



SHAPING THE FUTURE OF  
**INSURANCE**

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# World of Majesco

Revenue from operations

₹**98,810** lakhs

▲ **22.59%** y-o-y

EBITDA margin

**11.9%**

▲ **142.86%** y-o-y

12-month Order Backlog

₹**67,011** lakhs

▲ **10.49%** y-o-y

Total clients

(21 new wins in FY 2018-19)

**200+**

Greenfields and  
start-ups served

**18**

Total cloud clients

(who account for 40.6%  
of total revenue)

**54**

Total partners

**37**

Partner-based  
Tier 1/Tier 2 deals

**6**

EcoExchange apps

**15**

Faced with rapidly advancing technology and an evolving business ecosystem, Majesco converges at the answers to 'Which direction?' and 'How?'

Every day around the world, we partner with our clients to turn rapid change into measurable opportunity.

We work in synergy with them, drawing upon our global capabilities to help identify, develop, implement and operate the innovative strategies and solutions needed to meet their customer expectations.

We apply innovation, high-quality delivery and end-to-end services to help clients succeed.

Our commitment has led us to meet clients' digital transformation needs through outstanding quality and holistic competence.

**IN ALL WE DO, WE ARE  
GUIDED BY OUR VISION  
FOR A BETTER WORLD,  
TODAY AND TOMORROW.**



## Corporate Identity

# A trusted business transformation partner to insurers

Companies, in order to thrive in a changing world, are increasingly pursuing innovation – leveraging mobile, social and cloud technologies to improve decision making, automate processes and serve their stakeholder fraternity better – to meet the pace of transformative growth.

We exist at the intersection of technology, expertise and leadership, providing strategic digital solutions to insurance carriers worldwide. We help businesses modernize, innovate and connect to build their future and in turn the industry, at speed and scale.

## WE ENVISION

A world where insurance makes life and business easier, more connected and better protected.

## WE DELIVER

Cloud computing microservices-based and API-enabled core insurance platforms for P&C, L&A and Group markets.

## WHAT SETS US APART



### Technology

Our technology works in the cloud to help simplify complexities into seamless experiences for our clients.



### Expertise

Our people are the best at what they do. We are obsessed with delivering trusted solutions that pre-empt our clients' needs.



### Leadership

We are among the first in the industry to move to the cloud, helping insurers execute their digital transformation strategies.

# WHAT BROUGHT US HERE

Founded Mastek  
(enterprise  
technology services)

**19  
82**

Acquired STG  
(US-based provider of  
enterprise solutions of  
P&C insurance)

**20  
08**

Acquired Entegram  
(US-based insurance  
services)

**20  
05**

Acquired Data  
Factory Tool Kit (DFTK)  
and data migration  
methodology  
from Kognitio

**20  
10**

**20  
14**

- Released CloudInsurer™ (a 100% cloud-based P&C Group Core Suite and L&A Group Core Suite)
- Released Distribution Management

**20  
16**

**20  
18**

- Released Digital1<sup>st</sup> Insurance™ (a 100% cloud, API and microservices-based platform for next-generation insurance)
- Acquired Exaxe (Europe-based cloud solutions for individual life, pensions and wealth)

**20  
07**

Acquired Vector  
Technologies  
(US-based L&A  
policy administration  
solutions provider)

**20  
15**

Acquired Cover-All Systems  
(a core P&C product and  
service provider), which was  
listed on NYSE and as a result  
of a stock swap transaction,  
reverse-merged and listed  
Majesco, USA, on NYSE Market

**20  
17**

- Released Enterprise Data Warehouse products
- Majesco core platform selected as technology foundation for IBM insurance offering
- Released v10 P&C Core Suite and L&A and Group Core Suite

**19  
92**

Formed MajescoMastek  
(insurance focused  
products and services)

**20  
13**

Acquired SEG (US-based  
policy administration  
software for individual  
and group life health and  
annuity insurance)

## Portfolio Offering

# A bouquet of future-focused integrated solutions

## CLOUD ENABLES

Agility, innovation and speed in traditional businesses models and mature systems and processes through incremental improvements. We cater to the P&C, L&A and Group markets, combining advanced business intelligence and technological capabilities for all lines of business on single platform.

### CLOUD-BASED INSURANCE PRODUCTS

#### Majesco CloudInsurer™

A cloud-based insurance platform powering insurers' ability to match the reality of increasing customer demands and stay ahead of a changing market. We derive our competitive edge from rapid delivery and value, a pay-as-you-grow model that is scalable, and seamless upgrades.

#### P&C Core Suite

A powerful core systems suite empowering business growth and innovation for P&C personal, commercial, workers compensation and specialty insurance. This also includes, among others, flexible enterprise policy management, billing and claims platforms that improve customer journeys.

#### P&C Data Solutions

A sophisticated platform that turns data into results, integrating, organizing and uncovering strategic insights. Data is a strategic asset that utilize to help our clients uncover new ways to connect with stakeholders. Our robust business intelligence and out-of-the-box analytics capabilities help accelerate digital transformation.

#### L&A and Group Core Suite

An advanced single platform for individual, group and voluntary benefits to grow our clients' businesses and ensure better outcomes. This includes, among others, a cutting-edge policy management platform, a enterprise billing solution and a claims management software that are preferred for their speed, ease of use and responsiveness.

#### LifePlus Solutions

SaaS offerings (acquired through Exaxe) for the European market that enables individual life, pensions and wealth management companies to launch new products faster, administer products more efficiently and respond to the market in an agile manner.

#### Distribution Management

Creation and execution of innovative distribution strategies to optimize existing channels and expand to new ones. Management of multi-channel distribution on a single platform, along with their complex compensation schemes and high-volume changes, and offer personalized payment schedules as well as self service.

**18**

Greenfields and start-ups

**37**

Partners

**530**

Engineers dedicated to R&amp;D innovation

**156**

P&amp;C module deployments

**41**

L&amp;A module deployments

**48**

Clients using CloudInsurer™

## DIGITAL1<sup>ST</sup> DELIVERS

An online ecosystem that develops business models in a platform economy, a cloud-native platform with DevOps automation, security and operational efficiency, a shape-to-scale platform that hones digital insurance business models, and an omni-channel distribution with open API architecture – catalysing innovation and experimentation through speed and variable pricing.

Since its launch in May 2018, eight clients, including insurers, reinsurers, InsurTech startups, insurance agents and brokers have chosen Majesco's Digital1<sup>st</sup> Platform™ to forge the future of insurance.

### DIGITAL1<sup>ST</sup> INSURANCE™ PRODUCTS

#### Digital1<sup>st</sup> Platform™

A microservices-based digital insurance solution with a cloud-native configuration workbench and a runtime platform for launching and scaling personalized digital experiences.

#### Digital1<sup>st</sup> Engagement™

Pre-built engagement SaaS apps (portals, microservices and more) for global insurance for accelerating engaging and impactful customer journeys.

#### Digital1<sup>st</sup> EcoExchange™

A live marketplace of curated plug-and-play partner apps that help nurture a rich customer-centric ecosystem.

## Operating Highlights

# Setting new benchmarks

## 2018-19

### Q1

Launched Digital1<sup>st</sup> Insurance™

Released a new version of Majesco Distribution Management

Released a new version of Majesco Data & Analytics Platform

### Q2

Launched Digital1<sup>st</sup> Insurance™ EcoExchange with partner apps

### Q3

Named a leader in Gartner Magic Quadrant for P&C Core Platforms, North America

Adam Elster named CEO of Majesco, USA, subsidiary of the Company

Acquired Exaxe, Europe-based cloud solutions for individual life, pensions and wealth

Launched Digital1<sup>st</sup> Insurance™ Electronic Billing and Payments App



# 2019-20

## Q1

Recorded a 50% increase in attendance at Convergence 2019

Refreshed brand narrative and launched a new website

Partnered with DataRobot to bring AI/ML to core insurance platforms

## Q4

Shifted listing of Majesco, USA, from NYSE to NASDAQ

Closed oversubscribed rights offering, yielding US\$ 43.5 million

Developed three-year strategic plan

Denise Garth, Senior Vice President Strategic Marketing of Majesco, USA named #15 in the Top 50 InsurTech Influencer List

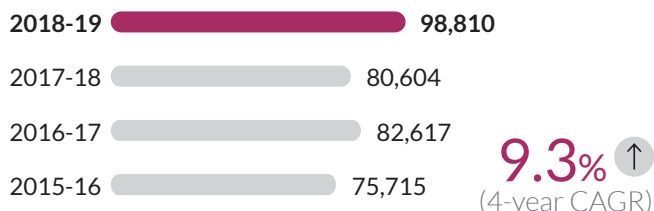
Co-presented with IBM at IBM Think Conference

Expanded Leadership Team; Wayne Locke named CFO and Jim Miller named CRO of Majesco, USA, a subsidiary of the Company

## Key Performance Indicators

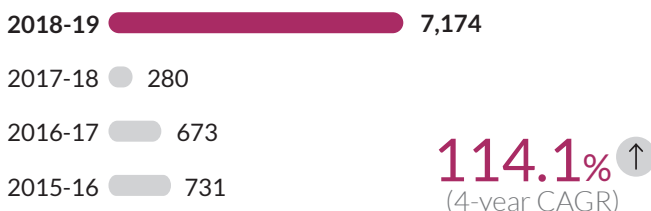
# Progressing with confidence

### Revenue from operations (₹ in lakhs)



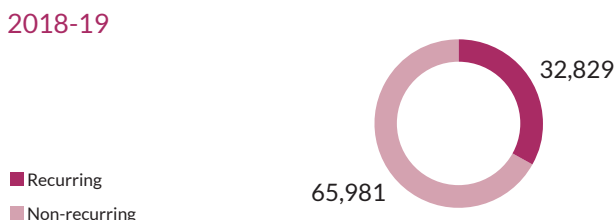
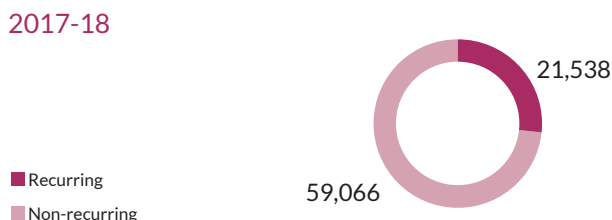
**What this means:** The increase in revenue was led by higher cloud revenue, new logos, footprint expansion within existing accounts and acquisition revenues from Exaxe.

### Profit after tax (₹ in lakhs)



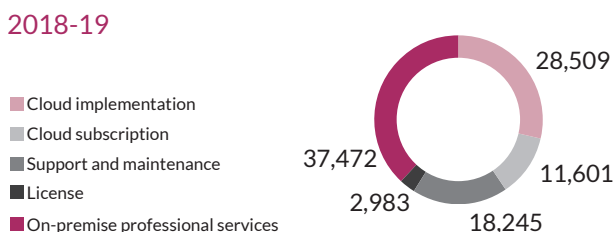
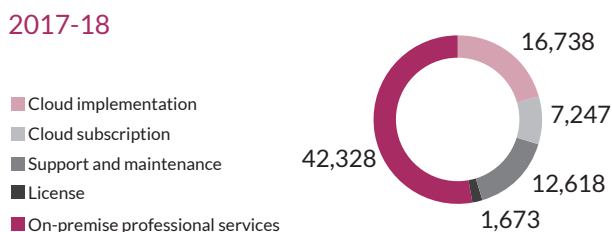
**What this means:** Higher profit is substantially driven by improved revenue profile with higher cloud-based revenues, improved operating efficiencies and cost management in general & administrative expenses.

