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Independent Auditor's Report

To Board of Directors of Mastek,Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Mastek, Inc.('the Holding Company) and its subsidiaries (the holding company and its subsidiaries together referred to as "the group") , which comprise the Consolidated Statement of Financial Position as at March31, 2019, the Statement of Profit and Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view of the financial position of the Group as at March 31,2019, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs)

Basis for Opinion

3. We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code') together with the ethical requirements that are relevant to our audit of the consolidated financial statements in India and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code)/ (Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
(i) Goodwill on Business Combination: - 1) As described in note 3(c) to the consolidated financial statements, the goodwill from business combination of its subsidiary - Taistech aggregates $ 13,262 thousand as at March 31, 2019. The Group has performed annual impairment test for the goodwill as required under the IFRS. The recoverable value was assessed by the management based on certain assumptions, judgments and expectations of future events, which are believed to be reasonable by the management under the current circumstances. For this purpose, management has appointed an independent valuer. Based on the impairment tests performed by the management, the carrying value of such cash generating unit does not exceed its recoverable value. There are inherent uncertainties in all such impairment test calculations, the actual results of which may differ from those forecasted. We consider impairment testing of goodwill as significant area of focus in audit.	**Our responses: -** • We have obtained the management cash flow projections with regard to recoverable value of the respective cash generating units and a report of an independent valuer appointed by the management to do the impairment testing of goodwill. • Evaluated the back ground of the independent valuer to ensure the competency. • Evaluated the reasonability of assumptions used for cash flow projections. Also verified the mathematical accuracy of cash flow projections. For ensuring reasonability we discussed in detail with management about the business plan and future opportunities and also verified the historical trend of business to evaluate the past performance for consistency. • We have involved our internal valuation specialist to validate the valuation assumptions and methodology considered by the management to evaluate the appropriateness of recoverable amount of cash generating units.

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Key audit matter	How our audit addressed the key audit matter
(iii) Contingent consideration written back: - As described in note 29 to the consolidated financial statements, the group had acquired TaisTech LLC & Taistech Inc for purchase, purchase consideration of which included contingent consideration as well. The contingent consideration payable to promoters was based on meeting certain targeted revenue, EBITDA and cross selling, outlined in the agreement. Fair value of contingent consideration was $ 8,385 thousand as on April 1, 2018. In the current year, Promoters of the company were in process to exit the company. Therefore, the Group has reassessed the criteria of meeting the contingent consideration and noted that part of the amount as at March 31, 2019 is not payable. Group management and board decided to pay $ 2,449 thousand to promoters who exited the company and revised the remaining terms of the payment of contingent consideration. As per the revised terms, $ 2,437 thousand will be paid to the remaining promoters irrespective of meeting targets. Accordingly, provision of contingent consideration of $ 3,846 thousand have been written back.	**Our responses: -** • Evaluated the management analysis on business plan i.e the cash flow projection to ensure the appropriateness of the business plan and future growth. • Evaluated the reasonability of assumptions used for cash flow projections. Also verified the mathematical accuracy of cash flow projections. For ensuring reasonability we discussed in detail with management about the business plan and future opportunities and also verified the historical trend of business to evaluate the past performance for consistency. • Evaluated and verified the mathematical accuracy of contingent consideration amount written back and payments made during the year. • Sighted the board minutes on revised terms of contingent consideration.

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Key audit matter	How our audit addressed the key audit matter
(iv) Restructuring:- As described in note 12 to the consolidated financial statement subsidiary of the group Mastek, Inc proposed a restructuring as the company was not meeting its Financial and/or Strategic objectives. The management determined, in the best interest of the Company, to restructure the business by closing down some departments and terminate some officials of the Company. Management has obtained an approval from Board of Directors on the restructuring plan and the same was put into implementation. According to the plan, a severance amount was decided as per the local employment laws and offered to the officials who were terminated/identified to be terminated. Accordingly, the group has recognised $ 721 thousand as restructuring provision in the consolidated financial statements.	**Our responses: -** • We have sighted the restructuring plan passed by the Board and sighted all evidences which support the implementation by the management. • Evaluated that the costs disclosed as restructuring costs were attributable to the plan implemented by the management. • Evaluated the mathematical accuracy of the restructuring provision determined by the management and also ensured the compliance of relevant IFRS.
Adoption of IFRS 15- Revenue from contracts with customers: - As described in note number 2(e) (xi) to the consolidated financial statements the group has adopted IFRS 15 Revenue from Contracts with Customers which is the new accounting standard. Considering the nature of the industry, where revenue is recognized basis the terms of each contract with customers, these commercial arrangements can be complex and significant judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation and the appropriateness of basis used to measure revenue recognized over time	**Our responses: -** We assessed the group's process to identify the impact of adoption of the new revenue accounting standard. • Evaluated the design and operating effectiveness of internal controls relating to the implementation of new revenue standard; • Evaluated detailed analysis performed by the management on each stream of revenue contracts. • Selected samples from all streams of contracts and did detailed analysis on recognition of revenue as per the five steps given in standard.

