchange Translation Adjustments	Deductions	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016
Computer software	3,760	14	(12)	-	4,198	3,427	6	449	(11)	-	3,871	327	333
Customer Contracts	-	558	-	-	558	-	-	156	(5)	-	151	407	-
Customer Relationships	-	2,425	-	-	2,425	-	-	50	(2)	-	48	2,377	-
<b>Total</b>	<b>3,760</b>	<b>2,997</b>	<b>(12)</b>	<b>-</b>	<b>7,181</b>	<b>3,427</b>	<b>6</b>	<b>655</b>	<b>(18)</b>	<b>-</b>	<b>4,070</b>	<b>3,111</b>	<b>333</b>

## 3(c) Goodwill

Particulars	As at March 31, 2018	As at March 31, 2017
Carrying value at the beginning	10,536	1,890
Goodwill on Business Combination during the year	-	9,322
Translation differences	267	(676)
Carrying value at the end	10,803	10,536

## Impairment

For the purpose of impairment testing, goodwill is allocated to a CGU 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 calculations 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.

Based on the above, no impairment was identified as of March 31, 2018 and 2017 as the recoverable value of the CGUs exceeded the carrying value. For calculation of the recoverable amount, the Group has used growth rate and discounting rate based on the weighted average cost of capital. These estimates are likely to differ from future actual results of operations and cash flows. An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the CGU's recoverable amount would fall below its carrying amount.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## NON-CURRENT ASSETS

### 4. FINANCIAL ASSETS

#### (a) Investments

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
(A) Investment property (at cost less accumulated depreciation)*			
Gross block			
Opening	2	2	389
Less: Transferred pursuant to a scheme of arrangement	-	-	(387)
Closing	2	2	2
Less : Accumulated depreciation			
Opening	2	2	149
Depreciation for the year	-	-	-
Less: Transferred pursuant to a scheme of arrangement	-	-	(147)
Closing	2	2	2
Net Block	-	-	-
Aggregate amount of investment property	-	-	-
* Fair Value of the investment property as at March 31,2018 is ₹ 130 lakhs			
(B) Investment in equity instrument(FVOCI)			
Investment in Majesco USA	16,637	16,881	20,356
5,044,875 Equity Shares of US \$ 0.002 each, fully paid up			
(C) Investment in share warrant at FVTPL			
Investment in Cashless Technologies India Private Limited	-	1	-
Share warrants (March 31, 2018- 8,000,000, March 31, 2017 - 8,000,000, April 1, 2016 - NIL)			
<b>Total (A + B + C)</b>	<b>16,637</b>	<b>16,882</b>	<b>20,356</b>

#### (b) Loans

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured, considered good			
Secured deposits	201	176	102
	<b>201</b>	<b>176</b>	<b>102</b>

#### (c) Other non-current financial assets

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Advances to employees	-	1	1
Foreign exchange forward contract	-	282	257
	-	<b>283</b>	<b>258</b>

### 5. OTHER NON-CURRENT ASSETS

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Capital advances	47	31	72
Prepaid expenses	0	2	2
Other loans and advances			
Other advances	39	39	58
	<b>86</b>	<b>72</b>	<b>132</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## CURRENT ASSETS

### 6. FINANCIAL ASSETS

#### (a) Investments

Particulars	As at					
	March 31, 2018		March 31, 2017		April 1, 2016	
	Units	Amount	Units	Amount	Units	Amount
<b>(i) Investment in mutual funds</b>						
<b>Investment in mutual funds (quoted - FVTPL):</b>						
Birla Sun Life Floating Rate Fund - Short Term Plan - Regular - Growth	-	-	21,143	46	-	-
Mahindra Liquid Fund - Regular - Growth	-	-	13,726	144	-	-
Indiabulls Liquid Fund - Growth	-	-	13,045	206	-	-
IDFC Cash Fund -Growth- Regular Plan	-	-	3,054	60	-	-
Baroda Pioneer Liquid Fund - Plan A - Growth	-	-	14,085	263	37,027	643
Birla Sun Life Cash Plus Fund - Growth	1,50,457	419	-	-	2,46,814	599
ICICI Prudential Money Market Fund - Growth	-	-	90,678	204	71,787	150
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	-	-	-	-
IDFC Yearly Series Interval Fund - Regular - Series II - Growth (9%)	10,02,363	151	-	-	-	-
Reliance Quarterly Interval Fund Series II	8,46,468	202	-	-	-	-
<b>Total (A)</b>		<b>1,024</b>		<b>923</b>		<b>1,392</b>
<b>Investment in mutual funds (quoted - FVOCI):</b>						
Kotak Floater Short Term Fund - Growth	-	-	-	-	8,064	200
Franklin India TMA - Super IP - Growth	-	-	-	-	9,282	210
Kotak Treasury Advantage Fund - Reg - Growth	-	-	19,46,216	507	17,64,200	426
Sundaram Ultra Short Term - Reg - Growth	-	-	-	-	21,86,228	452
ICICI Prudential Ultra Short Term Plan - Growth	-	-	14,59,579	243	29,88,941	458
UTI Short Term Income Fund	26,77,937	566	17,21,850	343	-	-
Kotak Corporate Bond Fund Standard Growth (Regular Plan)	41,894	956	31,422	671	-	-
HDFC Cash Mgmt Fund - Treasury Advantage Ret Growth	23,96,953	877	-	-	-	-
IDFC Corporate Bond Fund Regular Plan Growth	79,00,114	939	58,90,210	658	-	-
IDFC Credit Opportunities Fund Regular Plan Growth	48,56,963	521	-	-	-	-
Kotak Low Duration Fund -Growth	45,658	969	32,312	641	-	-
Kotak Treasury Advantage Fund - Reg - Growth	20,17,768	561	-	-	-	-
Birla Sun Life Floating Rate Fund - Long Term Plan - Regular - Growth	1,22,776	261	1,22,776	244	-	-
ICICI Prudential-Flexible Income Plan - Regular - Growth	5,73,138	1,910	6,16,067	1,918	-	-
HDFC Cash Management Fund - Treasury Advantage Ret Growth	-	-	41,62,273	1,430	-	-
Reliance Corporate Bond Fund - Growth Plan	7,25,674	102	-	-	-	-
UTI Treasury Advantage Fund Institutional Plan - Growth	1,03,699	2,484	1,03,699	2,324	-	-
<b>Total (B)</b>		<b>10,146</b>		<b>8,979</b>		<b>1,746</b>
<b>Total (A+B)</b>		<b>11,170</b>		<b>9,902</b>		<b>3,138</b>
<b>ii) Investment in term deposit (unquoted):</b>						
Term deposit with Housing Development Finance Corporation		600		600		-
<b>Total</b>		<b>600</b>		<b>600</b>		<b>-</b>
<b>Grand Total</b>		<b>11,770</b>		<b>10,502</b>		<b>3,138</b>
Aggregate market value of quoted investments		11,170		9,902		3,138
Aggregate amount of unquoted investment		600		600		-



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## (b) Trade receivables

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured			
Considered Good	13,514	8,509	9,713
Considered Doubtful	511	375	148
Less: Allowance for doubtful debts	(511)	(375)	(148)
	<b>13,514</b>	<b>8,509</b>	<b>9,713</b>

## (c) Cash and bank balances

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Cash and cash equivalents			
Cash on hand	1	4	4
Bank balances			
In current accounts	3,482	2,368	2,749
Fixed deposits	5,290	2,400	3,970
	<b>8,773</b>	<b>4,772</b>	<b>6,723</b>
Other bank balances			
Fixed deposits	-	-	2,095
Unpaid dividend account*	29	25	39
	<b>29</b>	<b>25</b>	<b>2,134</b>

\*Other bank balance represents earmarked balance in respect of unpaid dividend.

## (d) Loans

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured, Considered good			
Security Deposit	44	12	24
	<b>44</b>	<b>12</b>	<b>24</b>

## (e) Other current financial assets

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Advances to employees	161	174	162
Interest accrued on fixed deposits	46	3	89
Margin money deposit	1	1	2
Unbilled revenue	6,270	4,820	3,227
Reimbursable expenses receivable	79	96	266
Foreign exchange forward contract	-	1,668	841
R&D credit receivable	1,113	621	-
	<b>7,670</b>	<b>7,383</b>	<b>4,587</b>

## 7. OTHER CURRENT ASSETS

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Surplus contribution to employee benefit plan - gratuity (Refer Note 23)	-	-	29
Prepaid expenses	404	433	203
Input tax credit receivable	439	318	1,008
Advances to suppliers	176	15	145
Prepaid Rent	18	28	-
Interest accrued on income tax refunds	-	-	54
	<b>1,037</b>	<b>794</b>	<b>1,439</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 8. EQUITY SHARE CAPITAL

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Authorised:			
40,000,000 (March 31, 2017: 40,000,000; April 1, 2016: 40,000,000) equity shares of ₹ 5/- each	2,000	2,000	2,000
2,000,000 (March 31, 2017: 2,000,000; April 1, 2016: 2,000,000) preference shares of ₹ 100/- each	2,000	2,000	2,000
	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>
Issued, subscribed and fully paid up :			
23,692,056 (March 31, 2017: 23,377,533; April 1, 2016 : 22,997,274) equity shares of ₹ 5/- each fully paid	1,185	1,169	1,150
<b>Total</b>	<b>1,185</b>	<b>1,169</b>	<b>1,150</b>

(a) Reconciliation of the number of equity shares outstanding at the beginning and end of the year are as given below:

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity Shares						
Balance as at the beginning of the year	23,377,533	1,169	22,997,274	1,150	22,546,672	1,127
Add: Addition on account of exercise of employee stock option plans	314,523	16	380,259	19	450,602	23
Balance as at the end of the year	<b>23,692,056</b>	<b>1,185</b>	<b>23,377,533</b>	<b>1,169</b>	<b>22,997,274</b>	<b>1,150</b>

### (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	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Ashank Desai	3,099,552	13.1%	3,099,552	13.3%	3,099,552	13.5%
Sudhakar Ram	1,588,680	6.7%	2,791,680	11.9%	2,791,680	12.1%
Ketan Mehta	2,399,100	10.1%	2,519,100	10.8%	2,519,100	11.0%
Fidelity Purita Trust Fidelity Low Priced *	-	0.0%	-	0.0%	1,275,000	5.5%
Radhakrishnan Sundar	1,415,800	6.0%	1,445,800	6.2%	1,445,800	6.3%

\* Shareholding as at March 31, 2018 and March 31, 2017 is reduced to less than 5%.