### Revenue split by recurrence (₹ in lakhs)



**What this means:** Recurring revenue includes cloud subscription, annual license fee and maintenance and support fees. Growth in recurring revenue was driven by higher earnings from cloud subscription.

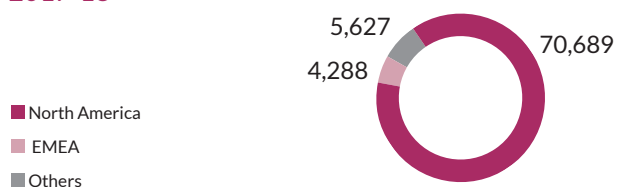
### Revenue split by segment (₹ in lakhs)



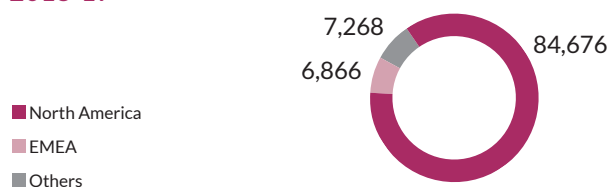
**What this means:** Cloud revenue growth is driven by strong revenues from the IBM project and new cloud wins. Strong growth in cloud revenue more than offsets drop in on-premise professional services revenue.

## Revenue split by geography (₹ in lakhs)

2017-18



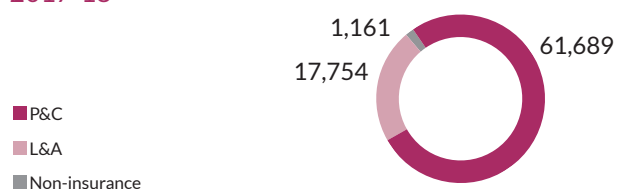
2018-19



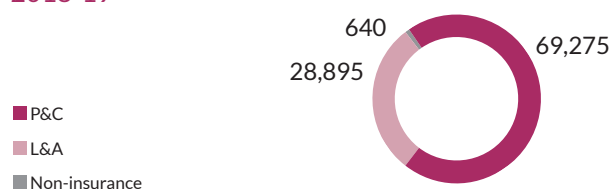
**What this means:** We saw healthy growth across all geographies. While North America remains our predominant market, higher growth in EMEA was driven by our Exaxe acquisition.

## Revenue split by line of business (₹ in lakhs)

2017-18

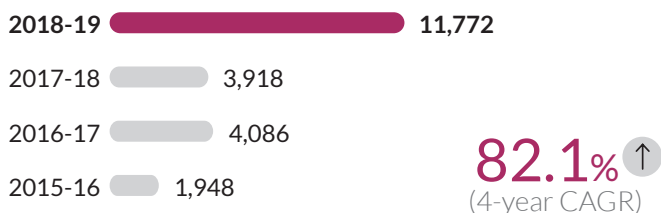


2018-19



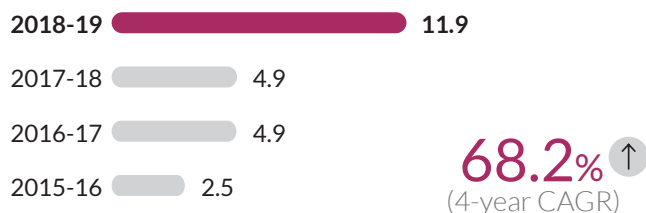
**What this means:** Growth across both P&C and L&A. L&A contribution was higher due to the IBM project with MetLife and the Exaxe acquisition.

## Adjusted EBITDA (₹ in lakhs)



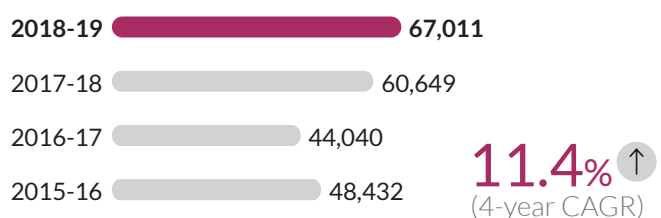
**What this means:** Adjusted EBITDA is adjusted for stock-based compensation. Higher adjusted EBITDA was resultant of incremental cloud-based revenue profile and improved operating leverage.

## EBITDA margin (%)

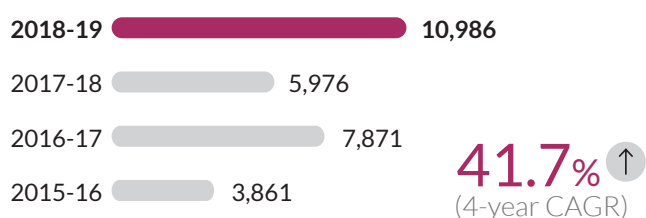


**What this means:** Higher cloud and recurring revenue coupled with operating efficiencies resulted in improved margins.

## 12-month Order Backlog (₹ in lakhs)



## Net cash (₹ in lakhs)



## Letter to the Shareholders

# Tomorrow's demands today

**DEAR SHAREHOLDERS,**  
The fiscal 2018-19 was a year shaped by several strategic initiatives that successfully led to quarter-on-quarter consistent performance.

We witnessed a growth of 22.59% in our top-line and of 382.40% in our profit before tax over financial year 2017-18 levels. Business momentum continued to accelerate and we are experiencing higher demand for our cloud-based platform solutions. With most insurance carriers moving to the cloud, it is already an integral part of their technology environment and business platform strategies. Our revenue from the cloud expanded by 67.22% in the year, occupying an incrementally larger share in our earnings mix. Our 12-month executable backlog remains strong, growing at 10.49% year-on-year.

### Big picture

The market dynamics for our core platform solutions and services remain compelling. Insurance today is a US\$ 4.9 trillion industry. While digital is profoundly transforming conventional paradigms across all customer-facing industries, the insurance space is still in the early stages of digital transformation. This means that the next five to ten years present a significant potential for change. This, in turn, is helping industry participants chart a course towards greater use of innovation, software



**Ketan Mehta**  
Co-Founder and Non-Executive Director

and services in the sector. Beyond new technologies and new value propositions, businesses are reassessing their customer relations, security compliance and operating models.

Insurers, to enter the next phase of growth, will focus on improving operational efficiency, boosting productivity and lowering costs with new technology, while customizing products and services to meet the

evolving demands of the emerging digital economy.

### Operational overview

Majesco is proactively pursuing – organic development, partnerships and Mergers and Acquisitions (M&As) – to accelerate the pace of innovation, geographic expansion and market share gain. This is part of our multi-pronged strategy to become the premier provider of modern technology solutions



to support the core needs of the insurance industry.

In P&C, we are organically expanding our existing client base, through upselling, cross-selling and adoption. We are signing up with new clients and leveraging our innovation agenda. In L&A and Group, we are stepping up our play and focusing on gaining a foothold in the Group and Voluntary Benefit as well as in the Individual Life customer segment.

Our strategic partnerships with IBM, Capgemini and Deloitte are crucial to working with Tier 1 and 2 insurers in P&C and L&A and Group, going well beyond the traditional SI relationship. Our collaboration with IBM is focused on using our core platforms as an integral part of the IBM Insurance Platform on IBM Cloud. At the same time, Capgemini has chosen the L&A and Group Core Suite as the platform of choice to support their transformation programs, and BPO and TPA initiatives. We are also invested in its growing ecosystem of InsurTech partners who extend our value, connecting insurers with innovative capabilities and solutions that matter.

During the year under review, we announced the acquisition of Exaxe, an award-winning SaaS provider of software solutions in Europe. Exaxe helped life and pensions companies embrace digital transformation, empowering them to launch new products faster, administer products more efficiently and respond with greater flexibility to the Life, Pensions and Wealth Management segment. This acquisition was intended to strengthen and expand our deep software offerings, while accessing a new segment and complementing our footprint in the UK.

Our Majesco Digital1<sup>st</sup> portfolio, a key launch from 2018, is made to adapt to different cost structures, customer segments and user personas. It is designed and built as a microservices-based, multi-tenant cloud-native platform. It has the ability to subscribe to third-party services and real-time data sources that traditional core systems cannot effectively support.

Of the other key annual operating highlights, I would like to bring to the fore one in particular. To support our exciting growth opportunity, in September 2018, Majesco, USA, our subsidiary announced the appointment of Adam Elster as CEO. Adam has a strong background in the technology industry. He will lead us into the age of Digital Insurance 2.0, where we step up our product offer and unlock speed to value, leveraging a broad ecosystem and technology innovations such as cloud computing, APIs, microservices, AI/ML and new data sources.

### **In closing**

Insurance is not 'business as usual'. That is why Majesco is co-creating the future, one that is agile, nimble and lightning fast, a future that is in the cloud, on demand, hyper-relevant and ultra-scalable. We are attuned to our clients' needs and are busy creating a brand that is more connected, more relevant and pushes traditional frontiers.

We are known for our strength in completeness of vision and capability. From P&C, L&A, a full cloud suite and a modern, digital platform to a simple billing solution, Majesco's technology has the power to meet tomorrow's demands today. Whether an insurer is setting up a start-up or greenfield, modernizing

a legacy business, or optimizing the existing operations of a business, we have solutions and best practices to help them pave their path to the future.

With this, on behalf of Majesco, I am pleased to present our partnerships with clients, the innovation focus of our teams and our performance for shareholders in the Annual Report 2018-19. I would also take this opportunity to thank everyone, especially my fellow Board members, for their continued guidance, trust and confidence. We are energized by the bold new landscape to craft an ideal environment for bringing new ideas and new concepts to life and supporting insurance services for tomorrow.

Warm regards,

**Ketan Mehta**

Co-Founder and Non-Executive Director

## Business Model

# Turning ideas into outcomes

Technology is profoundly reshaping contemporary value chains. Today's transformations are opening pathways to strategic opportunities for Majesco to be at the heart of tomorrow's disruptive growth domains and to find new avenues for value creation.

### WE LISTEN TO OUR STAKEHOLDERS.

As a partner, expert, employer and investment of choice, we listen carefully to understand stakeholders' needs first. That knowledge, combined with our global perspective, helps our clients exceed their customer expectations, supports our people in growing their careers and provides our shareholders with a return on investment.



#### Clients

Proactive listening serves as the first step in developing flexible and customized solutions to innovate and lead our clients in delivering results.