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Key audit matter	How our audit addressed the key audit matter
are applied in selecting the accounting basis in each case. Additionally, new revenue accounting standard contains disclosures which involves disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. The application and transition to this accounting standard is an area of focus in the audit.	• Performed revenue transaction testing on samples selected from each stream of revenue where each input to revenue recognition including estimates used was verified from evidence to ensure that revenue recognition policy as per new standard is consistently applied; • Evaluated cumulative effect on revenue adjustment as per new standard as at April 1, 2018. • Evaluated appropriateness of disclosure provided as per new revenue standard, its completeness and accuracy.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

Management is responsible for the other information. Other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Responsibilities of Management for the Consolidated Financial Statements

6. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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7. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

8. Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840

UDIN No:19108840AAAABA3478

Place: Mumbai
Date: 21 July 2019

MASTEK INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

($ in '000)

	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Goodwill	3(c)	13,262	12,881
Other intangible assets,net	3(b)	3,111	3,388
Property plant and equipment,net	3(a)	94	146
Other long term assets	4	30	36
Deferred tax assets, net	21(c)	-	83
Total non-current assets		16,497	16,534
Current assets			
Trade and other receivables	5	7,488	8,746
Cash and cash equivalents	6	1,535	2,090
Other current assets	7	1,490	815
Total current assets		10,513	11,651
Total Assets		27,010	28,185
EQUITY AND LIABILITIES			
Equity			
Share capital	8	21,350	5,600
Retained earnings		(499)	(1,753)
Other component of equity		-	2,800
Total Equity		20,851	6,647
Non-current liabilities			
Borrowings	9	-	7,500
Deferred tax liabilities, net	21(c)	546	-
Other liabilities	10	-	3,270
Total non-current liabilities		546	10,770
Current liabilities			
Borrowings	11	-	600
Provisions	12	721	-
Trade and other payables	13	1,256	2,322
Other liabilities	14	3,636	7,809
Current tax liability (net)		-	37
Total current liabilities		5,613	10,768
Total Equity and liabilities		27,010	28,185

Note 1 to 31 annexed hereto form an integral part of these financial statements.

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MASTEK INC.

MASTEK INC.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2019

($ in '000, except per share data)

	Note	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	15	36,147	35,302
Employee benefits expenses	16	(20,770)	(20,216)
Depreciation and amortization expenses	17	(425)	(984)
Other expenses	18	(16,239)	(13,533)
Operating (Loss) / Profit		(1,287)	569
Finance costs	19	(713)	(1,090)
Contingent consideration written back	29	3,846	-
Profit/ (Loss) before tax		1,846	(521)
Tax expense / (credit)			
Current tax		-	37
Deferred tax		629	(72)
Tax related to earlier years		(37)	-
Total tax expense / (credit)	21(a)	592	(35)
Profit/ (Loss) after tax for the year		1,254	(486)
Total comprehensive income/(loss) for the year		1,254	(486)
Earning/ (Loss) per equity share (Equity shares of par value March 31, 2019 : $ 100 each, March 31,2018 : $ 100 each) Basic and Diluted	20	$. 10.72	$. (9.66)

Note 1 to 31 annexed hereto form an integral part of these financial statements.

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MASTEK INC.