### (d) Shares reserved for issue under options

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Number of shares to be issued under the employee stock option plans	2,324,638	2,327,292	2,739,627

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## (e) Shares bought back (during 5 years immediately preceding March 31, 2018)

Particulars	As at				
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2015	March 31, 2014
Equity shares bought back	-	-	-	-	2,484,007

## 9. OTHER EQUITY

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
<b>a) Capital Reserve</b> Any profit or loss on purchase, sale, issue or cancellation of the company own equity instrument is transferred to capital reserve	21	21	21
<b>b) Capital redemption reserve</b> Non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares.	1,539	1,539	1,539
<b>c) Security Premium</b> Amount received (on issue of shares) in excess of the par value has been classified as securities premium	1,772	1,381	1,081
<b>d) Employee stock options outstanding account</b> 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.	1,029	802	707
<b>e) General reserve</b> This represents appropriation of profit by the company	362	362	362
<b>f) Excess tax benefits from exercise of share-based options</b> Future tax benefits expected to arise from difference in tax base and accounting base as per tax laws for respective countries where group operates	1,742	38	10
<b>g) Retained earnings</b> Retained earnings comprises of the prior year's undistributed earning after taxes	33,581	27,649	24,613
<b>h) Foreign currency translation reserve</b> 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 recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve.	(1,047)	(4,550)	-
<b>i) Equity instrument through other comprehensive income</b> Changes in the fair value of equity instruments is recognized in equity instruments through other comprehensive income (net of taxes), and presented within equity	14,567	16,993	17,377
<b>j) Other item of other comprehensive income</b> Other item of other comprehensive income consist of FVOCI financial assets and financial liabilities and remeasurement of defined benefit assets and liability	177	1,502	726
	<b>53,743</b>	<b>45,737</b>	<b>46,436</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 9.1 Distributions made and proposed

The Board of Directors at its meeting held on April 20, 2017 had recommended a final dividend of 50% (₹ 2.5 per equity share of par value ₹ 5 each). The proposal was approved by shareholders at the Annual General Meeting held on June 22, 2017, this has resulted in a cash outflow of ₹ 585 lakhs, inclusive of dividend distribution tax. Also, the Board of Directors at its meeting held on October 26, 2017, had declared an interim dividend of 40% (₹ 2 per equity share of par value of ₹ 5 each) for the quarter ended September 30, 2017. Further, the Board of Directors at its meeting held on April 18, 2018 have recommended a final dividend of 80% (₹ 4 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 ₹ 948 lakhs, exclusive of dividend distribution tax.

## NON-CURRENT ASSETS

### 10. FINANCIAL LIABILITIES

#### (a) Borrowings

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Secured			
Term loan from Axis bank UK Limited (Refer note (a) below)	4,888	6,485	-
Long term maturities of finance lease obligations in respect of vehicles (Refer note (b) below)	-	23	18
Vehicle loans from financial institution (Refer note (c) below)	73	15	-
	<b>4,961</b>	<b>6,523</b>	<b>18</b>

<u>Nature of security</u>	<u>Terms of repayment</u>
a) (i) Secured by pledge of all assets of Digility Inc. (incl. shares of Trans American Information Systems Inc. and membership Interest in Taistech LLC.) and shares of Digility 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 LIBOR + 250 basis point.
(ii) Secured by mortgage of Pune property of Mastek Limited.	
(iii) Secured by corporate guarantee of USD 12 million given by the company.	
b) Finance lease obligations are secured by hypothecation of assets (Vehicles) underlying the leases.	Monthly payment of Equated Monthly Instalments beginning from the month subsequent to taking the lease along with interest.
c) 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%.

#### (b) Other non-current financial liabilities

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Security and other deposits	113	107	72
Contingent consideration payable on business acquisition	2,131	3,731	207
Foreign exchange forward contract	409	-	-
	<b>2,653</b>	<b>3,838</b>	<b>279</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 11. PROVISIONS

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Provision for employee benefits			
Provision for gratuity (Refer Note 23)	68	162	-
Provision for leave encashment	570	779	525
Other Provision			
Provision for cost overrun on contracts	26	26	25
	<b>664</b>	<b>967</b>	<b>550</b>

## CURRENT LIABILITIES

### 12. FINANCIAL LIABILITIES

#### (a) Borrowings

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured:			
Loan from bank	391	2	-
	<b>391</b>	<b>2</b>	<b>-</b>

Note:

(a) Unsecured loans is repayable on demand.

#### (b) Trade payables

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Trade payables	1,889	1,989	949
	<b>1,889</b>	<b>1,989</b>	<b>949</b>

#### (c) Other financial liabilities

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Current maturities vehicle loans from financial institution(Secured) (Refer Note 10 (c))	18	3	-
Current maturities of finance lease obligations in respect of vehicles (Refer Note 10 (b))	-	25	30
Current maturities of Term loan (Refer Note 10 (a))	1,629	-	-
Unpaid dividends (Refer note (a) below)	29	25	39
Security and other deposits	3	5	0
Other payables			
Employee benefits payable	1,900	1,443	1,431
Accrued expenses	3,446	2,694	2,444
Contingent consideration payable on business acquisition	3,567	2,115	310
Foreign exchange forward contract	337	-	-
	<b>10,929</b>	<b>6,310</b>	<b>4,254</b>

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 March 31, 2018.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 13. OTHER CURRENT LIABILITIES

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Unearned revenue	803	994	1,745
Capital creditors	193	45	25
Deferred Rent	19	27	26
Statutory dues (including stamp duty, provident fund and tax deducted at source)	3,344	2,148	3,087
	<b>4,359</b>	<b>3,214</b>	<b>4,883</b>

## 14. PROVISIONS

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Provision for employee benefits			
Provision for employee benefits	474	328	600
	<b>474</b>	<b>328</b>	<b>600</b>

## 15. REVENUE FROM OPERATIONS

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Information technology services	81,564	55,855
Other operating revenue		
Reimbursement of expenses from customers	157	161
	<b>81,721</b>	<b>56,016</b>

## 16. OTHER INCOME

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Interest income - On fixed deposits	44	120
- On Income tax refunds	72	121
- On others	36	11
Profit on sale of current investments	340	305
Rental income	253	256
Profit on sale of tangible assets, net	-	4
Net gain on foreign currency transactions and translation	244	-
Dividend Income from current investment	6	-
Doubtful debts recovered	15	142
Others*	1,089	301
	<b>2,099</b>	<b>1,260</b>

\*This includes R&D credit for the year ended March 31, 2018, ₹ 1031 lakhs

## 17. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Salaries, wages and performance incentives	43,670	28,895
Gratuity (Refer Note 23)	281	211
Contribution to provident and other funds	2,551	2,247
Employee stock compensation expenses	395	229
Staff welfare expense	1,197	742
	<b>48,094</b>	<b>32,325</b>

# Notes to the Consolidated Financial Statements

## For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

### 18. FINANCE COSTS

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Interest on term loan	252	64
Interest on finance lease	5	11
Bank charges	16	182
Other finance charges*	313	120
	<b>586</b>	<b>377</b>

\*This includes interest on fair value of contingent consideration.

### 19. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Depreciation on tangible assets	879	887
Amortisation on intangible assets	997	655
Less: Reimbursement of common cost received from Majesco Limited and Majesco software and Solutions India Private Limited	-	(49)
	<b>1,876</b>	<b>1,493</b>

### 20. OTHER EXPENSES

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Recruitment and training expenses	393	286
Travelling and conveyance	3,086	2,141
Communication charges	283	240
Electricity	334	385
Consultancy and sub-contracting charges	13,935	10,584
Audit Fees (Refer note 39)	82	67
Rates and taxes	324	256
Repairs to buildings	350	430
Repairs : others	623	597
Insurance	236	96
Printing and stationery	61	58
Professional fees	1,543	1,727
Rent	876	428
Advertisement and publicity	468	311
Net loss on foreign currency transactions and translation	-	196
Provision / (Reversal) for doubtful debts and loans and advances, net	88	136
Bad debt written off	16	10
Hire Charges	78	87
Provision for cost overrun on contracts, net	-	1
Expenditure towards corporate social responsibility (CSR) activities (Refer Note 40)	91	130
Loss on sale of fixed asset, net	1	-
Miscellaneous expenses	793	670
	<b>23,661</b>	<b>18,836</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 21. EXCEPTIONAL ITEMS

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Demerger expenses	-	340
	-	<b>340</b>

## 22. EARNINGS PER SHARE (EPS)

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
The components of basic and diluted earnings per share for total operations are as follows:		
(a) Net income attributable to equity shareholders	<b>6,996</b>	3,241
(b) Weighted average number of outstanding equity shares		
Considered for basic EPS	<b>23,521,823</b>	23,214,937
Add : Effect of dilutive potential equity shares arising from outstanding stock options	<b>1,335,225</b>	1,003,614
Considered for diluted EPS	<b>24,857,048</b>	24,218,551
(c) Earnings per share (net of taxes) in ₹		
Basic	<b>29.74</b>	13.96
Diluted	<b>28.14</b>	13.38
(Face value per share ₹ 5/- each)		

## 23. EMPLOYEE BENEFIT PLANS

Amount recognized in the statement of profit and loss in respect of gratuity cost (defined benefit plan) is as follows:

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
<b>Gratuity Cost</b>		
Service cost	<b>265</b>	216
Net interest on net defined liability/(asset)	<b>4</b>	(5)
Past service cost	<b>12</b>	-
<b>Net gratuity cost*</b>	<b>281</b>	211
<b>Actuarial (Gain) / Loss charged to Other Comprehensive Income</b>	<b>(375)</b>	(0)
<b>Assumptions</b>		
Interest rate	<b>7.75% - 8%</b>	7.10% - 7.6%
Salary increase	<b>10.0%</b>	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.

\* This excludes 9 months expenditure incurred prior to the date of business combination in FY 16-17.



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

The following table sets out the status of gratuity plan.

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
<b>Obligation at the beginning of the year</b>	<b>2,017</b>	1,765	3,662
Add: Balance transferred on account of acquisition	-	89	-
Service cost	<b>266</b>	216	259
Past service cost	<b>12</b>	-	-
Interest cost	<b>148</b>	140	174
Actuarial (gain)/loss- financial assumption	<b>(34)</b>	87	-
Actuarial (gain)/loss- experience	<b>(130)</b>	(99)	(166)
Liabilities assumed on acquisition/(settled on divestiture)	-	-	(1,963)
Actuarial (gain)/loss- Demographic assumptions	<b>(223)</b>	-	-
Benefits paid	<b>(151)</b>	(181)	(201)
<b>Obligation at the end of the year</b>	<b>1,905</b>	<b>2,017</b>	<b>1,765</b>
<b>Change in plan assets</b>			
Plan assets at the beginning of the year, at fair value	<b>1,855</b>	1,794	3,784
Employer Contribution	-	110	0
Actuarial gain/(loss)	-	-	-
Interest income on plan assets	<b>145</b>	146	206
Assets acquired on acquisition/(distributed on divestiture)	-	-	(1,963)
Remeasurement on plan assets less interest on plan assets	<b>(13)</b>	(12)	(31)
Benefits paid	<b>(150)</b>	(183)	(202)
<b>Plan assets at the end of the year, at fair value</b>	<b>1,837</b>	<b>1,855</b>	<b>1,794</b>

## Historical information

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Present value of defined benefit obligation	<b>1,905</b>	2,017	1,765	3,662	2,884
Fair value of plan assets	<b>1,837</b>	1,855	1,794	3,784	2,157
Liability /(Assets) recognized	<b>68</b>	162	(29)	(122)	727

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	
	March 31, 2018	March 31, 2017
Experience adjustment on plan liabilities	<b>(388)</b>	(13)
Experience adjustment on plan assets	<b>13</b>	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	As at March 31, 2018		As at March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount Rate (50 bps)	<b>(58)</b>	<b>62</b>	(107)	116
Salary Growth (50 bps)	<b>59</b>	<b>(56)</b>	112	(104)

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 March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Maturity profile of defined benefit obligation:

Particulars	As at	
	March 31, 2018	March 31, 2017
1 Year	266	135
2 Year	363	104
3 Year	229	33
4 Year	204	111
5 Year	188	113
6 Year	208	116
7 Year	158	155
8 Year	158	111
9 Year	155	124
10 Year and above	1,652	4,510

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.