#### People

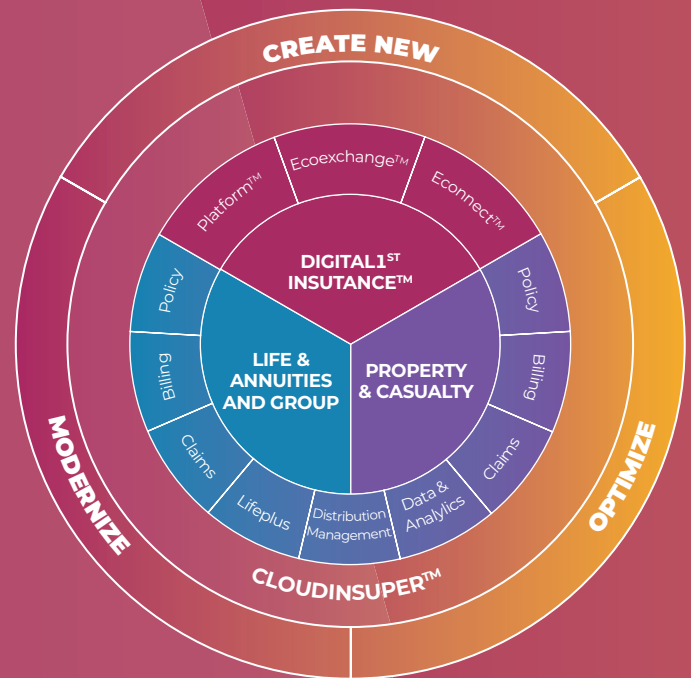
Our professionals provide the needed digital expertise to support clients' most pressing needs and address those needs through the deep understanding of their businesses. We imbibe a powerful sense of ownership through our teams and each member participates in our strategic direction.



#### Shareholders

Over the years, we have experienced significant growth through disciplined execution of our strategic objectives. This has led to a balanced blend of organic and inorganic growth, which is key to provide our shareholders with a reliable return on investment.

### WE INNOVATE TO LEVERAGE OPPORTUNITY.



**40%**

of our customers run on CloudInsurer™

**95%**

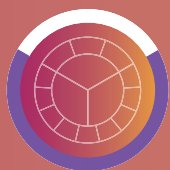
of our customers who upgraded to new Majesco products chose CloudInsurer™

**97%**

of our new North America customers in FY 2018-19 chose CloudInsurer™

## WE LEAD THE INDUSTRY WE SERVE.

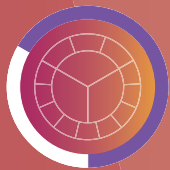
The digital needs of clients and their customers are driving the transformation of organizations around the world. We serve as our clients' guide in this time of rapid change, providing practical innovation to create powerful results. To navigate successfully to the future of insurance, there are three paths insurers can pursue.



**Create new** businesses for tomorrow, building innovative business models with the next generation platforms and new market strategies



**Optimize** both channels and processes to maximize engagement, creating new digital capabilities to protect and growing today's customer base



**Modernize** both the framework and the organization, replacing legacy systems in a private or public cloud to keep and grow today's business

We are a trusted partner that provides substantive and actionable insights to help clients accelerate their transformation. We bring forward services and solutions that address clients' top priorities. We are dedicated to the insurance industry and help property and casualty and life insurers implement innovative digital business solutions across the value chain to differentiate themselves, while driving operational efficiencies and cost savings. Our overarching objective is to co-create a world where insurance makes life and business easier, more connected and better protected.

### Key impact areas

Driving a differentiated, seamless customer experience

Deriving value from data to enhance end-to-end customer journeys

Safeguarding against cyber and regulatory risks

## Operating Context

# Disruptive innovations ahead

Digital Insurance 2.0 is allowing insurers to break out of traditional boundaries and mix and match technologies and concepts that will catapult them into the next phase of growth.

To thrive, insurers will also need to create the right partnerships and convene the largest ecosystem to enrich their offerings and services. This makes it necessary for insurance providers to transition progressively to next-generation, data-driven design and service platforms, modernising their legacy and fully embracing the latest IoT, Big Data, AI/ML, real-time and cloud technologies.

### Meeting the pace of transformative growth

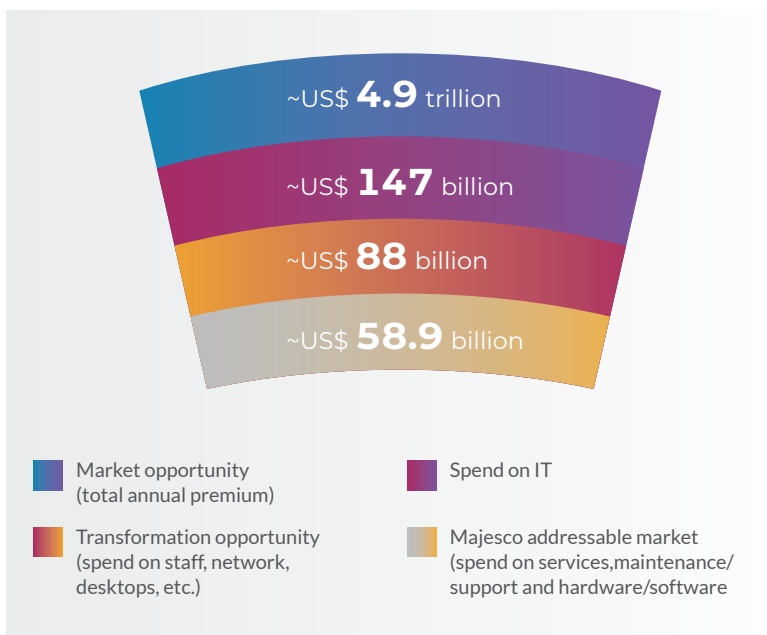
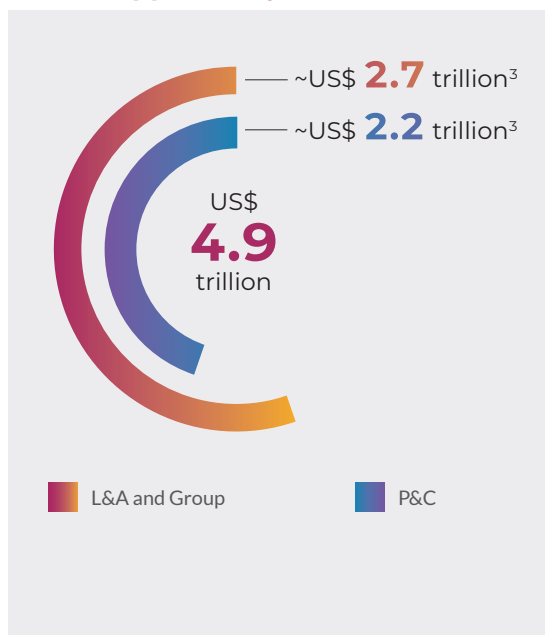
Digital Insurance 2.0 is about more than technology. It involves a fundamental change to how an organization listens to customers, innovates, collaborates with partners, delivers new products and services, and more. It's about driving change across the entire enterprise — from front-end customer channels to back-end processes and supply chains. Such a change takes place continuously in response to market drivers and customer expectations. Majesco works with digital leaders to help insurers evolve at the right pace and scale, into agile organizations that meet customer needs. We are well positioned to capitalize on favorable market trends on the back of our scale, cloud technology and breadth of solutions.





- Insurance is a US\$ 4.9 trillion<sup>1</sup> industry that is ripe for disruption. Of this, insurers, on average, spend US\$ 147 billion<sup>2</sup> on IT and the market supports this multi-billion dollar opportunity.

### Market opportunity



- Global InsurTech investment reached US\$ 4.15 billion<sup>4</sup> in 2018, an 87% increase over US\$ 2.2 billion in 2017 and a 1,093% increase over US\$ 348 million in 2012. The top priority for insurers is platform technologies, cloud, APIs, AI and microservices.
- As physical and digital worlds blur, data and analytics will be at the cornerstone of next-generation. Providing the best solutions and services at the lowest cost, while being able to adapt very fast to market change and specific demands will mark the next quantum leap for InsurTech.

### Next-generation service-centric architecture with intelligent connectivity and data-driven orchestration for future-ready insurance

<p><b>Immersive experience</b> 360-degree customer experience, engagement and ownership</p>	<p><b>Cognitive analytics</b> Smart data orchestrator, open innovation and service platforms</p>	<p><b>Business accelerators</b> Speed to value; channel innovation and efficiency; customer loyalty; ecosystem of value-added products and services; test and learn platforms; and total cost of ownership optimisations</p>	<p><b>Hybrid cloud</b> Software-defined infrastructures, microservices and DevOps</p>
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### Open platform foundations and real-time process automation

Source: 1. AM Best Report; Willis Towers Watson; McKinsey | 2. Novarcia's Matthew Josefowicz | 3. Swiss Re Institute; November 2018; sigma No 3/2018: 'World insurance in 2017: solid, but mature life markets weight on growth' | 4. CB Insights Deal Search

## Innovation

# Driving the transition to a business of the future

Our relentless thirst for innovation is essential for achieving our goals

We build infrastructures that incorporate cloud-based intelligent solutions to simplify operations, streamline costs, increase agility and achieve a higher speed to value as well as implementation. We facilitate the adoption of advanced analytics to enable new business models, services, products and customer experiences. We help clients innovate to differentiate – reimagining customer touchpoints and engaging through a wider ecosystem. We help drive operational efficiencies and deliver cost savings through our tomorrow-ready technological capabilities that also effectively address compliance requirements.





Case study

## A holistic solution to achieve business goals and expand customer base

Right from the time of its inception in 2012, Heritage Insurance was quick to realize that it required technology that could support its appetite for growth and efficiency. It required a solution that would give them the full spectrum of insurance functionality, end to end, yet also be deployed on the cloud.

Heritage and Majesco partnered in developing and orchestrating the seamless delivery of such a platform, through an enterprise agile model that encouraged continual dialogue and collaboration between IT and business, to understand how priorities might have shifted, then realign plans accordingly. Our solution included assigning a full-time Client Partner to the account, thereby ensuring that risks and expectation mismatches were minimized from the start. Our P&C Suite deployed on the cloud enabled

the rapid implementation of a single platform to meet the needs of multiple lines of business as well as markets. Together with Heritage, we were able to foster growth for new offerings, including mobility, business intelligence and analytics, while expanding to new geographies, making underwriting and claims processing seamless across the operations.

Starting with zero policies at the beginning of 2012, Heritage had ~3,32,000 policies and over 250 employees at the end of first quarter 2016. In addition, Heritage began offering insurance for homeowners as well as commercial residential property and also commercial general liability. Starting with takeout business from the Florida state fund (Citizens), Heritage has grown to US\$ 683 million in consolidated premiums-in-

force at the end of the first quarter 2016. Business expanded from US\$ 5.6 million in operating revenues in 2012 to US\$ 394.8 million in 2015, reaching profitability within three quarters of operation.

“Majesco allowed us to jumpstart Heritage to get out there and we are now over US\$ 600 million in consolidated premium. So with that rapid growth, we had to sustain it. The program success comes down to basically two things: good people and a good technology platform. Flexibility was an important aspect when we selected Majesco. Our window of growth is small and if you’re not able to change with the market these days and have a good partner that’s changing with you, you’re going to see some rough waters ahead.”  
– Ernie Garateix, Chief Operating Officer, Heritage Property & Casualty



Case study

## A new bar in product development, implementation and market launch

We are working with promising InsurTech startups and incumbent insurer greenfields across P&C and L&A segments and supporting their growth strategies – launching new business models, introducing new products and entering new markets, through our platforms, to deliver speed to value, to implementation, to market and to revenue.

Urban Advantage Insurance, based out of California, implemented Majesco Policy for P&C and Majesco Billing for P&C on the Majesco CloudInsurer™

platform in 95 days for dwelling fire, enabling their rapid launch into the personal lines market. Urban Advantage’s mission is to bring comprehensive and competitive personal lines insurance products to the urban communities of California. Following a rapid evaluation, we put them on the fast track, leveraging our powerful platform and extensive out-of-the-box capabilities. Additional products are in development for a similar rapid rollout.