MASTEK INC.
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

($ in '000)

	Year ended	
	March 31, 2019	March 31, 2018
Cash flows from operating activities		
Profit/(Loss) for the year	1,254	(486)
Adjustments:		
Contingent consideration written back	(3,846)	-
Finance costs	713	1,090
Depreciation and amortisation	425	984
Tax expense / (credit)	592	(35)
Changes in operating assets and liabilities		
Decrease / (Increase) in trade and other receivables	1,258	(3,322)
Increase in other assets	(669)	(794)
Increase/(decrease) in trade and other payables, other liabilities and provisions	660	(60)
Net cash generated/(used in) operating activities	387	(2,623)
Cash flows from investing activities; net of effects from acquisitions		
Purchase of property, plant and equipment and intangible assets	(477)	(143)
Earnout payment on account of Business Combination	(2,449)	(563)
Net cash used in from investing activities	(2,926)	(706)
Cash flows from financing activities		
Proceeds from issue of share capital	12,950	4,400
Proceeds from working capital loan	-	600
Repayment from working capital loan	(600)	-
Repayment of long term loan	(10,000)	-
Finance costs paid	(366)	(644)
Net cash generated from financing activities	1,984	4,356
Net increase/(decrease) in cash and cash equivalents during the year	(555)	1,027
Cash and cash equivalents at the beginning of the year	2,090	1,063
Cash and cash equivalents at the end of the year	1,535	2,090

This is the Statement of Cash Flow referred to in our report of even date

MASTEK INC.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019

($ in '000)

Particulars	Share capital	Securities premium	Retained earnings	Other Component of Equity	Total equity
Balance as at 1 April 2017	40	3,960	(1,267)	-	2,733
Transferred to Share Capital on account of reverse stock split of shares	3,960	(3,960)	-	-	(0)
Shares cancelled - reverse stock split of shares	(4,000)	-	-	-	(4,000)
Issue of share capital	5,600	-	-	-	5,600
Loss for the year	-	-	(486)	-	(486)
Share application money pending allotment	-	-	-	2,800	2,800
Balance as at 31 March 2018	5,600	-	(1,753)	2,800	6,647
Balance as at 1 April 2018	5,600	-	(1,753)	2,800	6,647
Issue of share capital	15,750	-	-	(2,800)	12,950
Profit for the year	-	-	1,254	-	1,254
Balance as at 31 March 2019	**21,350**	-	**(499)**	-	**20,851**

Note 1 to 31 annexed hereto form an integral part of these financial statements.

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MASTEK INC. ★

($ in '000, except share and per share Data unless otherwise stated)

1 Company Overview

Mastek Inc. (formerly known as Digility Inc. ("the Company")) was incorporated on 17 November 2015 in Delaware, USA and its subsidiaries (collectively referred hereinunder as "the Group") are providers of vertically-focused enterprise technology solutions in North American markets.

The details of Holding Company including Ultimate Holding Company considered in these consolidated financial statements are:

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2019	% of voting power held as at March 31, 2018
Mastek UK, Holding Company	UK	100%	100%
Mastek Limited, Ultimate Holding Company	India	100%	100%

The details of subsidiaries including step-down subsidiaries considered in these consolidated financial statements are:

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2019	% of voting power held as at March 31, 2018
Trans American Information Systems Inc. @	USA	100%	100%
Taistech LLC @	USA	100%	100%

@ Acquired with effect from December 23, 2016

2 Basis of Preparation

a. Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

They have been prepared under the assumption that the Company operates on a going concern basis.

These financial statements correspond to the classification provisions contained in IAS 1 (revised), "Presentation of Financial Statements". Accounting policies have been applied consistently to all periods presented in these financial statements except where a remission to an existing accounting standard required a change in the accounting policy hereto in use. The financial statements comprise the Statement of Financial Position as of 31 March 2019 with comparative Statement of Financial Position as on 31 March 2018; the Statement of Comprehensive Income; the Statement of Changes in Equity; and the Statement of Cash Flows for the years ended 31 March 2019 with comparatives for the year ended 31 March 2018.

At the date of authorization of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations neither adopted nor listed below have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

All amounts included in the consolidated financial statements are reported by rounding off to the nearest thousands in US dollar (in $) except share and per share data which are reported (in $) unless otherwise stated.

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 IFRS:

i. Share based payment transactions and

ii. Contingent Consideration

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c. Use of estimate and judgement

The preparation of consolidated financial statements in conformity with IFRS 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:* 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) *Property, plant and 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 assets are determined by the management at the time the asset is acquired and reviewed perdiodically, 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

iv) *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.

v) *Expected credit losses on financial assets* : The impairment provisions of financial assets are based on 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.

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 carryforwards 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.

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.

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MASTEK INC.