## 24. INCOME TAX

(a) Income tax expenses in the statement of profit and loss consists of:

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
<b>Current income tax</b>		
In respect of current year	2,725	378
<b>Deferred tax</b>		
In respect of current year	(118)	287
<b>Income tax expenses recognised in the statement of profit or loss</b>	<b>2,607</b>	<b>665</b>
<b>Income tax expenses recognised in other comprehensives income:</b>	<b>(704)</b>	<b>397</b>

(b) Income tax expenses in the statement of profit and loss consists of:

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Profit before taxes	9,603	3,906
Enacted income tax rate in India	34.6%	34.6%
Computed expected tax expense	3,323	1,352
<b>Effect of:</b>		
Income tax charge/write back for earlier years	299	(903)
Impact on Deferred Tax due to change in income tax rate (India & US)	238	-
Expenses that are not deductible in determining taxable profit	22	261
Differential tax rates changes of subsidiaries operation in other jurisdictions	(1,304)	(44)
Others	29	(1)
<b>Total income tax expenses recognised in the statement of profit and loss</b>	<b>2,607</b>	<b>665</b>

(c) Deferred tax assets/ (liabilities) in relation to:

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Property, plant and equipment	711	803	884
Provision for doubtful debts	78	63	51
Others liabilities	161	306	447
Net gain on fair value of mutual funds	(180)	(129)	(8)
MAT Credit entitlement	2,291	2,374	2,437
Undistributed Profits of Subsidiaries	(1,685)	(1,850)	(1,891)
Cash flow hedges	217	(675)	(380)
Excess tax benefits from exercise of share-based options	1,742	38	10
Others	104	64	87
<b>Total</b>	<b>3,439</b>	<b>994</b>	<b>1,637</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 25. RELATED PARTY DISCLOSURES

Key Management Personnel (KMP):	Sudhakar Ram, Vice Chairman and Managing Director John Owen, Group Chief Executive Officer (from November 1, 2016) Abhishek Singh, Group Chief Financial Officer (from September 17, 2016) 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 Jamshed Jussawalla, Chief Financial officer (up to September 16, 2016) Dinesh Kalani, Company Secretary
Enterprise where KMP has control:	Cashless Technologies India Private Limited (w.e.f. February 2, 2016)
Joint Venture	Legal Practice Technologies Limited (up to December 6, 2016)

### i) Transaction with key management personnel

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Short Term employee benefit	694	312
Share based payment transactions	7	1
Director Sitting Fees	79	30
Director Commission Paid	25	16
Total compensation paid to key management personnel	805	359

### ii) Transaction with Enterprise : Cashless Technologies India Private Limited

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Income from Technology Services	25	402
Rental Income	-	9
Share Warrant	-	1
Other reimbursable expense recovered from	-	4

### iii) Closing Balances are given below: Cashless Technologies India Private Limited

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Trade Receivables	-	1	-
Other Current assets	-	0	-
Other current liabilities	-	5	-
Share Warrant	-	1	-

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 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 geographical information.

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 categorized 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.

CODM does not review assets and liabilities at reportable segments level hence segment disclosure relating to total assets and liabilities has not been provided. Geographical information on revenue and industry revenue information is collated based on individual customers invoices or in relation to which the revenue is otherwise recognized.

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Segment Revenue		
UK	56,315	46,040
North America	23,715	7,078
Others	1,691	2,898
Total	81,721	56,016

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Segment Result		
UK	8,112	4,871
North America	1,550	65
Others	(503)	99
Total	9,159	5,035
Finance costs	586	377
Other unallocable expenditure net of unallocable income	(1,030)	412
Profit before exceptional item and tax	9,603	4,246
Exceptional items	-	(340)
Profit before tax	9,603	3,906

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 charges, 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 March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 27. ACQUISITION OF SHARES OF TRANS AMERICAN INFORMATION SYSTEMS INC AND TAISTECH LLC

During the financial year 2017, 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 December 22, 2016 for a total consideration of ₹ 14,115, including a contingent consideration of ₹ 5,794, payable over a period of three years linked to certain financial targets. The fair value of the contingent consideration liability was established by applying a discount rate of 5.5%. The purchase price has been allocated, as set below to assets acquired and liabilities assumed in business combination.

Component	Purchase price allocated
Property, plant and machinery	34
Net current assets	2,221
Intangible assets	3,118
<b>Total</b>	<b>5,373</b>
Goodwill	8,742
<b>Total purchase price</b>	<b>14,115</b>

The intangible assets are amortized over a period of one to fifteen years as per management's estimate of its useful life, based on the life over which economic benefits are expected to be realized.

The undiscounted contingent consideration liability can range between ₹ 5,162 to ₹ 7,091.

## 28. ACQUISITION OF TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED

During the previous year, Company has acquired 100% stake in Trans American Information Systems Private Limited a company engaged in IT consulting and Software Services, for a fixed consideration of ₹ 1187. The difference between total consideration paid till date and the value of net assets taken over as of date of acquisition of ₹ 607 is accounted as Goodwill on consolidation amounting to ₹ 581. This Goodwill on consolidation will be tested for impairment at each reporting period.

Trans American Information Systems Private 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 customer.

The fair value of purchase consideration of ₹ 1187. The purchase price has been allocated, as set below to assets acquired and liabilities assumed in business combination.

Component	Purchase price allocated
Property, plant and machinery	56
Net current assets	551
<b>Total</b>	<b>607</b>
Goodwill	580
<b>Total purchase price</b>	<b>1,187</b>

The goodwill amounting to ₹ 581 comprises value of benefits of expected synergies, future revenue, future market developments, assembled workforce.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 29. FINANCIAL INSTRUMENTS

The carrying value and fair value of financial instruments by categories as at March 31, 2018, March 31, 2017 and April 1, 2016 is as follows:

Particulars	Carrying Value			Fair Value		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
<b>Financial Assets</b>						
<b>Amortised Cost</b>						
Loans	245	188	126	245	188	126
Trade receivables	13,514	8,509	9,713	13,514	8,509	9,713
Cash and cash equivalents	8,773	4,772	6,723	8,773	4,772	6,723
Other bank balances	29	25	39	29	25	39
Other assets	7,670	5,717	3,746	7,670	5,717	3,746
Investment in term deposit	600	600	2,095	600	600	2,095
<b>FVOCI</b>						
Investment in MF (Quoted)	10,146	8,979	1,746	10,146	8,979	1,746
Derivative assets	-	1,950	1,098	-	1,950	1,098
Investment in equity shares (Quoted)	16,637	16,882	20,356	16,637	16,882	20,356
<b>FVTPL</b>						
Investment in liquid fund	1,024	923	1,392	1,024	923	1,392
<b>Total Assets</b>	<b>58,638</b>	<b>48,545</b>	<b>47,034</b>	<b>58,638</b>	<b>48,545</b>	<b>47,034</b>
<b>Financial Liabilities</b>						
<b>Amortized Cost</b>						
Borrowings	6,999	6,553	48	6,999	6,553	48
Trade payables	1,889	1,989	949	1,889	1,989	949
Other liabilities	5,491	4,274	3,986	5,491	4,274	3,986
<b>FVOCI</b>						
Derivative liabilities	746	-	-	746	-	-
<b>FVTPL</b>						
Contingent consideration	5,698	5,846	517	5,698	5,846	517
<b>Total Liabilities</b>	<b>20,823</b>	<b>18,662</b>	<b>5,500</b>	<b>20,823</b>	<b>18,662</b>	<b>5,500</b>

## 30. 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 March 31, 2018, March 31, 2017 and April 1, 2016.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2018:

Particulars	Fair value measuring using				
	Date of valuation	Total	Level 1	Level 2	Level 3
Financial liabilities measuring at fair value					
<b>Derivative Liabilities</b>					
Foreign exchange forward contract	March 31, 2018	746	-	746	-
<b>FVTOCI financial assets designated at fair value</b>					
Investment in Equity Instruments	March 31, 2018	16,637	16,637	-	-
Investment in MF	March 31, 2018	10,146	10,146	-	-
<b>FVTPL financial assets designated at fair value</b>					
Investment in Liquid Fund	March 31, 2018	1,024	1,024	-	-
<b>Financial liabilities designated at FVTPL</b>					
Contingent consideration	March 31, 2018	5,698	-	-	5,698

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2017:

Particulars	Fair value measuring using				
	Date of valuation	Total	Level 1	Level 2	Level 3
Financial assets measuring at fair value					
<b>Derivative Assets</b>					
Foreign exchange forward contract	March 31, 2017	1,950	-	1,950	-
<b>FVTOCI financial assets designated at fair value</b>					
Investment in Equity Instruments	March 31, 2017	16,882	16,882	-	-
Investment in MF	March 31, 2017	8,979	8,979	-	-
<b>FVTPL financial assets designated at fair value</b>					
Investment in Liquid Fund	March 31, 2017	923	923	-	-
<b>Financial liabilities designated at FVTPL</b>					
Contingent consideration	March 31, 2017	5,846	-	-	5,846

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at April 01, 2016:

Particulars	Fair value measuring using				
	Date of valuation	Total	Level 1	Level 2	Level 3
Financial assets measuring at fair value					
<b>Derivative Assets</b>					
Foreign exchange forward contract	April 1, 2016	1,098	-	1,098	-
<b>FVTOCI financial assets designated at fair value</b>					
Investment in Equity Instruments	April 1, 2016	20,356	20,356	-	-
Investment in MF	April 1, 2016	1,746	1,746	-	-
<b>FVTPL financial assets designated at fair value</b>					
Investment in Liquid Fund	April 1, 2016	1,392	1,392	-	-
<b>Financial liabilities designated at FVTPL</b>					
Contingent consideration	April 1, 2016	517	-	-	517

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## Derivative financial instrument

The group's risk management policy is to hedge substantial amount of forecast transactions under GBP. Hedge is broadly classified as revenue hedge. 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 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 exchange 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.