“From the very beginning we were impressed with the depth of business

and technical capabilities of the Majesco platforms as well as their understanding of the unique challenges for greenfields like ourselves to support a business launch. The speed and quality of the implementation has surpassed our expectations, helping to rapidly launch our business and drive speed to value.” – Danna Gomez, Chief Operating Officer, Urban Advantage Insurance

## Partnership

# Embracing collaborations to build the future

Our partners plug into our value proposition.

To keep adding value in a dynamic world, we harness the power of vibrant, thriving ecosystems. As both client and customer needs evolve and innovative technologies disrupt traditional operating models, these strategic partnerships will become an essential ingredient in maintaining our competitive edge. We weave the unique strengths of our partners into a common value chain through an open and accessible architecture.



# We partner with the best and the brightest to reach new markets and support our customers as they shape the future.

## The IBM Insurance platform

A key component of our growth strategy, we worked with IBM to create an insurance-specific industry platform which brings a differentiating advantage, speed to market and lower total cost of ownership to insurers. The IBM Insurance Platform, built on the IBM Cloud:

- Handles the core insurance processing flexibly and efficiently
- Offers enterprise-class tools for optimization and for process acceleration and optimization
- Protects sensitive information in a secure cloud environment
- Provides digital tools for strong customer engagement and new product development – microservices, open APIs, AI, mobile and analytics
- Delivers a rich ecosystem marketplace for innovative data and solutions that extend core capabilities
- Employs agile and flexible cloud and consumption-based operating models
- Lowers compliance costs for all participants

## A powerful alliance with Capgemini

As we accelerate our growth plans, we want to ensure that our customers have access to the best products, expertise, knowledge and leadership critical for their business innovation and transformation plans, regardless of insurer line of business, size or market. To that end, we entered into an agreement with Capgemini to cross-pollinate business and systems transformation capabilities, along with implementation, integration, conversion, and testing services to group and individual insurers.

Additionally, Capgemini will bring its insurance expertise, ecosystem, and InsurTech partnerships to an upcoming L&A and group platform offering with Majesco L&A and Group Core Suite at its heart. The platform will allow insurers to become 'open' and leverage API and services architectures to rapidly build a digital ecosystem that overcomes legacy system setbacks and achieves speed to value.

Scan this QR Code.



Read more about our partners.

## Board of Directors

# Committed governance

### Venkatesh N. Chakravarty

Non-Executive Chairman and Independent Director

Venkatesh has more than 29 years of experience in the insurance Industry. His experience spans insurance, management consulting and reinsurance, beginning with Life Insurance Corporation of India and Eagle Star International in the Middle East. At KPMG, he was an Associate Director, Management Consulting, responsible for the insurance practice. He was the Head of Life & Health business and a Director on the Board of Swiss Re Services India Private Limited for more than 10 years. At present, he is the CEO of General Reinsurance AG India branch.

Venkatesh is qualified as an Associate Member of the Chartered Insurance Institute, UK (ACII, UK). He holds a Master's degree in Administrative Management and a Bachelor's degree in Economics, Political Science and Sociology.

### Ashank Desai

Non-Executive Director

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

(IIM), Ahmedabad. He has worked with Godrej and Boyce before founding the Mastek. He is actively associated with several government bodies and trade associations.

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

Mr. Desai is widely recognized as an Information Technology industry veteran and one of the most respected business personalities in India. He is one of the founder members & past Chairman of NASSCOM. He was a former President of Asian Oceanian Computing Industry Organisation (ASOCIO), an Association of 20 countries in this region. He also served as Vice-Chairman, Society for Innovation and Entrepreneurship (SINE) at his alma mater IIT Mumbai. Prime Minister Shri Narendra Modi has felicitated him for his contribution to NASSCOM & Information Technology Industry for the last 25 years.

He is also the founder of Avanti Foundation NGO which provides leadership training to low income group girls to become leaders. He is Co-founder of PARFI NGO which provides Vocational training to high school dropouts. He is on Board of an NGO which trains deserving under privileged students to get admissions to IITs and Engineering colleges. He is also on the board of Government bodies and Non- Profits and advises them in the areas like Urbanization, IT, health and education. He strongly believes in giving back to the society in whatever way he can and is also a philanthropist.

### Farid Kazani

Managing Director and Group Chief Financial Officer

Farid brings critical finance and organization skills to Majesco, with over 28 years of experience in the field of corporate finance and core competencies in strategic business planning, treasury and fund management, forex, mergers and acquisitions (M&A) and divestments. Prior to joining Majesco, Farid was the Group CFO and Finance Director of Mastek Limited. He has been the architect of carrying out the process of demerger of the insurance business into Majesco, which was completed in June 2015. He was responsible for reorganizing the legal entity structure and creating the insurance business group, under Majesco US, completing the two acquisitions and paving the way to list Majesco on the NYSE-MKT and the parent company, Majesco Limited on the Indian Stock Exchanges. Prior to Mastek Limited, he worked with Firstsource Solutions Limited as CFO – India and Global Financial Controller for over four years. His work experience also spans organizations such as RPG Enterprises, BPL Mobile, Marico Industries Limited, Piramal Enterprises and NOCIL. He has successfully handled an Initial Public Offering (IPO) of US\$ 100 million and a Foreign Currency Convertible Bond (FCCB) issue of US\$ 275 million for Firstsource Solutions Limited, besides independently managing brand takeovers of 'Mediker' and 'Oil of Malabar' for Marico Industries Limited. He has been conferred with many recognition awards for Excellence in the Finance field across various categories such as Cost Control & Management, Fund raising, M&A, etc.

Farid is a member of The Institute of Chartered Accountants of India and The Institute of Cost and Works Accountant of India. He is also the member of NASSCOM's Product Council for FY 2019-20.

### Jyotin Mehta

Independent  
Non-Executive Director

In his career, Jyotin has held senior management positions in TATA, ICICI and Shell group of Companies. He has a versatile experience of over 35 years in the areas of corporate finance, internal audit, corporate governance, risk and controls, company law and legal and regulatory compliance and customer service. He last served as Vice President and Chief of Internal Audit in Voltas Limited. He is also the Non-Executive Independent Chairman of the Board of Directors of Monnet Ispat and Energy Limited and serves as Independent Director in various other companies such as Linde India Limited, ICICI Prudential Trust Company Limited and Suryoday Small Finance Bank Limited. He is a visiting faculty at leading management schools in India. He also acts as a Governance, Risk Management and Compliance (GRC) advisor.

Jyotin holds a Bachelor's Degree in Commerce from University of Bombay and is a fellow member of the Institute of Chartered Accountants of India (All India Rank 3), the Institute of Company Secretaries of India and the Institute of Cost Accountants of India.

### Ketan Mehta

Non-Executive Director

Since October 2018, Ketan has been serving as Chairman of the Board of Majesco, USA. Prior to that, he served as President of Majesco, USA from 2000 until March 2019 and Chief Executive Officer of Majesco, USA from July 2011 to October 2018.

Ketan co-founded Mastek Limited in 1982 and served as a member of the Board of Directors of Mastek Limited until June 1, 2015. He was a member of the Nomination and Remuneration Committee of Mastek Limited from October 5, 2007 until June 1, 2015 and a member of the Governance Committee from January 7, 2009 until June 1, 2015. During his 35 years with Mastek, Majesco and its affiliates, he has handled multiple functions including sales, delivery and general management. He is the driving force behind the conceptualization and execution of Majesco's insurance strategy, including acquisition and integration of five insurance technology companies over the last eleven years. Prior to that, he also spearheaded Mastek's joint venture with Deloitte Consulting.

He holds a Management Degree from the Indian Institute of Management, Ahmedabad.

### Madhu Dubhashi

Independent  
Non-Executive Director

Madhu has more than four decades of experience in financial services industry, having worked with ICICI Limited, Standard Chartered Bank, JM Financial & Investment Consultancy Services Private Limited and Global Data Services of India Limited (erstwhile subsidiary of CRISIL Limited). Madhu is an Economics graduate from Miranda House, Delhi University and post-graduate in Business Administration from the Indian Institute of Management (IIM), Ahmedabad.

### Radhakrishnan Sundar

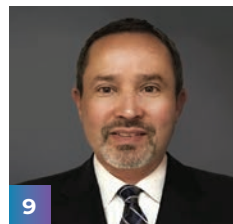
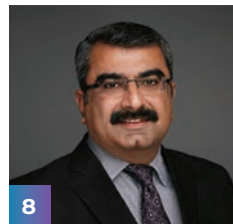
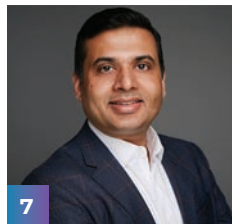
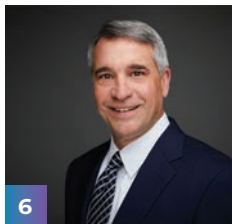
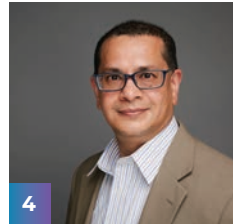
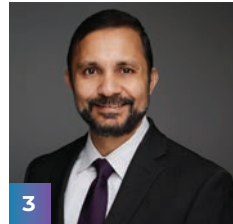
Executive Director

Sundar worked for two years with HCL Limited, after which he co-founded Mastek. He has extensive experience in the software industry and actively participated in various strategic initiatives taken by Mastek Group. Mr. Sundar has a proven track record in building successful companies around emerging opportunities and leading technologies - having successfully nurtured start-ups both in India and the US. He also serves on the Board of Sankara Eye Foundation, USA, the fund-raising arm of Sankara Eye Care, India engaged in eliminating curable blindness among the rural poor. Today he is engaged extensively with the social sector assisting them in building scale and achieving financial sustainability.

Sundar is an MBA from Indian Institute of Management (IIM), Ahmedabad and an undergrad in ECE from REC, Trichy.

# Leadership Team

## Insightful experience



**1 Adam Elster**  
**Chief Executive Officer**  
 Adam, prior to joining Majesco, USA in 2018, served as President of Global Field Operations and member of the Executive Leadership team at CA Technologies, a \$4.5B Fortune 500 organization and business partner to the world's largest companies. Under his direction, CA Technologies evolved from legacy software vendor to digital transformation leader across DevOps, API Management, Security and Agile Management. Adam currently sits on the Board at Optanix, an IT Service Management company, and at PENCIL.org, a non-profit that connects businesses with schools to provide advancement opportunities for students in underserved communities.

He holds a Bachelor of Arts in Psychology and Master of Sciences in Management and Information Systems from New York University.

**2 Ed Ossie**  
**Chief Operating Officer**  
 Ed is responsible for driving the Company's growth strategy, key operational initiatives and corporate development. He has over 25 years of international experience serving high-growth technology companies, spending the last 20 years in chief operating and chief executive roles. Prior to joining Majesco, Ed was Vice President and Director at Corum Group, a Global M&A Advisory firm focused on the Technology segment. In this role he advised a number of high-growth technology teams on how they might win, shape and scale their

operations to create impact and options for their future. During this same time, he also served on the Majesco Executive Advisory Board.