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 USD dollar, which is the functional currency of the Company.

(ii) Financial instruments

A. Initial Recognition and Measurement

The Group 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.

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.

C. Derecognition of Financial Instruments

The Group derecognises a financial asset when the contractual right to receive the cash flows from the financial asset expire or it transfers the financial asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

(iii) Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

(iv) Property, Plant and 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.

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:

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Category	Useful Life
Computers	2 years
Furniture and fixtures	5 years
Office Equipment	5 years
Leasehold Improvement	5 - 15 years or the primary period of lease whichever is less

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(v) Other 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.

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

(vi) Leases

Operating leases

All leases are treated as operating leases. Where the Group is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

(vii) Impairment of assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually.

All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

(viii) Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts.

The Company has a 401(k) plan that provides defined contribution retirement benefits for all the employees. Participants may contribute a portion of their compensation to the plan, subject to the limitations under the Internal Revenue Code. The Company's contributions to the plan are at the discretion of the Board.

Obligations for contributions to 401(k) plan are recognised as an employee benefit expense in profit or loss as incurred.

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(ix) Share-based employee remuneration

The ultimate holding company determines the compensation cost based on the fair value method. The ultimate holding company grants options 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 Ultimate Holding Company's estimate of equity instruments that will eventually vest.

(x) 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.

(xi) Revenue Recognition

Effective 1 April 2018, Group adopted new accounting standard "IFRS 15" related to the recognition of revenues under the modified retrospective method, however, comparative period amounts are not adjusted and continued to be reported in accordance with previous year's accounting policies, except where indicated otherwise. This method was applied to contracts that were not completed as the date of initial application. Due to the nature of the contracts and identification of unit of accounting i.e. performance obligation being consistent with prior year's revenue recognition policy, the adoption impact related to the new standard was not material. The impact on adoption of new standard relates to (1) terminologies used in IFRS 15 in accounting policy to be aligned with new standard (2) the reclassification of balances representing receivables, as defined by the new standard, from "Unbilled revenue" to "Trade receivable, net" in consolidated statement of financial position, (3) the reclassification of balances representing contract assets, as defined by the new standard, from "Unbilled accounts receivable" to "Other current assets" in consolidated statement of financial position.

Practical expedients applied-

Considering the nature of contracts, Group has applied the following practical expedients-

1. Group assesses the timing of the transfer of services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, Group do not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less.
2. Group has applied exemption from disclosure of the transaction price allocated to remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less and contracts for which Group recognize revenues based on the right to invoice for services performed typically time and material contracts.

The Group derives revenue primarily from Information Technology services which includes IT Outsourcing services, support and maintenance services. The Group recognizes revenue on transfer of control of deliverables (solutions and services) to its customers in an amount reflecting the consideration to which the Group expects to be entitled. To recognize revenues, Group apply the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

Group accounts for a contract when it has approval and commitment from all parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

Fixed Price contracts related to Application development, consulting and other services are single performance obligation or a stand-ready performance obligation, which in either case is comprised of a series of distinct services that are substantially the same and have the same pattern of transfer to the customer (i.e. distinct days or months of service). Revenue is recognized in accordance with the method prescribed for measuring progress i.e. percentage of completion method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. Revenues relating to time and material contracts are recognized as the related services are rendered.

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Multiple element arrangements-
In contracts with multiple performance obligations, Group accounts for individual performance obligations separately if they are distinct and allocate the transaction price to each performance obligation based on its relative standalone selling price out of total consideration of the contract. Standalone selling price is determined utilizing observable prices to the extent available. If the standalone selling price for a performance obligation is not directly observable, Group uses expected cost plus margin approach.
IT support and maintenance-
Contracts related to maintenance and support services are either fixed price or time and material. In these contracts, the performance obligations are satisfied, and revenues are recognized, over time as the services are provided. Revenue from maintenance contracts is recognized ratably over the period of the contract because the Group transfers the control evenly by providing stand-ready services.

The term of the maintenance contract is usually one year. Renewals of maintenance contracts create new performance obligations that are satisfied over the term with the revenues recognized ratably over the term.