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		
	March 31, 2018	March 31, 2017	April 1, 2016
Non Designated derivative instrument	22,792	15,150	15,061
Non Designated derivative instrument in GBP lakhs	240	154	139
No. of Contracts	205	86	53
Forward Contracts covers part of the exposure during the period April 2018 -January 2022			

Mark-to-Market (gains) / losses	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Opening balance of Mark-to-market gains receivable on outstanding derivative contracts	1,950	1,098	1,881
Less: Reclassified from Hedging reserve account to statement of profit and loss	(1,300)	(1,894)	(900)
Add: Changes in the fair value of derivative instrument recognised in OCI	(1,396)	2,746	305
Less: Transferred pursuant to a scheme of arrangement	-	-	(188)
Closing balance of Mark-to-market gains receivable on outstanding derivative contracts	(746)	1,950	1,098
Disclosed under:			
Other current financial assets	-	1,668	841
Other non-current financial asset	-	282	257
Other current financial liabilities	(337)	-	-
Other non-current financial liabilities	(409)	-	-
	(746)	1,950	1,098

There were no ineffectiveness recognised in the Statement of profit and loss during the period.



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 31. 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 minimize 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 Group'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, analysis of historical bad debts, ageing of accounts receivable and other factors.

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. Significant portion of Group receivable are in UK and US geography where Group's historical experience in terms of actual bad debt is minimal. Most of the Group's doubtful debts pertains to the Indian public sector which is undergoing through restructuring and therefore, Group evaluate every receivable in the geography and create adequate provision after analyzing specific risk.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Revenue from Top Customer	9,085	6,616
Revenue from Top 5 Customer	30,527	23,631

### Investments

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors

### 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 unutilized 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	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Cash and Cash Equivalent	8,773	4,772	6,723
Other bank balances	29	25	39
Investment in MF	11,170	9,902	3,138
Investment in Term Deposit	600	600	2,095
	20,572	15,299	11,994

# Notes to the Consolidated Financial Statements

## For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018, March 31, 2017 and April 1, 2016:

Particulars	As at March 31, 2018	
	Less than 1 Year	1 Year and above
Borrowings	2,038	4,961
Trade Payables	1,889	-
Other Financial Liabilities	8,945	2,244
Derivative Financial Instruments	337	409

Particulars	As at March 31, 2017	
	Less than 1 Year	1 Year and above
Borrowings	30	6,523
Trade Payables	1,989	-
Other Financial Liabilities	6,282	3,838

Particulars	As at April 1, 2016	
	Less than 1 Year	1 Year and above
Borrowings	30	18
Trade Payables	949	-
Other Financial Liabilities	4,224	279

### 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.

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 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 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 March 31, 2018 and March 31, 2017.

Particulars	As at March 31, 2018		
	USD \$	GBP £	INR ₹
Financial Assets	124	397	44,655
Financial Liabilities	202	105	22,804
<b>Net Assets/(Liabilities)</b>			<b>21,851</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2017		
	USD \$	GBP £	INR ₹
Financial Assets	66	379	34,924
Financial Liabilities	199	88	19,997
<b>Net Assets/(Liabilities)</b>			<b>14,927</b>

Particulars	As at April 1, 2016		
	USD \$	GBP £	INR ₹
Financial Assets	1	415	39,714
Financial Liabilities	-	92	8,801
<b>Net Assets/(Liabilities)</b>			<b>30,913</b>

As at March 31, 2018 and March 31, 2017, respectively, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact results by approximately ₹ 219, ₹ 149 and ₹ 309 respectively.

## 32. 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 maximize shareholder value.

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
<b>Total Equity Attributable to the Equity Share Holders of Group</b>	<b>54,928</b>	<b>46,906</b>	<b>47,586</b>
As percentage of total Capital	89%	88%	100%
Current Borrowings	2,038	30	30
Non Current Borrowings	4,961	6,523	18
<b>Total Borrowings</b>	<b>6,999</b>	<b>6,553</b>	<b>48</b>
As a percentage of total Capital	11%	12%	0%
<b>Total Capital (Borrowings and Equity)</b>	<b>61,927</b>	<b>53,459</b>	<b>47,634</b>

The Group is predominately equity financed which is evident from capital structure table. Further, the Group has always been a net cash Group with cash and bank balances along with current financial assets which is predominantly investment in liquid and short term mutual funds being far in excess of debt.

## 33. FIRST-TIME ADOPTION OF INDIAN ACCOUNTING STANDARD (IND AS)

The Group's consolidated financial statements for the year ended March 31, 2018 are prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2016 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the Ind AS Consolidated Financial Statements for the year ended March 31, 2018, be applied consistently and retrospectively for all fiscal years presented.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the consolidated financial statements under both Ind AS and Indian GAAP as of the Transition Date have been recognized directly in equity at the Transition Date.

In preparing these consolidated financial statements, the Group has availed itself of certain exemptions and exceptions in accordance with Ind AS 101 as explained below:

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## (a) Exception from full retrospective application:

1. Estimates exception: Upon an assessment of the estimates made under previous GAAP, the management is of the opinion that there was no need to revise such estimates under Ind AS, except where estimates were required by Ind ASs and not required by previous GAAP.

## b) Exemption from retrospective application:

1. Share-based payment exemption: The Group has availed exemption available under Ind AS 101 on application of Ind AS 102, "Share Based Payment", to equity instruments that vested before the date of transition to Ind ASs.
2. Business combination exemption: The Group has applied the exemption as provided in Ind AS 101 from application of Ind AS 103, Business Combinations" to business combinations made prior to April 1, 2016.
3. The cumulative translation differences for all the foreign operations are deemed to be zero on the date of transition and the gain or loss on a subsequent disposal of any foreign operation shall exclude translation differences that arose before date of transition and shall include subsequent translation differences.
4. The Group has elected to continue with the carrying value of all its property, plant and equipment including asset held for sale as recognised in consolidated financial statements as at April 1, 2016 (transition date) to Ind AS measured as per the Previous GAAP and use that as its deemed cost as at the transition date.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2016, measured as per the Previous GAAP, and use that carrying value as the deemed cost or such intangible assets.

5. Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial assets, as Fair Value through Other Comprehensive Income (FVTOCI) on the basis of the facts and circumstances that existed at the date of transition to Ind AS. Accordingly, the Group has designated its investments in equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS.
6. The Group has designated various hedging relationships as cash flow hedges under the Previous GAAP. On date of transition to Ind AS, the Group has assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently, the Group continues to apply hedge accounting on and after the date of transition to Ind AS.

## (c) Reconciliations:

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101:

equity as at April 1, 2016;

equity as at March 31, 2017;

total comprehensive income for the year ended March 31, 2017;

### i) Equity reconciliation

Particulars	Notes	As at	
		March 31, 2017	April 01, 2016
<b>Equity under previous GAAP</b>		<b>34,860</b>	<b>31,933</b>
Fair Valuation of Mutual Funds	2(a)	372	24
Fair Valuation of Non Current Investment	2(b)	15,002	18,479
Adjustment on account of Business Combination	1	(732)	(567)
Taxes		(2,634)	(2,265)
Others		38	(19)
<b>Equity as per Ind AS</b>		<b>46,906</b>	<b>47,586</b>
<b>Comprising:</b>			
<b>Paid up Equity Share Capital</b>		<b>1,169</b>	<b>1,150</b>
<b>Other Equity</b>		<b>45,737</b>	<b>46,436</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## ii) Total comprehensive income reconciliation

Particular	Notes	As at March 31, 2017
<b>Net Profit as per Previous GAAP</b>		<b>3,691</b>
Business Combination	1	(267)
Fair value of investment designated at FVTPL	2(a)	14
Employee Benefit Expenses	3	(123)
Revenue recognition - multiple element accounting		(88)
Others		14
<b>Net profit for the period as per IND AS</b>		<b>3,241</b>
Other Comprehensive loss		(4,157)
<b>Total Comprehensive loss</b>		<b>(916)</b>

### Notes:

#### 1. Business combination

"Under Ind AS, the acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date. This has resulted in the recognition of intangible assets and consequent amortisation of such intangible assets in the statement of profit and loss. Under previous GAAP, the assets and liabilities of the acquiree are recognised at their book values.

Further, under Ind AS, contingent consideration payable on business combination is recognised on the date of acquisition at fair value and revalued subsequently on each reporting date for change in fair value, if any. While under previous GAAP it was accounted at cost as and when liability is probable."

#### 2. Fair valuation of investments:

- a) 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 recognized in the statement of profit and loss. Under previous GAAP, they are measured at lower of cost or net realisable value. Some mutual fund and Liquid fund investments have been classified as FVTPL based on the business model of the group. Consequently, increase in fair value of such investments in quoted mutual funds has resulted in a gain.
- b) Under Ind AS, financial assets designated at fair value through other comprehensive income (FVTOCI) are fair valued at each reporting date with changes in fair value (net of deferred taxes) recognized directly in other comprehensive income. Under previous GAAP, they were measured at cost with provision for dimunition other than temporary. Investments in equity instruments have been classified as FVTOCI. Consequently, fair value of such equity instruments designated at FVTOCI has resulted in a gain in other comprehensive income.
3. Under previous GAAP, actuarial gains and losses were recognised in the statement profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of statement of profit and loss.
4. Under the Previous GAAP, the Group was not required to present other comprehensive income (OCI) separately. As per Ind AS 1, Presentation of Financial Statements, actuarial gain / loss on defined benefit liability, effective portion of cash flow hedges and currency translation reserve and gain/loss on other financial assets fair valued through OCI has been shown as a part of OCI.
5. The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31st March, 2017 as compared with the previous GAAP.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 34. EMPLOYEE STOCK BASED COMPENSATION

### i) Plan IV

The Shareholders of the Company through Postal Ballot on August 9, 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 March 31, 2018		Year ended March 31, 2017	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options,beginning of the year	147,927	99	276,117	105
Granted during the year	-	-	0	-
Exercised during the year	(15,894)	116	(7,247)	113
Lapsed/Cancelled during the year	(86,382)	97	(120,943)	113
Outstanding options,end of the year	45,651	97	147,927	99
Options exercisable,end of the year	45,651	97	147,927	99

### 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 March 31, 2018		Year ended March 31, 2017	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options,beginning of the year	62,225	68	143,825	65
Granted during the year	-	-	-	-
Exercised during the year	(10,000)	47	(79,100)	63
Lapsed/Cancelled during the year	-	-	(2,500)	47
Cancelled revoked during the year	2,500	47	-	-
Outstanding options,end of the year	54,725	71	62,225	68
Options exercisable,end of the year	54,725	71	62,225	68

### 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 March 31, 2018		Year ended March 31, 2017	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options,beginning of the year	1,023,660	79	1,342,312	81
Granted during the year	-	-	-	-
Exercised during the year	(192,744)	62	(189,869)	48
Lapsed/Cancelled during the year	(29,875)	175	(128,783)	139
Outstanding options,end of the year	801,041	80	1,023,660	79
Options exercisable,end of the year	649,506	66	590,631	60