He graduated with a Bachelor of Science degree from Missouri State University and attended select Executive Programs at Stanford Graduate School of Business.

**3 Manish Shah**  
**President and Chief Product Officer**  
 Manish is responsible for management and development of innovative software products for the global insurance business and works on strategic directions for the Company as a member of leadership team. Prior to the merger of Cover-All and Majesco, Manish was President and CEO of Cover-All and served on its Board of Directors. Prior to joining Cover-All, Manish

held several technology management positions independently and with Tata Consultancy Services for over a decade, serving a wide variety of industries including P&C Insurance. He was responsible for business development, product management, project management and solution consulting to various enterprises including many Fortune 500 companies.

Manish earned an M.B.A. from Columbia University, and a Bachelor of Science degree in Computer Science from MS University of Baroda, India.

**4 Mallinath Sengupta**  
**Executive Vice President and Head of Delivery, Consulting, and Support Services**  
 Mallinath is responsible for delivering client programs that meet customer



expectations. He is passionate about transforming the software product delivery and implementation playbook. He has over 30 years of international experience in various roles including large-scale delivery (team size exceeding 10,000), Account Management, Pre-Sales, Engagement Initiation and Product Development. Mallinath previously worked for Wipro, NIIT and Mphasis. In his last role, Mallinath was Chief Executive-NextAngles at Mphasis Corp where he helped develop an AI-enabled software solution for banking regulatory compliance.

He is an alumnus of Indian Institute of Management, Bangalore.

**5 Denise Garth**  
**Senior Vice President,**  
**Strategic Marketing**

Denise is responsible for leading marketing, industry relations and innovation in support of Majesco's client centric strategy, working closely with Majesco customers, partners and the industry. She is a recognized Top 50 InsurTech Influencer and industry leader with both P&C and L&A insurance experience as a CIO and business executive with deep international ties in Asia and Europe. At ACORD, she was vice president, standards and membership driving its international expansion and market presence. While at Innovation Group, she was EVP, strategic marketing and global head of market strategy where she re-established the company's position through market-driven strategy and solutions. Most recently she was Partner and Chief Digital Officer with Strategy Meets Action.

Denise is a Cum Laude graduate, with a BS in Math and Computer Science from

Central College in Iowa, MBA work at the University of Northern Iowa and has attended various executive leadership programs.

**6 Jim Miller**  
**Chief Revenue Officer**

Jim is responsible for driving Majesco's overall go-to-market methodology and execution of the Company's growth strategy. Prior to joining Majesco, Jim had a successful career at CA Technologies, where he led sales strategy for products and field teams across multiple business units worldwide, with revenues ranging from \$350 million to \$2.5 billion. He spent 20 years in executive leadership and general management roles, earning a reputation for delivering top performance across partner and direct sales channels by improving operational discipline, transforming systems, and developing consistent and repeatable growth at scale. During his time at CA Technologies, Jim pioneered a complete turnaround from sales decline to sales growth across several product business units.

He has a Bachelor's degree from the University of Maryland at College Park.

**7 Prateek Kumar**  
**Executive Vice**  
**President, Global Sales**

Prateek is responsible for the entire customer lifecycle, including building new business and deepening existing relationships with clients across P&C and L&A lines of business. He has held various positions in presales, sales and account management at Majesco since 2003. Prior to that, he worked as an IT consultant with the Exeter Group in the areas of IT strategy, planning and program management.

He has an MBA from Virginia Polytechnic Institute and State University.

**8 Farid Kazani**  
**Managing Director and**  
**Group CFO**

Farid brings critical finance and organization skills to Majesco, with over 28 years of experience in the field of corporate finance and core competencies in strategic business planning, treasury and fund management, forex, mergers and acquisitions (M&A) and divestments. Prior to joining Majesco, Farid was the Group CFO and Finance Director of Mastek Limited. He has been the architect of carrying out the process of demerger of the insurance business into Majesco. He was responsible for reorganizing the legal entity structure and creating the insurance business group, under Majesco US, completing the two acquisitions and paving the way to list Majesco on the NYSE-MKT and the parent company, Majesco Limited on the Indian Stock Exchanges.

He is a member of The Institute of Chartered Accountants of India and The Institute of Cost and Works Accountant of India. He is also the member of NASSCOM's Product Council for FY 2019-21.

**9 Wayne Locke**  
**Chief Financial Officer**

Wayne brings with him over two decades of finance and operations experience. Before joining Majesco, he was a Senior Director at Capgemini providing financial and operational consulting services to insurance organizations. Prior to that he was the President of WEL Consulting, LLC, a financial operations firm where he was instrumental in providing the finance vision, strategy and leadership to help the

organizations get to the next level. Over the course of his career, he has been responsible for designing and implementing world-class, value-added business process management solutions for notable organizations including, AIG, Deloitte Consulting, GE Capital, BNY and Swiss Re.

He holds an MBA in Finance from Baruch College City University of New York and a BS in Accounting from Brooklyn College City University of New York.

**10 Sweta Jhunjunwala**  
**Senior Vice President,**  
**Global Administrative**  
**Services**

Sweta oversees all aspects of HR, IT, and Facilities at Majesco. She came to Majesco as part of its Cover-All acquisition in 2015. In her previous position at Majesco, she focused on implementation of Cover-All products, and helped expose the existing Cover-All client base to the broader Majesco portfolio. Prior to joining Majesco, she ran the implementation team at Cover-All, ensuring executed of all projects with high quality and in a timely manner, resulting in increased customer confidence and benefits. Before that, she held several director and management positions at companies such as Columbia Water Center, Pepsico, BearingPoint and TCS.

She has a Master of Science in Sustainability Management from Columbia University and a Bachelor of Engineering in Computer Technology from the University of Mumbai.

# Glossary

<b>AI/ML</b>	Artificial Intelligence is a branch of computer science that aims to create machines that can simulate human intelligence. Machine learning is an application of AI, which focuses on the development of computer programs that can access data and use it learn for themselves.
<b>API</b>	Application Programming Interface comprises a set of functions and procedures allowing the creation of applications that access the features or data of an operating system, application, or other service.
<b>Big Data</b>	Big Data refers to extremely large data sets that may be analysed computationally to reveal patterns, trends, and associations, especially relating to human behavior and interactions.
<b>Cloud computing</b>	Cloud computing is the delivery of different services through the Internet. These resources include tools and applications like data storage, servers, databases, networking and software. Cloud services enable users to store files and applications on remote servers or 'the cloud' and then access all the data via the internet. This means the user is not required to be in a specific place to gain access to it, allowing the user to work remotely.
<b>Enterprise solutions</b>	Enterprise software, also known as enterprise application software, is a computer software used to satisfy the needs of an integrated organization rather than individual users.
<b>DevOps</b>	DevOps is a set of practices that combine software development and information technology operations to shorten the systems development life cycle while delivering features, fixes and updates frequently in close alignment with business objectives.
<b>InsurTech</b>	Insurance Technology refers to the use of disruptive technology innovations designed to energise the current insurance industry model and maximize its efficiency and efficacy.
<b>IoT</b>	Internet of Things is the practice of embedding internet connectivity into physical devices and everyday objects. These devices can communicate and interact with each other over the internet and they can be remotely monitored and controlled.
<b>L&amp;A</b>	Life and Annuities
<b>Microservices</b>	Microservices refer to a software development approach that structures an application as a collection of smaller, lightweight modular components. The microservice architecture enables the continuous delivery/deployment of large, complex applications.
<b>Modules</b>	Modules are software components or parts of a program that contains one or more routines. One or more independently developed modules make up a program. An enterprise-level software application may contain several different modules, and each module serves unique and separate business operations.
<b>Open architecture</b>	Open architecture is a kind of computer/software architecture that intends to make adding, upgrading, and swapping components easy.
<b>Platform</b>	Platforms refer to a group of technologies that are used as a base upon which other applications, processes or technologies are developed.
<b>P&amp;C</b>	Property and Casualty
<b>SaaS</b>	Software-as-a-Service (SaaS) is a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted over the internet.
<b>SI</b>	Systems integrators specialize in bringing together component subsystems into a whole and ensuring that those subsystems function together, a practice known as system integration, helping solve problems of automation.

## FORWARD LOOKING STATEMENTS:

Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We have tried wherever possible to identify such statements by using words such as anticipate, estimate, expect, project, intend, plan, believe and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

# Company Information

## BANKERS

HDFC Bank Limited  
ICICI Bank Limited  
Yes Bank Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Standard Chartered Bank

## STATUTORY AUDITORS

M/s. Varma & Varma,  
Chartered Accountants (up to July 3, 2019)

M/s. MSKA & Associates,  
Chartered Accountants (w.e.f. July 4, 2019)

## REGISTERED OFFICE

MNDC, MBP-P-136,  
Mahape, Navi Mumbai – 400 710

## REGISTRAR & SHARE TRANSFER AGENT

Karvy Fintech Private Limited  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli Financial District, Nanakramguda,  
Hyderabad – 500 032  
Tel: +91 40 6716 2222  
Fax: +91 40 2342 0814  
E-mail: einward.ris@karvy.com  
Website: www.karvy.com

## BOARD OF DIRECTORS

**Mr. Venkatesh N. Chakravarty**  
Non-Executive Chairman and Independent Director

**Mr. Ashank Desai** (w.e.f. May 31, 2019)  
Non-Executive Director

**Mr. Farid Kazani**  
Managing Director & Group CFO

**Mr. Jyotin Mehta** (w.e.f. November 5, 2018)  
Independent Director

**Mr. Ketan Mehta**  
Non-Executive Director

**Mrs. Madhu Dubhashi**  
Independent Director

**Mr. Radhakrishnan Sundar**  
Executive Director

## CHIEF FINANCIAL OFFICER

Mr. Kunal Karan

## COMPANY SECRETARY

Mrs. Varika Rastogi

### 6<sup>th</sup> Annual General Meeting

**Date:** Tuesday, August 6, 2019

**Time:** 11:00 A.M. (IST)

**Venue:** Hotel “Country Inn and Suites By Radisson”  
Plot No. X-4/5-B, TTC Industrial Area, MIDC, Mahape,  
Shilphata Road, Navi Mumbai - 400 701

# MANAGEMENT DISCUSSION AND ANALYSIS

## I. INDUSTRY STRUCTURE AND DEVELOPMENTS

### Global economy and Information Technology

The global economy is forecasted to grow at 3.3% in 2019 and 3.4% in 2020, from 3.6% in 2018. Rising policy uncertainties, possibility of the United Kingdom's (UK) exit from the European Union (EU), ongoing US-China trade conflicts, currency volatility and weakening financial market sentiments are some of the key factors that contribute toward the overall slowdown. In particular, United States of America economy registered a growth of 2.9% in 2018 and is projected to moderate to 2.6% in 2019 and 2.2% in 2020, as the fiscal stimulus winds down. Growth is estimated to remain weak in the UK, at under 1% in both 2019 and 2020, from 1.4% in 2018, mainly due to persisting ambiguity over the country's separation from the EU. India's GDP grew at 7.0% in FY2018 and is projected to grow at 7.2% in FY2019 and 7.3% in FY2020 benefited from easing financial market tensions, strong inflow of investments, increased business confidence, accommodative fiscal policy and a slew of structural reforms. [Source: Organisation for Economic Co-operation and Development (OECD)]

The National Association of Software and Services Companies (NASSCOM) Strategic Review 2019 report estimates that the global Information Technology and Business Process Management (IT-BPM) industry grew at 4.9% in revenue terms to US\$ 1.4 trillion in 2018. This was mainly driven by increased software-led digital penetration as well as rise in demand for advanced digital technologies such as industrial automation, cloud computing, Artificial Learning (AI) and Machine Learning (ML), Internet of Things (IoT), Augmented Reality (AR) and Virtual Reality (VR), blockchain, business intelligence and data analytics. IT services, in particular, witnessed a growth of 3.2%, owing to accelerated demand for application development and management services. The Americas, along with Europe-Middle East-Africa (EMEA), continue to account for the lion's share of the market at ~84%, followed by Asia-Pacific (APAC) region, which accounts for the remaining ~16%.