Contracts may include incentives, service level penalties and rewards. The Group includes an estimate of the amount it expects to receive for the total transaction price if it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.
Any modification or change in existing performance obligations is assessed whether the services added to existing contracts are distinct or not. The distinct services are accounted for as a new contract and services which are not distinct are accounted for on a cumulative catch-up basis.Trade Receivable, net is primarily comprised of billed and unbilled receivables (i.e. only the passage of time is required before payment is due) for which we have an unconditional right to consideration, net of an allowance for doubtful accounts. A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets are presented in "Other current assets" in the financial statements and primarily relate to unbilled amounts on fixed-price contracts utilizing the cost to cost method (POCM) of revenue recognition. Contract liabilities consist of advance payments and billings in excess of revenues recognized. The difference between opening and closing balance of the contract assets and liabilities results from the timing differences between the performances obligation and customer payment.
Cost to fulfill the contracts- Recurring operating costs for contracts with customers are recognized as incurred. Revenue recognition excludes any government taxes but includes reimbursement of out of pocket expenses.

Provision of onerous contract are recognised when the expected benefits to be derived by the group from a contract are lower than the unavoidable cost of meeting the future obligations under the contract. The provision is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

(xii) Income Tax

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.
Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method.
Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.
Deferred tax liabilities are generally recognised in full, although IAS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Group does not recognize deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries.

(xiii) Finance costs

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.

(xiv) 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.

(xv) Cash and cash equivalents

Cash and cash equivalents include cash in hand and balance with current bank accounts.

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(All amounts in $ '000, unless otherwise stated)

3(a) Property plant and equipment

	Gross Block (at cost)				Depreciation and amortisation				Net Block	
	As at April 1, 2018	Additions	Deletions	As at March 31, 2019	As at April 1, 2018	For the year	Deletions	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Computers	245	33	-	278	154	73	-	227	51	91
Furniture and fixtures	1	-	-	1	0	1	-	1	0	1
Office equipment	27	1	-	28	5	5	-	10	18	22
Leasehold improvements	40	-	-	40	8	7	-	15	25	32
Total (A + B)	**313**	**34**	**-**	**347**	**167**	**86**	**-**	**253**	**94**	**146**

3(b) Other intangible assets

	Gross Block (at cost)				Amortisation				Net Block	
	As at April 1, 2018	Additions	Deletions	As at March 31, 2019	As at April 1, 2018	For the year	Deletions	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Computer Software	-	62	-	62	-	62	-	62	-	-
Customer Contracts	860	-	-	860	860	-	-	860	-	-
Customer Relationships	3,740	-	-	3,740	352	277	-	629	3,111	3,388
Total	**4,600**	**62**	**-**	**4,662**	**1,212**	**339**	**-**	**1,551**	**3,111**	**3,388**

For previous year ended March 31, 2018

3(a) Property plant and equipment

	Gross Block (at cost)				Depreciation and amortisation				Net Block	
	As at April 1, 2017	Additions	Deletions	As at March 31, 2018	As at April 1, 2017	For the year	Deletions	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Computers	137	108	-	245	87	67	-	154	91	50
Furniture and fixtures	1	-	-	1	0	-	-	0	1	1
Office equipment	-	27	-	27	-	5	-	5	22	-
Leasehold improvements	-	40	-	40	-	8	-	8	32	-
Total (A + B)	**138**	**175**	**-**	**313**	**87**	**80**	**-**	**167**	**146**	**51**

3(b) Other intangible assets

	Gross Block (at cost)				Amortisation				Net Block	
	As at April 1, 2017	Additions	Deletions	As at March 31, 2018	As at April 1, 2017	For the year	Deletions	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Customer Contracts	860	-	-	860	233	627	-	860	-	627
Customer Relationships	3,740	-	-	3,740	75	277	-	352	3,388	3,665
Total	**4,600**	**-**	**-**	**4,600**	**308**	**904**	**-**	**1,212**	**3,388**	**4,292**

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3(c) Goodwill

	As at	
	March 31, 2019	**March 31, 2018**
Gross carrying amount		
Balance as at April 1, 2018	12,881	12,881
Adjustment made after measurement period (on account of misinterpretation of facts)	381	-
Balance as at the end of the year	**13,262**	**12,881**

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 calculation use pre-tax cash flow projections over a period of five years, based on financial estimates and growth rate approved by management. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to other assets of the CGU pro rata on the basis of the carrying amount of such assets in CGU.

Based on the above, no impairment was identified as of March 31, 2019 and 2018 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.