# Notes to the Consolidated Financial Statements

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(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 and its Independent Directors, 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 March 31, 2018		Year ended March 31, 2017	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options, beginning of the year	1,093,480	114	977,373	87
Granted during the year	665,825	218	320,000	169
Exercised during the year	(95,885)	100	(104,043)	62
Lapsed/cancelled during the year	(240,199)	294	(99,850)	84
Outstanding options, end of the year	1,423,221	133	1,093,480	114
Options exercisable, end of the year	491,232	94	289,384	82

The following tables summarize information about the options/ shares outstanding under various programs as at March 31, 2018, March 31, 2017 and April 1, 2016 respectively:

Particulars	As at March 31, 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	801,041	5.2	80
Programme VII	1,423,221	7.4	133

Particulars	As at March 31, 2017		
	No. of share options	Weighted average remaining contractual life in years	Weighted average exercise price
Programme IV	147,927	0.7	99
Programme V	62,225	3.5	68
Programme VI	1,023,660	6.4	79
Programme VII	1,093,480	7.7	114

Particulars	As at April 1, 2016		
	No. of share options	Weighted average remaining contractual life in years	Weighted average exercise price
Programme IV	276,117	3.5	105
Programme V	143,825	4.5	65
Programme VI	1,342,312	7.2	81
Programme VII	977,373	8.0	87

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

The weighted average fair value of each unit under the plan, granted during the year ended was ₹ 257 using the Black-Scholes model with the following assumptions:

Particulars	As at March 31, 2018
Weighted average grant date share price	349.8
Weighted average exercise price	217.5
Dividend yield %	1.7%
Expected life	3-7
Risk free interest rate	6.80%
Volatility	67.80%

**Volatility:** Volatility is a measure of the amount by which a price hedge 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 Lhc 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.

**Expected life the options:** Expected life or the options is the period for which 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 been calculated as an total of interim and final dividend declared in last year preceding date of grant.

## 35. LEASES

### 1. Operating Lease

#### i) Lease payment

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Future minimum lease payment under non-cancellable operating lease (in respect of properties):			
Due within one year	554	476	146
Due later than one year but not later than five years	1,322	1,229	60
Due later than five year	-	302	-
<b>Total Minimum lease payment</b>	<b>1,876</b>	<b>2,007</b>	<b>206</b>

#### ii) Lease income

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Future minimum lease income under non-cancellable operating lease (in respect of properties):			
Due within one year	44	234	168
Due later than one year but not later than five years	0	39	196
	<b>44</b>	<b>273</b>	<b>364</b>



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 2. Finance Lease

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Total minimum finance lease payment outstanding			
Due within one year	-	30	36
Due later than one year but not later than five years	-	26	20
Total minimum lease payments	-	56	56
Less: interest not due	-	(8)	(8)
Present value of net minimum lease payments	-	48	48

## 36. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2018 is ₹ 130 (March 31, 2017: ₹ 133 and April 1, 2016: ₹ 295)

## 37. CONTINGENT LIABILITIES

Particulars	As at	
	March 31, 2018	March 31, 2017
Claims against Company not acknowledged as debts		
(a) Sales tax matter	362	238
(b) Stamp duty matter	-	-
(c) Income tax matter	-	854

- (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.

## 38. MICRO, SMALL AND MEDIUM ENTERPRISES

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. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or on balance brought forward from previous year.

## 39. PAYMENT TO THE AUDITOR

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Statutory Audit Fees	69	40
Other Expenses	13	27
	82	67

## 40. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITIES

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Amount required to be spent as per Section 135 of the Companies Act	84	97
Amount spent during the year	91	130

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## 41. 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
<b>Parent</b>							
Mastek Limited	12.1%	6,658	(180.3%)	(12,616)	527.1%	(1,311)	(206.4%)
<b>Subsidiaries</b>							
<b>Indian</b>							
Trans American Information Systems Private Limited	(5.0%)	(2,770)	(43.6%)	(3,053)	5.8%	(14)	(45.5%)
<b>Foreign</b>							
Mastek (UK) Limited	88.3%	48,497	281.0%	19,661	(398.3%)	991	306.1%
IndigoBlue Consulting Limited	(1.7%)	(954)	(17.5%)	(1,225)	(9.8%)	24	(17.8%)
Digility Inc.	(3.4%)	(1,851)	(13.0%)	(911)	(14.4%)	36	(13.0%)
Taistech LLC	23.2%	12,750	181.2%	12,673	(6.2%)	15	188.1%
Trans American Information Systems Inc.	(13.5%)	(7,403)	(107.7%)	(7,532)	(4.1%)	10	(111.5%)

As per our report of even date attached

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

**Khushroo B. Panthaky**

Partner

Membership No.: 42423

**Sudhakar Ram**

Vice Chairman and Managing Director

**S. Sandilya**

Non-Executive Chairman and Independent Director

**Abhishek Singh**

Chief Financial Officer

**Dinesh Kalani**

Company Secretary

Place : Mumbai

Date : April 18, 2018

Place : Mumbai

Date : April 18, 2018

# Frequently Asked Questions (FAQs)

Shareholders and Investors are advised to go through the section on Management Discussion & 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 LTD 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 May 14, 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. HAS THE COMPANY ISSUED ANY BONUS SHARES IN PAST? HAS THERE BEEN ANY STOCK SPLIT?

The Company issued bonus shares in the ratio of 1:1 in January 2000 and in April 2006.

The Company's shares were sub divided from ₹ 10/- to ₹ 5/- in November 2000.

## 3. WHICH ARE THE STOCK EXCHANGES WHERE THE COMPANY'S SHARES ARE LISTED?

The Company's shares are listed in India on National Stock Exchange of India Limited and BSE Limited. (NSE: MASTEK; BSE: 523704).

## 4. 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 of the Company 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 share capital of the Company as on 31 March, 2018 is ₹ 1,185 lakhs and comprises of fully paid 23,692,056 equity shares of ₹ 5/- each.

## 5. 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)
- **IndigoBlue Consulting Ltd - United Kingdom** (Wholly Owned Subsidiary of Mastek (UK) Limited)

- **Digility Inc – U.S.A.** (Wholly Owned Subsidiary of Mastek (UK) Limited)
- **TAISTech LLC, U.S.A.** - (Wholly Owned Subsidiary of Digility Inc., U.S.A.)
- **Trans American Information Systems Inc. – U.S.A** - (Wholly Owned Subsidiary of Digility Inc., U.S.A.)

## 6. WHAT IS THE COMPANY'S AREA OF OPERATION?

Mastek is a publicly held (NSE: MASTEK; BSE: 523704) leading IT player with global operations providing enterprise solutions to government and enterprise organizations worldwide. With its principal offshore delivery facility based at Mumbai, India, Mastek operates in the UK, USA and Indian market regions. The Company 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.

## 7. WHAT IS THE EMPLOYEE STRENGTH OF THE GROUP?

As on March 31, 2018, the Group had 2,058 employees

## 8. HOW MANY SOFTWARE DEVELOPMENT CENTRES DOES THE COMPANY HAVE?

The Company has seven development centers out of which two are located in and around Mumbai, two in Chennai and one each in Noida, Gurgaon and Pune.

## 9. WHERE ARE THE MARKETING OFFICES SITUATED?

The Company has Marketing offices in : UK, U.S.A and in India.

## 10. WHAT IS THE FISCAL YEAR OF THE COMPANY?

The Fiscal Year of the Company is April 01-March 31 every year. The Fiscal Year of the Company was changed from July 01-June 30 to April 01-March 31 from April 2013 onwards after enactment of the Companies Act, 2013.

## 11. 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,  
Ahmedabad-380006, Gujarat  
Phone: +91-79-2656-4337; Fax: +91-22-6695-1331;  
E mail: [investor\\_grievances@mastek.com](mailto:investor_grievances@mastek.com)  
Website: [www.mastek.com](http://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](mailto:investor.relations@mastek.com)**12. 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 period under review, ICRA Limited, a reputed Rating Agency, had reaffirmed the ratings assigned for the bank facilities as [ICRA]A+ (Stable) 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.

**13. WHAT ARE THE FINANCIAL HIGHLIGHTS OF THE COMPANY'S PERFORMANCE THIS YEAR ON ADOPTION OF INDIAN ACCOUNTING STANDARDS ("IND AS")?**

PARTICULARS	CONSOLIDATED ₹ in Lakhs		STANDALONE ₹ in Lakhs	
	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017
Revenue from operations	81,721	56,016	16,232	16,948
Profit after tax	6,996	3,241	1,574	2,312

**14. WHO ARE THE AUDITORS OF THE COMPANY?**

**M/s. Walker Chandio & Co. LLP, Chartered Accountants** (Firm Registration No. 001076N/N500013), are the Statutory Auditors of the Company since 35<sup>th</sup> Annual General Meeting ("AGM") of the Company for a period of Five years, commencing from the conclusion of 35<sup>th</sup> AGM till the conclusion of the 40<sup>th</sup> AGM.

Earlier, M/s. Price Waterhouse Chartered Accountants LLP, was the statutory auditors of the Company for many years till 35<sup>th</sup> AGM and got retire at the conclusion of the 35<sup>th</sup> AGM due to the rotational requirements prescribed under the Companies Act, 2013.

**15. WHAT IS THE PAST YEARS' DIVIDEND TRACK RECORD OF THE COMPANY SINCE FISCAL YEAR 2001?**

Fiscal Year (Face Value of ₹ 5/- each)	Share Outstanding (in Millions)	Dividend (per share)	Total Dividend (₹ 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

\* Final Dividend of ₹ 4/- per shares (@80%) for financial year 2017-18 is proposed by the Board of Directors at its meeting held on April 18, 2018 which is subject to the Shareholders' approval at the ensuing 36<sup>th</sup> AGM.

**16. 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.

**17. 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](http://www.bseindia.com)) and National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)), where the shares of the Company are listed.

**18. 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

Financial Year	Date	Time	Location
2016-17	June 22, 2017	11.00 A.M	Ahmedabad Management Association, H.T. Parekh Hall, Ahmedabad- 380015
2015-16	July 25, 2016	11.00 A.M	Ahmedabad Management Association, H.T. Parekh Hall, Ahmedabad- 380015
2014-15	August 17, 2015	11.00 A.M	Ahmedabad Management Association, H.T. Parekh Hall, Ahmedabad- 380015

**21. WHO IS THE REGISTRAR AND SHARE TRANSFER AGENT (RTA)?**

The Registrar and Share Transfer Agent (RTA) of Mastek Limited since April 2016 are:

**Karvy Computershare Private Limited**

**Unit: Mastek Limited**

Address: Karvy Selenium, Tower B, Plot No. 31-32, Gachibowli, Nanakramguda,

Financial District, Hyderabad - 500032, Telangana.