### Indian economy and Information Technology

India is on the fast track to become a digital as well as cashless economy. In the last few years, the country has seen a massive rise in digital services, prompting a higher internet penetration. Corporates are moving towards Industry 4.0, adopting new technologies to stay competitive and relevant in this connected world. The Indian IT sector is scaling up its footprint across the value chain, offering more end-to-end solutions.

NASSCOM estimates that the domestic IT-BPM industry is growing at 6.1% in revenue terms, from

US\$ 167 billion in 2017-18 to US\$ 177 billion in 2018-19. Increased adoption of emerging technology platforms, analytics, cloud and mobility has enabled IT services to grow at 5.2% in revenue terms, from US\$ 86 billion in 2017-18 to US\$ 91 billion in 2018-19. Software products grew at 6.8% to US\$ 8.2 billion.

Revenue generated by India's insurance industry is expected to grow to US\$ 280 billion by FY 2020. The outlook for the industry is upbeat, given the pace of economic development, favorable demographics, higher disposable incomes and rising awareness of the need for insurance and retirement planning. In addition, sustained regulatory support further boosts the prospects for the overall sector.

## II. STRENGTHS AND OPPORTUNITIES

The role that technology can play in transforming a business is radically changing and customer centricity is at the heart of it all. Globally, the insurance industry is witnessing a fundamental shift in how its products are designed and delivered, rapidly expanding and shifting distribution strategies – all with a single-minded focus on achieving greater efficiency and excellence in customer service. This relentless journey requires insurers to transform their legacy applications, move towards a data-driven world, find new ways of accelerating integration and stay ahead of the curve.

Gartner forecasts the global IT spending in insurance to grow at 3.7% in 2019 to reach US \$220.7 billion in constant USD. Major trends that pave the way forward are reinsurance rate escalation; wider adoption of IoT; digitalization of underwriting, distribution, data analytics and legacy; and transformation in ecosystems

### Key takeaways from Novarica's survey

Novarica surveyed 92 insurer CIO members of the Novarica Insurance Technology Research Council during August and September of 2018. Here are its key findings.

- Overall IT spending is starting to shift from core to digital, data and security. While the movement is still small given the high expenses associated with core systems, overall budgets are starting to shift away from core applications and toward digital engagement, analytics and ever-growing security needs.
- Cloud deployments are increasing 63% of insurers plan to expand their migration of applications to the cloud in 2019.

**Gartner forecasts the global IT spending in insurance to grow at 3.7% in 2019 to reach US \$220.7 billion in constant USD.**

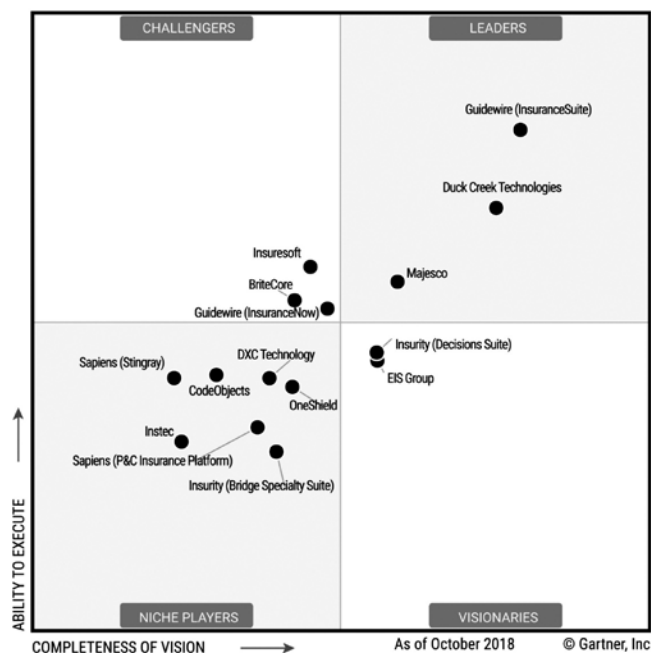
- Life and Annuity (“L&A”) insurers are focused on digital, optimized workflow and operating efficiency as they face changing customer expectations and continuing margin pressure in legacy blocks of business.
- Property and Casualty (“P&C”) insurers are focused on analytics and speed to market; the mounting competition continue to drive a need for better and faster product deployment. More mid-sized P&C insurers are planning major up-gradation to their analytics capabilities in coming years, as compared to the years before.
- Both L&A and P&C sectors increasingly perceive developing talent and improving IT operations as key IT challenges.

In sum, the survey summarizes that business leaders are demanding additional capabilities and faster speed to market. IT organizations are responding with enhancements in existing systems as well as legacy system replacements. While replacement activity is still significant, it is ebbing slightly, especially among P&C insurers, as the investments of the past decade are going into production. Across the board, there is a gradual shift away from investing in core systems toward digital and data/analytics systems. With security demands growing at the same time as business demand for digital and data capabilities, insurers are not likely to be able to fulfill these concurrent demands using a traditional IT spending framework. This brings a huge opportunity for Majesco’s core business, which serves the P&C and L&A segments.

### III. COMPANY REVIEW

Almost 200 insurance companies, world over, operating in the segments of P&C, L&A and Group/Employee Benefits, are transforming their businesses with our solutions. Our market leading software, consulting and services uniquely underpin the entire insurance value chain and empower insurers with the agility, innovation and speed needed to maximize their transformation opportunities. Our solutions span policy management, new business/underwriting, rating, billing, claims management, distribution management, BI/analytics, predictive modeling, digital platform with mobile and portal, testing services, cloud services, bureau and content services and beyond.

The annual market opportunity for Majesco’s products and services is over US\$ 25 billion. Demand is growing, since insurers of all sizes are upgrading their core business processes to become more efficient, control costs, introduce new products to the market and enhance the way they engage and interact with their customers. Majesco is well positioned to capitalize the business momentum, leveraging favorable market trends, on account of its scale, product reputation, success of implementations and breadth of solutions.



#### III. A. Core software

North American P&C insurers’ demand for core systems continues to expand given their efforts to modernize and include a broader array of platforms. Moreover, insurance CIOs are increasingly attracted to these core platforms, according to a Gartner’s October 2018 report.

In this context, our core software offering enables P&C, L&A and Group insurers to unify advanced business and technological capabilities for all lines of operations on a single platform. Gartner further recognized Majesco’s vision and execution prowess, positioning us as a leader in P&C core platforms in North America.

#### III. B. Majesco P&C Core Suite

In today’s new market paradigm, insurers clearly recognize that to capitalize digital opportunities they need a modern, robust core platform that enables speed to value and is scalable, as well as easy to structure for seamless and frequent content and software upgrades.

Majesco P&C Core Suite provides core system capabilities, including policy, billing and claims. It gives insurers the flexibility and speed to innovate, and deliver growth with profitability. It is built on a common configurable platform that empowers both IT and business users with a rich variety of built-in content and the ability to make changes independently.

Further, Majesco Configuration Toolset vests both business and IT users with the power to achieve new levels of visibility, agility and speed to managing insurance systems. Business rules, rates and forms are accessed through a modern

architecture built on open standards, offering an intuitive, web-based user experience along with built-in industry best practices acquired from 20 years serving the industry.

**III. C. Majesco L&A and Group Core Suite**

An array of changes and disruption are unfolding in the L&A Individual, Group and Voluntary benefits insurance segment, offering unprecedented opportunities for innovation and growth in terms of new markets, new customers and the demand for new products and services.

Majesco L&A and Group Core Suite uniquely supports Individual, Group and Voluntary benefits on a single platform; cognizant that nurturing and retaining customers, regardless of where they originate, is critical to insurers’ growth strategies. It provides clients with essential insurance capabilities for policy, billing and claims. The powerful design allows for rapid adaptation for new, innovative products or benefit plans, giving insurers the flexibility and speed needed to capture opportunities and create profitable growth.

**III. D. Digital services**

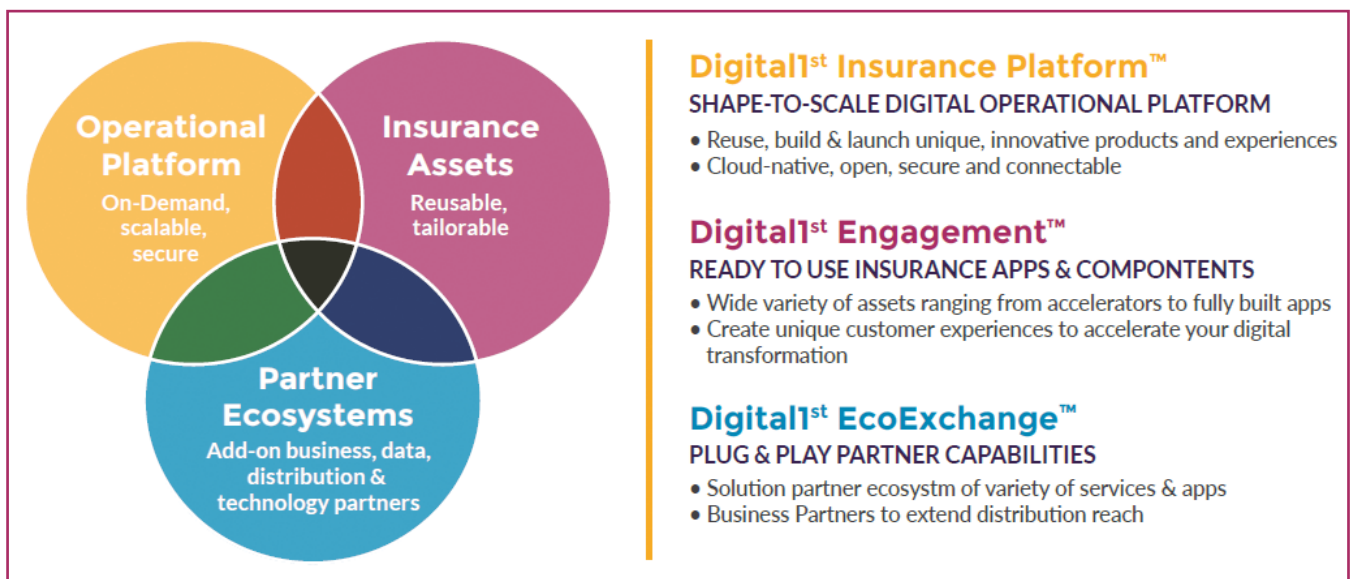
The digital age is reinventing and reshaping businesses. Insurance, too, is entering an era of disruption, along with most of the services industry. Fundamental elements of the insurance trade are changing and require major adjustments to survive and thrive. Rapid pace of Insurance Technology (InsurTech) growth and investment, adoption of new technologies, innovation, growth of new startups and greenfields, fast-changing customer needs and expectations and the shift towards an on-demand and platform economy are creating a continuous era of change and disruption.