During the year ended March 31, 2017, Mastek Inc (formerly known as Digility Inc.) 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 $20,780, including a contingent consideration payable over a period of three years linked to certain financial targets. The fair value of the contingent consideration liability as at March 31, 2019 amounts to $2,437 (March 31, 2018 - $8,385). The balance of goodwill on business combination recognised after allocating purchase price to other net assets (further retrospectively adjusted, during the year, for elimination of certain balances relating to the operations acquired) is included in the balance disclosed above.

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Non-current Assets

4 Other long term assets	As at March 31, 2019	As at March 31, 2018
Secured deposits	30	36
	30	36

Current Assets

5 Trade receivables	As at March 31, 2019	As at March 31, 2018
Trade receivables, gross	7,643	9,047
Less: Allowance for credit losses	(155)	(301)
	7,488	8,746

6 Cash and cash equivalents	As at March 31, 2019	As at March 31, 2018
Bank balances		
In current accounts	1,535	2,002
Other Bank Balances	-	88
	1,535	2,090

7 Other Current Assets	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	83	62
Unbilled revenue	1,382	753
Advances to employees	25	-
	1,490	815

8 Equity Share capital

The Company has one class of equity shares having a par value of $ 100 per share. Each shareholder is eligible for one vote per share held. 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.

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, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
Balance as at April 1, 2018	56,000	5,600	20,000,000	40
Add: Transferred from Securities Premium	-	-	-	3,960
Less : Shares cancelled - reverse stock split of shares	-	-	(20,000,000)	(4,000)
Add: Sharres issued - reverse stock split of shares	-	-	40,000	4,000
Add : Shares issued during the year	157,500	15,750	16,000	1,600
Balance as at the end of the year	213,500	21,350	56,000	5,600

* Reverse stock split of shares has been made in previous year due to which 20,000,000 shares have been cancelled and 40,000 shares have been issued.

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Non-current Liabilities

9 Borrowings	As at March 31, 2019	As at March 31, 2018
Term loan from Axis bank UK Limited (Refer note (a) below)	-	7,500
	-	7,500

Nature of security

(a) (i) Secured by pledge of all assets of Mastek Inc. (incl. shares of Trans American Information Systems Inc. and membership Interest in Taistech LLC.) and shares of Mastek Inc.

(ii) Secured by mortgage of Pune property of Mastek Limited.

(iii) Secured by corporate guarantee of USD 12 million given by the Mastek Limited (Ultimate Holding Company).

Terms of repayment

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.

10 Other liabilities	As at March 31, 2019	As at March 31, 2018
Contingent consideration payable on business acquisition	-	3,270
	-	3,270

Current Liabilities

11 Borrowings	As at March 31, 2019	As at March 31, 2018
Loan from banks	-	600
	-	600

12 Provisions	As at March 31, 2019	As at March 31, 2018
Restructuring charges	721	
	721	-

Particulars	March 31, 2019	March 31, 2018
Balance as at April 1, 2018	-	-
Add: Provision during the year	1,205	-
Less: Payment	(111)	-
Less: Amount settled	(373)	-
Closing provision	721	-

Provision for restructuring cost

Based on the performance of a portion of its US operations, the Group, during the year ended 31 March 2019, decided to carry out a restructuring plan of its activities and related management. The Board has approved the formal restructuring plan vide their meeting dated February 7, 2019. The amounts recognised relate mainly to the compensation paid / expected to be paid and other attributable costs and provisions.

13 Trade and other payables	As at March 31, 2019	As at March 31, 2018
Trade payables	1,256	2,322
	1,256	2,322

14 Other liabilities	As at March 31, 2019	As at March 31, 2018
Current maturities of Term loan (Refer Note 9 (a))	-	2,500
Statutory dues	64	3
Accrued expenses	1,135	190
Contingent consideration payable on business acquisition (Refer Note 3(a))	2,437	5,116
	3,636	7,809

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15 Revenue from operations	For the year ended March 31, 2019	For the year ended March 31, 2018
Information technology services	36,147	35,302
	36,147	35,302

16 Employee benefits expenses	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and performance incentives	20,033	19,281
Employee stock compensation expenses	13	24
Staff welfare expenses	724	911
	20,770	20,216

17 Depreciation and amortisation expenses	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation and amortisation on property plant and equipment	86	81
Amortisation on intangible assets	339	903
	425	984