Phone: Tel.: +91-040-6716-2222; Fax: +91-040-2342-0814;

Toll Free no.: 1800-345-4001

E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

Contact Person: Ms. Sripriya Senthilkumar

**22. HOW DOES ONE TRANSFER HIS/HER SHARES OR CHANGE THE ADDRESS WITH THE REGISTRAR & SHARE TRANSFER AGENT?**

For the transfer of shares in physical form and noting your change of address, you need to write to Company's Registrar & Share Transfer Agent, Karvy Computershare Private Limited (mailing address given in section 21 above).

Transfer of shares in the electronic mode is effected through your Depository Participant only.

Limited ([www.bseindia.com](http://www.bseindia.com)) and National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)), where the shares of the Company are listed.

**19. DOES THE COMPANY ORGANISE ANY INVESTOR/ANALYST MEETING?**

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 meeting are also held with senior officials of the Company and the disclosure of the said meetings are made with the stock exchanges and also updated on the website of the Company at <https://www.mastek.com/investor-information>.

**20. WHEN WERE THE COMPANY'S LAST THREE AGMs HELD?**

AGMs for the past three financial years were held on the following dates and location.

**23. WHOM DOES ONE CONTACT IN CASE OF NON-RECEIPT OF DIVIDEND, LOSS OF SHARE CERTIFICATES, ETC?**

You may contact Company's Registrar & Share Transfer Agent, Karvy Computershare Private Limited (mailing address given in section 21 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](mailto:investor_grievances@mastek.com)

**24. IS AUTOMATED CLEARING HOUSE (ACH) MODE FACILITY AVAILABLE FOR PAYMENT OF DIVIDEND?**

The Company extends ACH mode facility to all its shareholders. The dividend amount of shareholders availing ACH mode facility is directly credited to their bank accounts. Shareholders holding shares in physical form may submit a Mandate form to Karvy Computershare Private Limited (RTA) (mailing address given in section 21 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.

**25. 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 outsider.

**26. 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 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 the forty-eight hours after the disclosure of such financial results/information to the Stock Exchanges.

**27. 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](http://www.nsdl.com) and [www.cdslindia.com](http://www.cdslindia.com).

**28. 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 Registrar & Share Transfer Agent, Karvy Computershare Private Limited (mailing address given in section 21 above) with details of folio numbers (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 issue a fresh Demand Draft from the 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 Karvy Computershare Private Limited in writing (mailing address given in section 21 above).

Also, you might 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.

**29. 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 AUTHORITY)?**

Pursuant to the provisions of Section 124 and 125 of the Companies Act 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 seven consecutive years or more is required to be transferred by the Company in the name of Investor Education and Protection Fund Authority ("IEPF Authority") in specified Demat Account

The web link to find out the Details of Equity Shares/Dividends transferred to IEPF Authority is available on the website of the Company at <https://www.mastek.com/investor-information>

The Company had identified and initiated the share transfer process with Depositories as advised by the Company's Registrar and Share Transfer Agent and transferred 48,285 shares in November, 2017 and 7,033 shares in January, 2018 (based on transfer to IEPF of Un-Paid Interim Dividend of year 2009-10 and Un-Paid Final Dividend of year 2009-10 in November 2017 and January, 2018 respectively) to Investor Education and Protection Fund Authority Demat Account to comply with the said Rules. The List of shareholders whose shares were transferred to IEPF Authority is available on the Company's website at <https://www.mastek.com/investor-information>.

In case the shareholders have any queries on the subject matter and the Rules, they may contact the Company's Share Transfer Agent, Karvy Computershare Private Limited (mailing address given in section 21 above). The Members / claimants whose shares, unclaimed dividend, etc. have been transferred to IEPF may claim the shares and unclaimed dividend or apply for refund by making an application to IEPF Authority in IEPF Form-5 (available on [www.iepf.gov.in](http://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.

**30. 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 PAN Update/E-Communication Registration form annexed elsewhere in this Annual Report can be sent to

the Registrar and Share Transfer Agent of the Company, Karvy Computershare Private Limited (mailing address given in section 21 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.

1. Members holding the shares in physical form may send the communication to the Registrar and Share Transfer Agent of the Company, either physically or

through e-mail at: (a) einward.ris@karvy.com OR  
(b) investor\_grievances@mastek.com

2. Members holding the shares in demat form may furnish their E-mail id details to the respective Depository Participants in their prescribed formats.

The PAN Update/E-Communication Registration form should be signed by the sole/first named Member as per the specimen signature recorded with the Registrar and Share Transfer Agent of the Company. Even after registering the e-communication, members are entitled to receive such communications in physical form on request made by them.

\*\*\*\*

# Notice to Members

**NOTICE** is hereby given that the 36<sup>th</sup> (Thirty Sixth) Annual General Meeting of **MASTEK LIMITED (CIN: L74140GJI982PLC005215)** will be held at **11.00 a.m on Thursday, July 19, 2018** at H.T. Parekh Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad 380015, Gujarat, to transact the following business:

## **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend of ₹2/- per Equity Share and declare a Final Dividend of ₹4/- per Equity Share (Face Value of ₹5/- each) for the financial year 2017-18.
3. To appoint a Director in place of Mr. Ashank Desai (DIN: 00017767), a Non- Executive Director who retires by rotation and being eligible, offers himself for re-appointment.

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to provisions of Section 152 and other applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or re- enactment(s) thereof, for the time being in force), the approval of the members of the Company, be and is hereby accorded, for the reappointment of Mr. Ashank Desai (DIN: 00017767) as Director, liable to retire by rotation.”

## **4. Ratification of Appointment of Statutory Auditors**

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re- enactment(s) thereof, for the time being in force), the Rules made thereunder as amended from time to time and pursuant to the resolution of the Members passed at the 35<sup>th</sup> Annual General Meeting (AGM), the appointment of M/s. Walker Chandiook & Co. LLP, Chartered Accountants (ICAI Firm Registration No.

001076N/N500013), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 40<sup>th</sup> Annual General Meeting, to be held in year 2022, be and is hereby ratified on such remuneration in addition to taxes and out-of-pocket expenses, etc. as may be mutually agreed upon by the Board of Directors and the Auditors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and/or Company Secretary be and are hereby authorized to do all acts, file necessary forms with Registrar of Companies and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution.”

## **SPECIAL BUSINESS:**

### **5. Payment of Profit related Commission to Non-Executive Directors including Independent Directors**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149(9), 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the rules thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), payment of a profit related commission of a sum not exceeding in aggregate **one percent per annum**, of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, be paid to and distributed amongst any or all of the Directors of the Company, other than the Managing Director/ Whole-time Director(s) of the Company, but including the Independent Directors of the Company, for a period of five financial years commencing from April 01, 2018 to March 31, 2023, in such amounts or proportions and in such manner and in all respects as may be decided and determined by the Board of Directors of the Company, and such payments shall be made in respect of the profits of the Company for each financial year.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including Committee) and/or Company Secretary be and are hereby authorized to do all acts, file necessary forms with Registrar of Companies and take all such steps as may be necessary, proper or expedient to give effect to his resolution including payment of such commission for the five year period.”



**6. Payment of Certain Benefits/Perquisites to Mr. Ashank Desai- Non-Executive Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to Section 197 and all other applicable provisions if any, of the Companies Act, 2013 (“the Act”) and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to all such permissions, sanctions and approvals as may be necessary, approval of the Company be and is hereby accorded for the payment of certain benefits/ perquisites as mentioned herein below to Mr. Ashank Desai (00017767), Non-Executive Director of the Company, who is neither in Whole-time employment nor a Executive Director of the Company over and above the sitting fees and eligible commission payable to him as a Non-Executive Director:

- residence telephone expenses (including Internet Connection) incurred by Mr. Desai for official purposes, mobile bills and credit card fees;
- payment of premium for Medclaim and Personal Accident (PA) policy covering Mr. Desai and his family and further renewal thereof;

**RESOLVED FURTHER THAT** the monetary value of the above perquisites/ facilities, shall not exceed ₹15 Lacs per annum for a period of three (3) years effective from July 01, 2018 to June 30, 2021.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or the Company Secretary of the Company, be and is hereby authorized to do all such acts, deeds, file necessary form with Registrar of Companies and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

**NOTES:**

1. **A MEMBER ENTITLED TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Proxies, in order to be effective, must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting (**on or before July 17, 2018, by 11.00 a.m. IST**). **A proxy form for the same is enclosed.**

2. The respective Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business under Item Nos. 5 and 6 of the accompanying Notice are annexed hereto.
3. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other Member.
4. During the period beginning 24 hours before the time fixed for commencement of the Annual General Meeting (“AGM”) and until the conclusion of the Meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with the specimen signature(s) of their representative(s) who are authorized to attend and vote on their behalf at the AGM.
6. Members, Proxies and Authorized 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.**
7. 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.
8. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company’s Registered Office on all working days of the Company during business hours upto the date of the AGM.
9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 (“the Act”), 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 by the members at the AGM.

## 10. BOOK CLOSURE AND DIVIDEND

The Register of Members and Share Transfer Books of the Company shall remain closed from **Friday, July 13, 2018 to Thursday, July 19, 2018, both days' inclusive**, for ascertaining the eligibility for payment of final dividend, if declared, at the AGM.

The Board of Directors of the Company at its meeting held on April 18, 2018 has recommended a dividend of ₹ 4/- per equity share (@80%) (Face Value of ₹ 5/- each) as final dividend for the financial year 2017-18. Final dividend, if declared, at the Annual General Meeting, will be paid within 30 days to those members whose names appear on the register of members of the Company as of the end of the day on **July 12, 2018**. The dividend in respect of shares held in dematerialized form in the Depository System will be paid to the beneficial owner of the shares as on **July 12, 2018**, as per the list to be provided by the Depositories for this purpose.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, accordingly, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company / Registrar and Share Transfer Agents of the Company.
12. Member whose shareholding is an electronic mode are requested to direct change of address notifications and updates of bank account details to their respective Depository Participants. We urge the members to utilize the Electronic Clearing System (ECS)/Automated Clearing House (ACH) mode for receiving dividends.
13. Members are requested to immediately notify any change in their address and E-mail IDs to the Registrar and Share Transfer Agent of the Company at the following address:

### **Karvy Computershare Private Limited (Unit- Mastek Limited)**

Address: Karvy Selenium Tower-B,  
Plot No. 31 & 32, Financial District, Nanakramguda,  
Serilingampally Mandal, Hyderabad - 500 032, Telangana.  
Phone: Tel: 91-40-6716-1500 Fax: +91-40-2331-1968  
E-Mail: einward.ris@karvy.com;  
Toll free no.: 1800-345-4001.

## 14. UNCLAIMED DIVIDEND

Pursuant to the provisions of Section 124 of the Companies Act, 2013, the Company has transferred on the due dates,

the Unclaimed Final Dividend for the financial year 2009-10 to the Investor Education and Protection Fund (IEPF) established by the Central Government.

15. 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/Registrar and Share Transfer Agent.