Digital Insurance 2.0 underpins this new era and this shift to Application Programming Interface (API) and platform economy. The ‘Digital Insurance 2.0’ wave is marked by the use of key technologies such as cloud computing, open APIs, microservices, ecosystems, data and analytics, which together help insurers create new business models on the one hand and products and services on the other.

Majesco participates in this shift towards Digital Insurance 2.0, guiding insurers to connect everything, reimagine their business’ capacity to grow and innovate and, most importantly, craft transformative customer experiences. Our digital services enable the use of modern digital insurance tools, such as cloud-based technologies, platform-ready architectures and agile digital ecosystems. From insurers’ strategy to implementation and post-execution, we dominate the value chain and do away with silos to define a clear, cohesive and actionable roadmap. Such a roadmap interfaces with endless customer touch points and articulates and prioritizes the projects that will achieve the most operational gains to the client.

**III. E. Majesco Digital1<sup>st</sup> Insurance Platform**

Majesco Digital1<sup>st</sup> Insurance platform is a groundbreaking digital and microservices-based cloud-only platform solution, designed to enable the next era of new business models, new products and customer engagement. It can subscribe to third-party services and real-time data sources that traditional core systems may not effectively support and is configurable for different customer segments and user requirements.



#### IV. BUSINESS REVIEW

During the year, we continued to support new and existing customer growth plans, launching new products, enhancing our product offerings, focusing on operating efficiencies, deepening our relationship with partners, expanding sales and marketing efforts and successfully integrating an acquisition in the EMEA region.

We generated an operating revenue of ₹ 98,810 lakhs in financial year 2018-19, reflecting growth of 22.6% compared to financial year 2017-18 and a growth of 13.4% in constant currency terms. We company expanded our profitability from ₹ 280 lakhs in financial year 2017-18 to ₹ 7,174 lakhs in financial year 2018-19.

In May 2018, we launched the revolutionary Majesco Digital1<sup>st</sup> Insurance, a next-generation platform solution as the foundation of our new business unit. It is a microservices-based digital insurance platform that enables insurers to design customer journeys - tailored to their needs and on their terms - cutting through traditional insurance silos and creating end-to-end, highly personalized and engaging customer experiences. In the same month, we updated the Majesco L&A and Group Core Suite. The new suite, version 10.0, includes Majesco L&A and Group Policy, Majesco L&A and Group Billing and Majesco L&A and Group Claims.

In November 2018, Majesco, USA, subsidiary of the Company, acquired Exaxe Holdings Limited (Exaxe), an EMEA based cloud software leader in the life, pensions and wealth management segment. Headquartered in Dublin, Ireland Exaxe serves a growing list of top European insurers. This acquisition has strengthened and expanded our software offerings in EMEA for the individual life, pensions and wealth management market while complementing our software and Group focused customer base in the UK.

In February 2019, Majesco, USA successfully completed its rights offering in the US raising approximately US\$ 43.5 million to support future inorganic growth. On February 26, 2019, Majesco, USA switched the listing of its common stock from the New York Stock Exchange (NYSE) - American to NASDAQ. This was an important step in our journey to grow and create sustained value for our shareholders.

Majesco Partner EcoSystem, built around Majesco CloudInsurer, is designed to provide insurers with extended strategic and operational benefits, with complementary partner-led solutions and unique capabilities across the value chain. We have tie-ups with multiple ecosystem partners, to fulfill the objective of serving clients with pre-integrated offerings on the digital platform.

We expect the revenue from our cloud offerings to grow at a faster pace, compared to other areas of our business.

We are encouraged by this shift as cloud-based sales are margin-accretive and recurring, besides meeting a critical industry requirement. We will continue to make investments in research and development of platforms and solutions to boost future growth prospects, with a keen eye on client program success.

#### Break Up of Revenue by Regions

##### Revenue - North America (NA)

Offerings	Year ended March 31, 2019		Year ended March 31, 2018	
	₹ in lakhs	% of Revenue	₹ in lakhs	% of Revenue
License	2,418	2.9	1,382	2.0
Professional Services	31,310	37.0	32,704	46.3
Cloud	37,157	43.9	23,985	33.9
Support	13,791	16.3	12,618	17.8
<b>Total</b>	<b>84,676</b>	<b>100.0</b>	<b>70,689</b>	<b>100.0</b>

##### Revenue - EMEA

Offerings	Year ended March 31, 2019		Year ended March 31, 2018	
	₹ in lakhs	% of Revenue	₹ in lakhs	% of Revenue
License	321	4.7	277	6.5
Professional Services	832	12.1	4,011	93.5
Cloud	2,954	43.0	-	-
Support	2,759	40.2	-	-
<b>Total</b>	<b>6,866</b>	<b>100.0</b>	<b>4,288</b>	<b>100.0</b>

##### Revenue - Others (APAC/India)

Offerings	Year ended March 31, 2019		Year ended March 31, 2018	
	₹ in lakhs	% of Revenue	₹ in lakhs	% of Revenue
License	244	3.4	14	0.2
Professional Services	5,330	73.3	5,613	99.8
Cloud	-	-	-	-
Support	1,695	23.3	-	-
<b>Total</b>	<b>7,268</b>	<b>100.0</b>	<b>5,627</b>	<b>100.0</b>

#### V. PERFORMANCE REVIEW

##### Key Financials

##### Operating Revenue

On a consolidated basis, we registered a total operating revenue of ₹ 98,810 lakhs as on March 31, 2019 vis-à-vis ₹ 80,604 lakhs as on March 31, 2018. Analysis of Operating Revenue, Region-wise, Offerings-wise and Line of Business-wise is mentioned below:

**Break up of Operating Revenue by Regions**

Region	Year ended March 31, 2019		Year ended March 31, 2018		Growth %
	₹ in lakhs	% of Revenue	₹ in lakhs	% of Revenue	
North America	84,676	85.7	70,689	87.7	19.8
Europe	6,866	6.9	4,288	5.3	60.1
Others (India/ Asia Pacific)	7,268	7.4	5,627	7.0	29.2
<b>Total</b>	<b>98,810</b>	<b>100.0</b>	<b>80,604</b>	<b>100.0</b>	<b>22.6</b>

**Break up of Operating Revenue by Offerings**

Offerings	Year ended March 31, 2019		Year ended March 31, 2018		Growth %
	₹ in lakhs	% of Revenue	₹ in lakhs	% of Revenue	
License	2,983	3.0	1,673	2.1	78.3
Professional Services	37,472	37.9	42,328	52.5	(11.5)
Cloud	40,110	40.6	23,985	29.8	67.2
Support	18,245	18.5	12,618	15.6	44.6
<b>Total</b>	<b>98,810</b>	<b>100.0</b>	<b>80,604</b>	<b>100.0</b>	<b>22.6</b>

**Break up of Operating Revenue by Line of Business**

Lines of Business	Year ended March 31, 2019		Year ended March 31, 2018		Growth %
	₹ in lakhs	% of Revenue	₹ in lakhs	% of Revenue	
Property & Casualty	69,275	70.1	61,689	76.5	12.3
Life & Annuities	28,894	29.2	17,754	22.0	62.7
Non- Insurance	640	0.7	1,161	1.5	(44.9)
<b>Total</b>	<b>98,810</b>	<b>100.0</b>	<b>80,604</b>	<b>100.0</b>	<b>22.6</b>

**Profitability**

Profit for the year ended March 31, 2019 and March 31, 2018 is ₹ 7,174 lakhs and ₹ 280 lakhs respectively. Other comprehensive income for the year ended March 31, 2019 and March 31, 2018 is ₹ 13 lakhs and ₹ 574 lakhs respectively. Total comprehensive income for the year ended March 31, 2019 and March 31, 2018 is ₹ 7,187 lakhs and ₹ 854 lakhs respectively. Increase in profit is substantially due to improved revenue profile with higher cloud-based revenues, improved operating efficiencies and cost management in general and administrative expenses.

Profit for the year ended March 31, 2019 and March 31, 2018 attributable to our equity shareholders, after considering share of non-controlling interests is ₹ 5,404 lakhs and ₹ 629 lakhs respectively. Other comprehensive income for the year ended on March 31, 2019 and March 31, 2018 attributable to our equity shareholders, after considering share of non-controlling interests is ₹ 9 lakhs and ₹ 403 lakhs respectively. Other comprehensive income includes changes in fair value

of cash flow hedge, exchange difference on translation of foreign operations and re-measurement gain/loss on gratuity plan. Total comprehensive income for the year ended March 31, 2019 and March 31, 2018 attributable to our equity shareholders, after considering share of non-controlling interests is ₹ 5,413 lakhs and ₹ 1,033 lakhs respectively.

**Balance sheet items****Non-current Assets****A) Fixed Assets**

Tangible assets as March 31, 2019 were ₹ 3,051 lakhs vis-à-vis ₹ 2,955 lakhs as on March 31, 2018. This included a gross addition of ₹ 1,268 lakhs for the purchase of computers, furniture and fixtures, vehicles, etc., depreciation of ₹ 1,224 lakhs for the 12-month period ended March 31, 2019, deduction of ₹ 143 lakhs and foreign exchange translation adjustment of ₹ 195 lakhs.

Goodwill as on March 31, 2019 were ₹ 24,706 lakhs vis-à-vis ₹ 22,124 lakhs as on March 31, 2018. This included additions on account of new acquisitions of ₹ 1,236 lakhs and foreign exchange translation adjustment. No goodwill had been amortized during the year.

Other intangible assets as on March 31, 2019 were ₹ 6,071 lakhs vis-à-vis ₹ 488 lakhs as on March 31, 2018. This included a gross additions including assets acquired of ₹ 6,790 lakhs for purchase of computers software, technology, trade name and customer relationship, amortization of ₹ 737 lakhs for year ended March 31, 2019 and foreign exchange translation adjustment of ₹ (470) lakhs.

**B) Financial Assets**

Non-current financial assets were ₹ 1,015 lakhs as on March 31, 2019 vis-à-vis ₹ 486 lakhs as on March 31, 2018. The increase is mainly on account of mark-to-market gains receivable on outstanding derivative contracts and unbilled revenue.

**Current Assets****A) Current investments and Cash and Bank Balances**

Total current investments and cash and bank balances as on March 31, 2019 was ₹ 40,313 lakhs vis-à-vis ₹ 39,857 lakhs in the previous year. Net cash generated in operations was ₹ 4,979 lakhs and payment for purchase of fixed assets was ₹ 3,427 lakhs and payment of acquisition of new subsidiary was ₹ 5,367 lakhs during the 12-month period ended March 31, 2019. Proceeds from the issue of equity shares was ₹ 8,536 lakhs and repayment of borrowings was ₹ 6,806 lakhs for year ended March 31, 2019.

**B) Trade receivables**

Trade receivables as on March 31, 2019 stood at ₹ 11,960 lakhs vis-à-vis ₹ 12,832 lakhs as on March 31, 2018.