18 Other expenses	For the year ended March 31, 2019	For the year ended March 31, 2018
Recruitment and training expenses	61	31
Travelling and conveyance	1,143	1,490
Communication charges	81	64
Consultancy and sub-contracting charges	11,275	9,599
Rates and taxes	147	176
Repairs : others	228	228
Insurance	199	175
Printing and stationery	16	17
Professional fees	894	392
Rent (Refer note 28)	548	646
Advertisement and publicity	134	519
Donation	6	-
Receivables, loans and advances doubtful of recovery / written off (net of recoveries)	158	-
Net loss on foreign currency transactions and translation	0	42
Hire Charges	13	14
Restructuring charges	1,205	-
Miscellaneous expenses	131	140
	16,239	13,533

19 Finance costs	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on term loan	242	390
Fees paid for guarantee issued by ultimate holding company	113	240
Bank charges	12	13
Other finance charges*	346	447
	713	1,090

*This includes interest on fair value of contingent consideration.

20 Earnings /(Loss) Per Share (EPS)	For the year ended March 31, 2019	For the year ended March 31, 2018
The components of basic and diluted loss per share for total operations are as follows:		
(a) Net Profit/(loss) attributable to equity shareholders	1,254	(486)
(b) Weighted average number of outstanding equity shares		
Considered for basic and diluted EPS (*)	116,986	50,307
(c) Earning/(Loss) per share (net of taxes) in $		
Basic and Diluted	$. 10.72	$. (9.66)
(Face value per share March 31, 2019 : $ 100 each, March 31, 2018 : $ 100 each)		

* (Refer Note 8)

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21 Income Taxes

a) Income tax expense / (credit) in the statement of profit and loss consists of:

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Current tax	-	37
Income tax relating to earlier years	(37)	-
Deferred tax	629	(72)
Income tax expense / (credit) recognised in the statement of profit or loss	592	(35)

b) The reconciliation between the provision of income tax of the Group and amounts computed by applying the federal income tax rate to profit before taxes is as follows:

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Profit / (Loss) before tax	1,846	(521)
Enacted income tax rate in US	21.00%	30.73%
Computed expected tax expense	388	(160)
Effect of:		
Income tax charge/write back for earlier years	(37)	-
Impact on change in Tax rates	-	46
Expenses that are not deductible in determining taxable profit	37	79
Reversal of Contingent Consideration	(227)	-
Loss on which Deferred tax credit not taken	431	-
Total income tax expense / (credit) recognised in the statement of profit and loss	592	(35)

c) **Deferred tax (liabilities)/ assets in relation to:**

Particulars	As at March 31, 2019	As at March 31, 2018
Property, plant and equipment	(2)	62
Intangible assets	(544)	21
Total	(546)	83

22 Related Party Disclosures (to the extent transactions identified)

Enterprise exercising over the group control:	Mastek Limited, Ultimate Holding Company Mastek UK Limited, Holding Company Trans American Information Systems Private Limited, Fellow Subsidiary Company
Key Management Personnel (KMP):	Atul Kanagat, Chairman John Owen, Director R. Venkatraman (upto 31st March 2019) Robert Hart King, CEO (upto 1st March 2019) Mastek Limited, Ultimate Holding Company Mastek UK Limited, Holding Company

i) **Transaction with Key managerial person**

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Short Term employee benefits	387	405
Share based payment transactions	134	28
Total compensation paid to key management personnel	**521**	**433**

ii) **Transaction with Enterprises :**

Nature of Transaction	Name of Enterprises	For the year ended	
		March 31, 2019	March 31, 2018
Finance Cost - Guarantee Commission	Mastek Limited	113	240
Employee stock compensation expenses	Mastek Limited	13	24
Consultancy and sub-contracting charges	Mastek Limited	1,816	1,643
Other reimbursable expenses charged	Mastek Limited	16	-
Guarantee revoked for loan repaid	Mastek Limited	12,000	-
Income from Technology Services	Mastek UK Limited	-	(144)
Other reimbursable expense charged	Mastek UK Limited	80	-
Other reimbursable expenses recovered	Mastek UK Limited	44	-
Proceeds from issue of shares	Mastek UK Limited	15,750	1,600
Share Application Money pending allotment	Mastek UK Limited	-	2,800
Consultancy and sub-contracting charges	Trans American Information Systems Private Limited	5,918	5,273

iii) **Closing Balances are given below:**

Balance as at	Name of Enterprises	For the year ended	
		March 31, 2019	March 31, 2018
Trade receivables	Mastek UK Limited	21	7
Trade and other payables	Mastek Limited	104	629
Trade and other payables	Trans American Information Systems Private Limited	966	886
Trade and other payables	Mastek UK Limited	46	10

* Refer Note 9(a) for mortgage of property by and corporate guarantee extended as security for loan availed by the Group

23 Segment reporting

The Group has only one reportable segment which is Software Development. Accordingly, the figures appearing in these special purpose consolidated financial statements relate solely to that business segment.