## 16. TRANSFER OF CONCERNED SHARES TO 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 September 07, 2016 and as per the amendment made from time to time, all underlying shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more were required to be transferred to the DEMAT Account of the IEPF Authority. The Company had identified and initiated the share transfer process with Depositories and transferred 48,285 shares in November, 2017 and 7,033 shares in January, 2018 (due to be transferred to IEPF based on Un-Paid Interim Dividend of year 2009-10 and Un-Paid Final Dividend of year 2009-10 in November 2017 and January, 2018 respectively) to Investor Education and Protection Fund Authority Demat Account to comply with the said Rules. The List of shares transferred to IEPF Authority is available on the Company's website at <https://www.mastek.com/investor-information>.

In case the shareholders have any queries on the subject matter and the Rules, they may contact the Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited. The Members / claimants whose shares, unclaimed dividend, etc. have been transferred to IEPF may claim the shares and unclaimed dividend or apply for refund by making an application to IEPF Authority in IEPF Form-5 (available on [www.iepf.gov.in](http://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, to consider dematerialization 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.

17. Members holding shares in their single name/Physical Form are advised to make a nomination in respect of their shareholding in the Company, whilst those Members holding shares in demat mode should file their nomination with their concerned Depository Participant.
18. 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

Annual Report and other documents to the members at the e-mail address registered for the said purpose. We request the members to register their e-mail address with their Depository Participant or with Karvy Computershare Private Limited, Registrar and Share Transfer Agent of the Company, for sending various notices, Annual Report and other documents through Electronic Mode (form attached). Those members who have changed their e-mail Address are requested to register their new e-mail Address with Karvy Computershare Private Limited, Registrar and Share Transfer Agent of the Company in case the shares are held in physical form, and with the Depository Participant where shares are held in Demat mode.

19. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, 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 dematerialized mode to enable expeditious credit of the dividend into their respective Bank accounts electronically through the Automated Clearing House (ACH) mode.
20. The Annual Report 2017-18, the Notice of the 36<sup>th</sup> Annual General Meeting, along with the Attendance slip, Proxy form and E-Voting particulars, are being send through the electronic mode to members whose Email 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 Email addresses, physical copies are being send by the permitted mode. Members may also note that Annual Report for the financial year ended March 31, 2018 including Notice of the 36<sup>th</sup> Annual General Meeting is also available on the Company's website at [www.mastek.com/financial-information](http://www.mastek.com/financial-information) for their download.

## 21. PROCESS AND MANNER OF E-VOTING

Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at the ensuing Annual General Meeting by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Thursday, July 12, 2018**, i.e. the date prior to the commencement of book closure, 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 Sunday, July 15, 2018 (9.00 a.m. IST) and will end on Wednesday, July 18, 2018 (5.00 p.m. IST)**. In addition, the facility for voting through electronic mode, an Ballot/Instapoll voting system shall also be made available at the AGM venue and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM venue. The Company has appointed Mr. Prashant S. Mehta, Practising Company Secretary, to act as the Scrutinizer, to scrutinize 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 Computershare Private Limited for facilitating remote e-voting for AGM. The instructions for remote e-voting are as under:
  - (a) **In case of Members receiving an e-mail from M/s. Karvy Computershare 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 shareholders (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 Scrutinizer by an e-mail at [acs.pmehta@gmail.com](mailto: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."

**(b) In case of Shareholders 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.

EVEN		
(E-Voting Event Number)	USER ID	PASSWORD
3784		

- (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 Computershare 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 the **July 12, 2018** 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 despatch of the Annual Report and before the book closure may obtain the user ID and Password by sending a request at [evoting@karvy.com](mailto:evoting@karvy.com) or [investor\\_grievances@mastek.com](mailto:investor_grievances@mastek.com).

However, if you are already registered with M/s. Karvy Computershare 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 M/s. Karvy Computershare Private Limited at the following toll free no. 1800-345-4001.

- V. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
- VI. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer 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.
- VII. The Scrutinizer 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 two witnesses not in the employment of the Company and shall make, not later than two days from the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, and submit to the Chairman/ Company Secretary or a person authorized by the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.
- VIII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.mastek.com](http://www.mastek.com) and on the website of Karvy Computershare Private Limited immediately after the declaration of result by the Chairman / Company Secretary or a person authorized by Chairman in writing. The results shall also be immediately forwarded to Stock Exchanges where the shares of the Company 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 Annual General Meeting. 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. Additional information on Director recommended for re-appointment as required under Regulation 26 and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meeting is as follows:

**Item No.3**

Name of the Director	Ashank Desai
Director Identification Number (DIN)	00017767
Date of Birth	16/05/1951
Nationality	Indian
Date of Appointment	06-06-1982
Qualification	B.E. from Mumbai University, M. Tech from the Indian Institute of Technology, Mumbai and Post Graduate Diploma in Business Management (PGDBM) from the IIM Ahmedabad
Expertise in specific functional areas	Mr. Desai is Founder and former Chairman of Mastek and has vast experience in IT arena. Mr. Desai, a founding member of NASSCOM, was also the President of Asian-Oceanic Computing Industry Organization (ASOCIO). He is also expert in Brand Building, Strategy Guidance, Merger and Acquisitions, Alliance and Partnerships etc. His outstanding contributions have earned him many accolades.
Shareholding in Mastek	30,99,552 (13.08%)
List of Directorships held in other Companies	1. NRB Bearings Limited 2. Trans American Information Systems Private Limited 3. Gurukul Knowledge Foundation 4. Indian Federation Against Software Theft 5. National Association Of Software And Service Companies 6. Mastek Foundation 7. Santacruz Electronics Export Manufacturers Association 8. PanIIT Alumni Reach for India (PARFI)
Memberships / Chairmanships of Committees across Public companies including Mastek Limited	<b>Mastek Limited</b> <b>Member:</b> - Audit Committee, - Stakeholders' Relationship Committee, - Nomination & Remuneration Committee, - Corporate Social Responsibility Committee <b>Chairman:</b> Governance Committee  <b>NRB Bearings Limited</b> <b>Member:</b> - Stakeholders' Relationship Committee, - Corporate Social Responsibility Committee and
No of Board Meetings attended during the year	5 of 5
Relationships between the Directors inter-se	No such relationship exist between the Directors inter-se
Remuneration Details	Refer Corporate Governance Report

By Order of the Board of Directors  
For **Mastek Limited**

Date: April 18, 2018  
Place: Mumbai  
Reg. Office: 804/805, President House, Opp. C. N. Vidyalaya,  
Near Ambawadi Circle, Ambawadi, Ahmedabad - 380 006

**Dinesh Kalani**  
Company Secretary  
Membership Number: FCS 3343

# ANNEXURE TO THE NOTICE

## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IS GIVEN BELOW.

### ITEM NO.5

#### Payment of Profit related Commission to Non-Executive Directors including Independent Directors

The Members at the 31<sup>st</sup> Annual General Meeting of the Company held on July 17, 2013 passed a Special Resolution under erstwhile Section 309 of the Companies Act, 1956, approving the payment of Commission to Non-Executive Directors of the Company, for a period of five financial years commencing from April 01, 2013 till March 31, 2018.

As members are aware, that the Companies Act, 2013, and dynamic business environment have placed more onerous responsibilities on the Non-Executive Directors (NED) and particularly the Independent Directors. This requires the Directors to play a more pro-active role along with greater involvement in Board's decision making process. Considering the above and with a view to align the remuneration payable to Non-Executive Directors / Independent Directors with the industry standards, it is proposed to renew the profit related commission, of a **sum not exceeding in aggregate one percent per annum, of the net profits of the Company** calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, payable to all Non-Executive / Independent Directors for a further period of five financial years commencing from April, 2018 to March 2023.

In line with the prevailing practice, the Board has adopted a compensation structure for Non-Executive Directors/ Independent Directors that is linked to the attendance at Board meetings, Membership/Chairmanship of Committee/s of the Board, overall responsibilities as a Director and other relevant factors including time spent on critical policy decisions and higher degree of engagement. Within the overall limit, Commission will be distributed amongst the Directors in accordance with the recommendation of Nomination and Remuneration Committee and directions given by the Board of Directors in respect of each financial year. The Commission will be in addition to the sitting fees payable to the Directors for attending the meetings of the Board or Committee thereof and reimbursement of expenses for participation in the Board and other meetings.

The Non-Executive Directors and the Independent Directors are deemed to be concerned or interested in passing of the resolution at Item No.5. Except the Non-Executive Directors and the Independent Directors, no other Director(s) or Key

Managerial Personnel of the Company or their relatives are in any way concerned or interested (financially or otherwise) in the resolution set out at Item No. 5 of the Notice.

The Board of Directors recommend the Special Resolution set out at Item No. 5 of the Notice, for approval of Members.

### ITEM NO. 6

#### Payment of Certain Benefits / Perquisites to Mr. Ashank Desai - Non-Executive director:

Mr. Ashank Desai, one of the founder Director of the Company, being a Non-Executive Director, represents the Company at various industry and public forums, both domestic and international. In view of his long association and in-depth knowledge of the Company and the industry, the Company is immensely benefitted by his continuous interaction with Government/ Semi-Government organizations. He has been actively involved with industry forums such as NASSCOM, ASSOCHAM and CII. Mr. Desai is the Chairman of Corporate Governance Committee and Member of Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee of the Company.

Also, the Shareholders at the 33<sup>rd</sup> Annual General Meeting of the Company held on August 17, 2015 passed a Special Resolution under Section 197 and all other applicable provisions of the Companies Act, 2013, approving the payment of certain Benefits / Perquisites which can be paid to Mr. Ashank Desai not exceeding ₹15 Lacs per annum, for a period of three years commencing from July 01, 2015 till June 30, 2018.

Taking into consideration his long associations with the Company and his on-going contribution for the Company, the Board of Directors in their meeting held on April 18, 2018 had proposed to continue, based on the recommendation of Nomination and Remuneration Committee, to pay Mr. Ashank Desai as a Non-Executive Director, Benefits/ Perquisites such as:

- re-imbursment of residence telephone expenses (including Internet Connection) incurred by Mr. Desai for official purposes, mobile bills and credit card fees;
- payment of premium for Mediclaim and Personal Accident (PA) policy covering Mr. Desai and his family and further renewal thereof;

For a further period of three (3) years from July 01, 2018 till June 30, 2021, over and above the payment of sitting fees and eligible commission, subject to the approval of the Shareholders at the 36<sup>th</sup> Annual General Meeting. The Monetary value for the said benefits/ perquisites shall not exceed ₹15 Lakhs per annum.

During the preceding three year period, the amount of Benefits/ Perquisites Paid to Mr. Ashank Desai are as follows :-

Sr. No.	Financial Year	Amount in ₹
1	2017-18	61,965/-
2	2016-17	1,12,264/-
3	2015-16	1,34,499/-

Save and except Mr. Ashank Desai and his relatives no other Director(s) and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested (financially or otherwise) in the resolution set out at Item No. 6 of the Notice.

The Board of Directors recommend the Special Resolution set out at Item No. 6 of the Notice, for approval of Members.