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24 Financial Instrument

The carrying value and fair value of financial instruments by categories as at March 31, 2019 and March 31, 2018 is as follows:

Particulars	Carrying Value		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial Assets				
Amortised Cost				
Loans	30	36	30	36
Trade and other receivables	7,488	8,746	7,488	8,746
Cash and Cash Equivalents	1,535	2,090	1,535	2,090
Total Assets	9,053	10,872	9,053	10,872
Financial Liabilities				
Amortized Cost				
Loans and borrowings	-	10,600	-	10,600
Trade and other payables	1,256	2,322	1,256	2,322
Other liabilities (Statutory Dues)	1,199	194	1,199	194
FVTPL				-
Contingent Consideration	2,437	8,385	2,437	8,385
Total Liabilities	4,892	21,501	4,892	21,501

25 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 and March 31, 2017

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2019:

Particulars	Date of valuation	Total	Fair value measuring using		
			Level 1	Level 2	Level 3
Financial liabilities designated at FVTPL					
Contingent consideration	March 31, 2019	2,437	-	-	2,437

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2018:

Particulars	Date of valuation	Total	Fair value measuring using		
			Level 1	Level 2	Level 3
Financial liabilities designated at FVTPL					
Contingent consideration	March 31, 2018	8,385	-	-	8,385

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26 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 Board of Directors 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. 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 US geography where Group's historical experience in terms of actual bad debt is minimal.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

Particular	For the year ended	
	March 31, 2019	March 31, 2018
Revenue from Top Customer	3,502	3,880
Revenue from Top 5 Customers	11,160	12,104

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 table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019 and March 31, 2018:

Particulars	As at March 31, 2019	
	Less than 1 Year	1 Year and above
Trade and other payables	1,256	-
Other Liabilities	3,636	-

Particulars	As at March 31, 2018	
	Less than 1 Year	1 Year and above
Borrowings	3,100	7,500
Trade and other payables	2,322	-
Other Liabilities	5,309	3,270

27 Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confi dence and to sustain future development of the business. The Group

monitors the return on capital. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

Particulars	As At	
	March 31, 2019	March 31, 2018
Total Equity attributable to the Equity Share Holders of Group	20,851	6,647
As percentange of total Capital	100%	39%
Current Loan and Borrowing	-	3,100
Non Current Loan and Borrowing	-	7,500
Total Loan and Borrowing	-	10,600
As a percentange of total Capital	0%	61%
Total Capital(Borrowing and Equity)	20,851	17,247

28 Leases

Operating Lease

	As at	
Lease payment	March 31, 2019	March 31, 2018
Future minimum lease payment under non-cancellable operating lease (in respect of properties):		
Due within one year	405	411
Due later than one year but not later than five years	424	802
Total Minimum lease payment	829	1,213

29 On December 22, 2016, Digility Inc., acquired 100% equity shares of Trans American Information Systems Inc. ("TA USA") and 100% membership interest of Taistech LLC ("TA LLC") for a total consideration of $ 20,780, including a contingent consideration of $ 8,530, 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 fair value of contingent consideration as at March 31, 2018 was $8,385. During the year 2019, on account of the operations achieving lower than the expected targets of revenue and earnings, the amount of $ 3,846 no longer payable has been written back.

30 Post-reporting date events

No adjusting or significant non-adjusting events have occurred between March 31, 2019 and the date of authorization of financial statements.

31 Authorization of Financial Statements

These financial statements for the year ended March 31,2019 (including comparitives) were approved by the Board of Directors and authorised for issue on 19th July 2019.

For and on behalf of Board of Directors of Mastek Inc.

Atul Kanagat
Chairman

John Owen
Vice President

CHANDIOK & CO LLP
WALKER
MUMBAI
CHARTERED ACCOUNTANTS

MASTEK INC.