By Order of the Board of Directors  
For **Mastek Limited**

**Dinesh Kalani**

*Company Secretary*

Membership Number: FCS 3343

Date: April 18, 2018

Place: Mumbai

Reg. Office: 804/805,

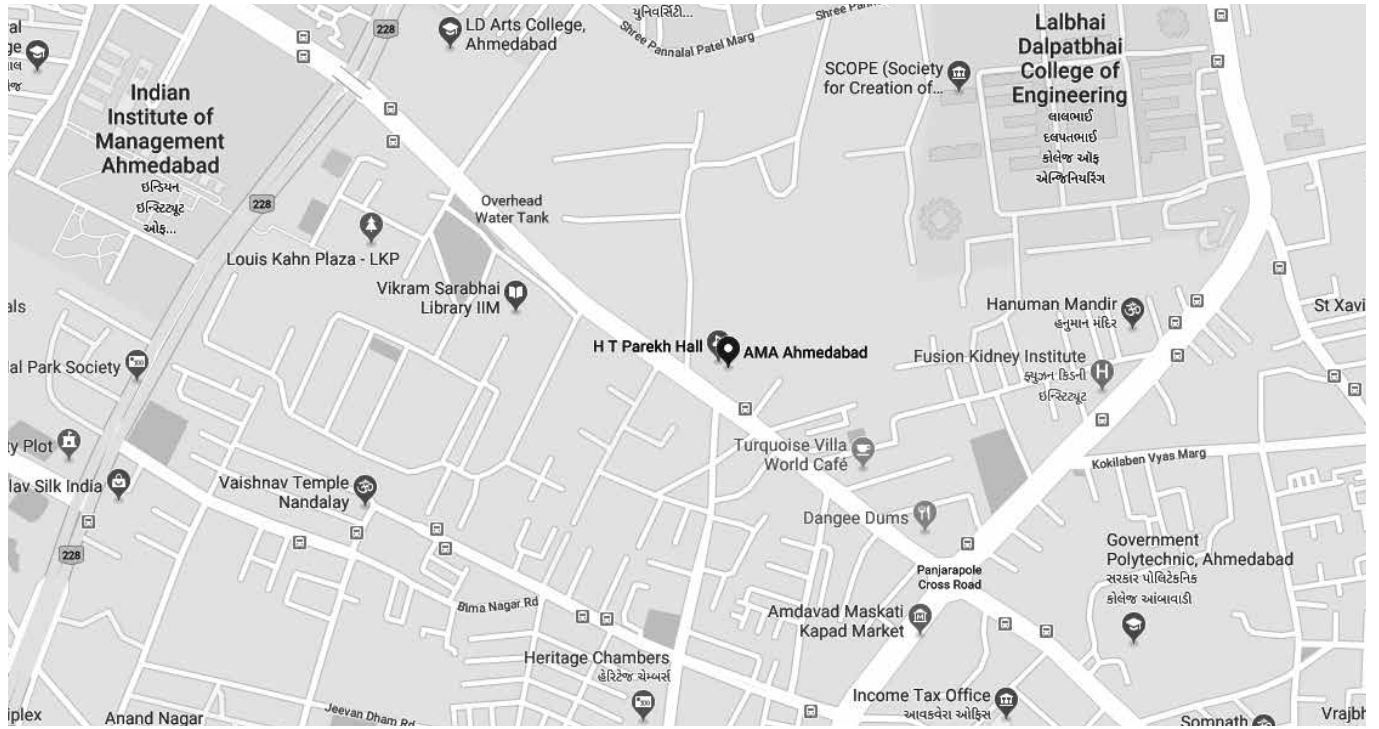
President House,

Opp. C. N. Vidyalaya,

Near Ambawadi Circle,

Ambawadi, Ahmedabad - 380 006

**36<sup>TH</sup> ANNUAL GENERAL MEETING TO BE HELD ON THURSDAY, JULY 19, 2018**  
**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

**Regd. Office:** 804/805, President House, Opp. C. N. Vidyalaya, Near Ambawadi Circle, Ambawadi, Ahmedabad - 380 006;

**CIN:** L74140GJ1982PLC005215; **Website:** www.mastek.com;

**Phone:** +91-79-2656-4337; **Fax:** +91-22-6695 1331; **E mail:** investor\_grievances@mastek.com

### 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 36<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, July 19, 2018 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	
		For	Against
	<b>Ordinary Business:</b>		
1.	To receive, consider and adopt Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 together with reports of the Board of Directors and the Auditors' thereon.		
2.	To confirm the payment of Interim Dividend of ₹ 2/- per Equity Share and declare a Final Dividend of ₹ 4/- per Equity Share (Face Value of ₹ 5/- each) for the financial year 2017-18.		
3.	Re-appoint a Director in place of Mr. Ashank Desai (DIN: 00017767), a Non- Executive Director who retires by rotation and being eligible, offers himself for reappointment.		
4.	To consider the ratification for appointment of M/s. Walker Chandiook & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the 40 <sup>th</sup> Annual General Meeting, to be held in year 2022 and to fix their remuneration.		
	<b>Special Business: Special Resolution</b>		
5.	To consider Payment of Profit related Commission to Non- Executive Directors including Independent Directors for a period of five financial years commencing from April 01, 2018 to March 31, 2023.		
6.	To consider Payment of Certain Benefits/Perquisites to Mr. Ashank Desai- Non-Executive Director for a period of three (3) years effective from July 01, 2018 to June 30, 2021.		

Signed this..... day of..... 2018

Signature of shareholder..... Signature of Proxy Holder(s).....

#### 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 36<sup>th</sup> 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.



# PAN UPDATE/E-COMMUNICATION REGISTRATION FORM

[FOR PHYSICAL HOLDER OF SHARES/FOR SHAREHOLDERS NOT YET UPDATED  
THEIR E-MAIL ID OR BANK ACCOUNT DETAILS WITH THE COMPANY]

To,  
**KARVY COMPUTERSHARE PRIVATE LIMITED**  
**(Unit: MASTEK LIMITED)**  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District, Nanakramguda,  
Hyderabad – 500 032  
Toll Free No.: 1800-345-4001  
Email : einward.ris@karvy.com

<b>Folio No. / DP ID &amp; Client ID</b>	
<b>Name of the sole / first named Member</b>	
<b>Name of joint holder(s)</b>	
<b>Registered Address of Member</b>	
<b>Permanent Account Number (PAN)</b>	
<b>E Mail ID to be registered</b>	
<b>Mobile No</b>	

<b>Bank Account Details : (for electronic credit of unpaid dividends and all future dividends)</b>			
<b>Name of the Bank</b>			
<b>Name of the Branch</b>			
<b>Account Number (as appearing in your cheque book)</b>			
<b>Account Type (Saving / Current / Cash Credit)</b>	<b>Saving</b>	<b>Current</b>	<b>Cash Credit</b>
<b>9 Digit MICR Number (as appearing on the MICR cheque issued by the bank) Please enclose a photocopy of a cheque for verification</b>			
<b>11 Digit IFSC Code</b>			

**Date:**

**Signature of the Member:** \_\_\_\_\_

**Note:**

- Members holding shares in demat form are requested to fill up prescribed registration form with their Depository Participant (DP).
- Members are requested to keep DP/Registrar & Share Transfer Agent/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.
- Members hereby authorize Company to send all the correspondence on the above mentioned e-mail id.
- Please enclose a self-attested copy of PAN card of the shareholders, original cancelled cheque leaf, Bank pass book and address proof viz., Aadhaar card as required for updating of the details along with this form.





# Notes

A series of horizontal dotted lines for writing notes.

## India Offices

### MUMBAI

#### Mastek Limited

#106/107/122/122 C  
SDF IV, Seepz,  
Andheri (East),  
Mumbai - 400 096  
Tel: +91-22-6722-4200  
Fax: +91-22-6695-1331

### MUMBAI

#### Mastek Limited

# IT 5/6/7/8, SDF VII,  
Seepz, Andheri (East),  
Mumbai - 400 096  
Tel: +91-22-6722-4200  
Fax: +91-22-6695-1334

### MUMBAI

#### Mastek Limited

#183, SDF VI, Seepz,  
Andheri (East),  
Mumbai - 400 096  
Tel: +91-22-6722-4200  
Fax: +91-22-6695-1332

### NOIDA

#### Trans American Information Systems Private Limited

Logix Cyber Park, Tower C,  
9th Floor, C- 28 & 29, Sector 62,  
Noida, Uttar Pradesh - 201 301

### NAVI MUMBAI

#### Mastek Limited

A/7, Mastek Millennium Centre  
Millennium Business Park, Mahape,  
TTC, Off Thane Belapur Road  
Navi Mumbai - 400 710  
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Fax: +91-22-2778-1332

### NAVI MUMBAI

#### Mastek Limited

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### PUNE

#### Mastek Limited

B 1/201, Second Floor, THE  
CEREBRUM, Kumar Cerebrum IT  
Park, Mulik Nagar, IT Park Area,  
Kalyani Nagar, Pune - 411 014  
Tel: +91-20-6607-2000/2703-2015/16  
Fax: +91-20-6607-2003

### GURGAON

#### Trans American Information Systems Private Limited

Unit Nos. 101, 101A, 102A and 102B,  
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Tel: +91-124-4231-653

### AHMEDABAD

#### Mastek Limited

804/805, President House,  
Opp. C. N. Vidyalaya,  
Near Ambawadi Circle,  
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Tel: +91-79-2656-4337

### CHENNAI

#### Mastek Limited

Mahindra World City,  
Plot No. TP - 5, 4th Avenue,  
Nathan Sub (PO), Chengalpattu,  
Tamil Nadu - 603 002  
Tel: +91-44-6747-4724

### CHENNAI

#### Trans American Information Systems Private Limited

Block-1, 4th Floor, No. 184-187,  
Anna Salai, Little Mount  
Chennai, Tamil Nadu - 600 015

## International Offices

### UK

#### Mastek (UK) Limited

Pennant House  
2 Napier Court, Napier Road  
Reading, RG1 8BW, UK  
Tel: +44-(0)-118-903-5700  
Fax: +44-(0)-118-903-5779

### USA

#### Digility INC.

15601 Dallas Parkway, Suite 250,  
Addison, TX 75001

### UK

#### Mastek (UK) Limited

4th Floor, 36 Park Row,  
Leeds  
LS1 5JL  
Tel: +44-(0)-113-242-6015  
Fax: +44-(0)-113-242-4882

### USA

#### TAISTech LLC

15601 Dallas Parkway, Suite 250,  
Addison, TX 75001

### UK

#### Indigoblue Consulting Limited

Ormond House, 3 Duke of York St,  
London SW1Y 6JP, United Kingdom  
Tel: +44-20-7692-4832

### USA

#### Trans American Information Systems Inc.

860 Hebron Pkwy, Suite 701,  
Lewisville, TX 75057, USA  
Tel: 972-853-7122



**MASTEK LIMITED**

CIN: L74140GJ1982PLC005215

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