### C) Current financial loans, financial assets and other current assets

Other financial assets were at ₹ 14,749 lakhs as on March 31, 2019 vis-à-vis ₹ 6,591 lakhs as on March 31, 2018. The increase is mainly on account of unbilled revenue and other receivables. Other current assets were at ₹ 3,036 lakhs as on March 31, 2019 vis-à-vis ₹ 2,735 lakhs as on March 31, 2018.

### Shareholders' funds

Total shareholders' funds as on March 31, 2019 stood at ₹ 67,701 lakhs vis-à-vis ₹ 54,329 lakhs as on March 31, 2018.

### Non-current liabilities

#### A) Non-current financial liabilities

Total non-current financial liabilities stood at ₹ 2,092 lakhs as on March 31, 2019 vis-à-vis ₹ 3,425 lakhs as on March 31, 2018. The decrease was mainly on account of reduction in non-current borrowings by ₹ 3,338 lakhs and the increase on account of deferred consideration payable on business acquisition ₹ 2,001 lakhs.

#### B) Provisions and Non-current other liabilities

Total non-current other liabilities stood at ₹ 5,104 lakhs as on March 31, 2019 vis-à-vis ₹ 5,023 lakhs as on March 31, 2018.

### Current Liabilities

#### A) Financial liabilities

Current financial liabilities as on March 31, 2019 decreased to ₹ 14,909 lakhs vis-à-vis ₹ 15,150 lakhs as on March 31, 2018. The decrease is mainly on account of repayment of borrowing ₹ 3,142 lakhs and increase of payable ₹ 3,555 lakhs.

#### B) Other current liabilities and provisions

Other current liabilities and provisions as March 31, 2019 decreased to ₹ 7,597 lakhs vis-à-vis ₹ 7,718 lakhs as on March 31, 2018.

### Days Sales Outstanding (DSO)

DSO as on March 31, 2019 is 86 days vis-à-vis 81 days as on March 31, 2018. Increase in DSO is mainly attributed to unbilled revenue related to the IBM project with MetLife.

### Order Backlog during the year

The 12-month executable order backlog as on March 31, 2019 was ₹ 67,011 lakhs vis-à-vis ₹ 60,649 lakhs for the year ended March 31, 2018. Total value of orders booked during FY 2018-19 was ₹ 151,764 lakhs vis-à-vis ₹ 143,609 lakhs during FY 2017-18.

### Key Financial Ratios (Consolidated)

Pursuant to Schedule V(B) to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, information pertaining to Key Financial Ratios is provided below:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Operating Profit Margin (%)	12.13	4.10
Net Profit Margin (%)	7.05	0.34
Days Sales Outstanding (No. of days)	86	81
Current Ratio	2.99	2.71
Debt Equity Ratio	0.04	0.17
Return on Net Worth (%)	2.99	1.16

### Notes:

1. Operating Profit Margin is higher due to higher cloud and recurring revenue coupled with operating efficiencies.
2. Net Profit Margin is higher due to improved revenue profile with higher cloud-based revenues, improved operating efficiencies and cost management in general & administrative expenses.
3. Return on Net Worth for the year ended March 31, 2019 is higher due to higher rate of growth in profit after tax.

### Client wins

We added 21 clients during the year, majority of whom are given below. The client profile includes some marquee names across verticals in North America, the UK, India and APAC.

- In March 2019, Hansard Global plc, a FTSE listed business, selected Majesco Life IllustratePlus, Majesco Life AdminPlus and Majesco Life DistributionPlus to support its ambitious growth plans.
- In February 2019, Guardian Insurance, Puerto Rico based Tier 1 selected Majesco P&C Policy on Majesco CloudInsurer as the foundation of their business transformation and growth strategy.
- In February 2019, American Public Life Insurance Company (APL) selected Majesco L&A and Group Core Suite platform as the foundation of its digital business transformation strategy.
- In November 2018, PT PFI Mega Life Insurance (PFI Mega Life), the joint venture life insurance company of Prudential Financial Inc and CT Corpora, selected Majesco Policy for L&A and Group, along with a point of sale and activity management solution specifically used within the APAC region.
- In December 2018, a Tier 1 US-based P&C wholesale broker selected Majesco Digital1<sup>st</sup> Insurance to accelerate their digital journey and modernize systems of engagement with their carrier partners, agents and customers.
- In September 2018, Cannon Cochran Management Services Inc. (CCMSI), the largest privately held third-party administrator selected Majesco Policy and Billing for P&C on Majesco CloudInsurer and Majesco insurance data and analytics platform to transform their business by replacing their legacy systems to enable their growth strategy.

- In June 2018, a new start-up selected Majesco P&C Core Suite on Majesco CloudInsurer platform to support their market launch and growth strategies in a Software as a Service (SaaS) model.
- In May 2018, Gibraltar BSN Life Berhad (Gibraltar BSN) selected Majesco Distribution Management and Digital Solutions to transform its distribution management operation as part of its digital transformation program.
- In April 2018, Tier 1 specialty insurer signed a three-year agreement for application management services with Majesco to support their workers compensation operational systems.

### Human assets

As on March 31, 2019, our workforce strength stood at 2,763, of which 511 were based on site at various locations, while 2,252 were in India. We continue to recruit fresh talent and intend to add more technical resources at various levels during the new fiscal.

## VI. BUSINESS OUTLOOK

In the Digital Insurance 2.0 era, the demand for agility, speed and innovation are at the top of the list of business leaders. Delivering speed to value continues to remain key differentiator for us. Majesco's business performance in the 2018-19 fiscal reflects the growing success of our cloud-based strategy and solutions that help insurers adapt to this era. The InsurTech disruption is expected to continue into 2020 as well. Our management continues to remain focused on our core cloud business across key verticals – P&C and L&A.

To that end, our key growth drives are listed here:

- Penetrating existing client accounts with opportunities through cross sell and up sell;
- Acquisition of new clients across core areas namely enterprise billing, commercial line policy administration, group life system and growth & innovation platform;
- Partnership with System Integrators (SI's) i.e. IBM, Capgemini, Deloitte.
- Mergers and Acquisitions.

Majesco, with its size, scale, domain expertise and platforms, is well poised to capitalize on the opportunities to support its new and existing customers' transition to Digital Insurance 2.0. Our exceptional leadership team and dedicated workforce comprise our most important asset, as we chart out future growth strategies. Going forward, we will continue to focus on enhancing our competences and invest in our innovation capabilities, to remain at the vanguard of change.

## VII. RISK GOVERNANCE

Risk resilience is at the core of our DNA. Majesco has in place a strong enterprise risk management function which oversees our risk management on an ongoing basis. The primary objective of the Enterprise Risk Management (ERM) function is to provide a framework that improves risk response decisions; reduces operational surprises and thereby, losses; and identifies and manages cross-enterprise risks. The ERM policy, approved by the Board, lays down the risk management process, expected outcomes, governance and reporting structure. The policy also stresses on the importance of having a strong risk culture for the ERM to succeed.

We have in place a strong risk governance model to ensure risk management principles are followed throughout the organization and a risk culture is inculcated. This ERM process and policy is executed through the Risk Management Committee (RMC) represented by the business and functional heads within Majesco. The Board of Directors oversees the risk management process and together with the Audit Committee, reviews the progress of action plans for the identified key risks on a quarterly basis.

A discussion of key risks and concerns, and measures aimed at mitigating them, are discussed below.

**Strategic:** We could be susceptible to strategy, innovation and business or product portfolio related risks if there is any significant and unfavorable shift in industry trends, customer preferences, or returns on R&D investments.

*Majesco 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. Our investments in intellectual property creation are being done in a measured manner and are focused more on extending and strengthening existing offerings, rather than on new business or end-use/application areas.*

**Macro-economic:** Risks emanating from changes in the global markets, such as the recent financial meltdown, regulatory or political changes, and alterations in the competitive landscape could affect our operations and outlook. Any adverse movements in economic cycles in our target markets and volatility in foreign currency exchange rates could have a negative impact on our performance.

*This risk is mitigated to some extent due to our diversified presence in multiple geographies, from Europe to Malaysia and India. We also take necessary steps such as foreign exchange hedging to mitigate exchange rate risks.*

**Competition:** We operate in a highly competitive industry and compete with bigger players, in both India and abroad. Shifts in clients' and prospective clients' dispositions could affect our business.

*We leverage strong domain expertise, robust delivery capabilities and significant project experience to attempt to stay ahead of competition.*

**Dependence on key personnel:** We have one of the best management teams in the industry and this has been a critical enabler of our operational successes. Any loss of personnel through attrition or other means may have an impact on our performance.

*We endeavor to have an effective succession plan in place to mitigate these risks.*

**Clients and accounts:** Our strategy is to engage with a few key customers and build long-term relationships with them. Any shift in customer preferences, priorities and internal strategies can have an adverse impact on our operations and outlook.

*We have enduring bonds with many of our customers, mitigating these risks to an extent.*

**Cyber security:** This has emerged as a high category risk across the IT industry as organizations are moving to newer areas of engagement, such as cloud-driven business model, mobile computing, etc.

*We have implemented best security practices across multiple domains. We have also obtained the necessary insurance coverage.*

**Contractual, execution and delivery:** Our operating performance is subject to risks associated with factors that may be beyond our control, such as the termination or modification of contracts and non-fulfillment of contractual obligations by clients due to their own financial difficulties or changed priorities or other reasons.

*We have mechanisms in place to try and prevent such situations, along with the necessary insurance coverage.*

**Data protection and privacy:** The leakage and misuse of confidential and proprietary information increases the risk of non-compliance of privacy and data protection laws.

*We have laid down policies and process to ensure robust data protection measures in compliance with the global*

*standards and requirements such as General Data Protection Regulation (GDPR).*

**M&A:** Well-considered, properly evaluated and strategic acquisitions form part of our growth strategy. There is no guarantee, however that an acquisition will produce the business synergies, revenues and profits as anticipated at the time of entering into the transaction.

*We undertake all due care and diligence in the process of making any acquisition to mitigate these risks.*

In addition, there are multiple other risk factors that we need to consider and manage. The Board and the senior management continually assess our operations and the external environment to identify potential risks and take meaningful mitigation actions against each, ensuring that the growth targets and strategic objectives are achieved.

## VIII. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

A strong internal control system is pervasive in our Company. This is commensurate to the nature, size and complexity of our business. We have documented a robust and comprehensive internal control system for all the major processes to ensure reliability of financial reporting. Our systems for internal control and risk management go beyond what is mandated, to span best practices and reporting matrices and to identify opportunities and risks regarding our business operations.

Our internal controls are supplemented by an internal audit program and periodic reviews by the management. We have appointed an independent audit firm as our Internal Auditor and the Audit Committee reviews its findings and recommendations on a quarterly basis.

# BOARD OF DIRECTORS' REPORT

## To the Members,

Your Directors have pleasure in submitting the 6<sup>th</sup> Board of Directors' Report, along with the audited financial statements of the Company, for the financial year ended March 31, 2019.

## 1. FINANCIAL SUMMARY

(₹ in lakhs)

Particulars	Consolidated		Standalone			
	Year ended March 31, 2019	Year ended March 31, 2018	Continuing Operations*		Discontinued Operations*	
			Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
<b>Revenue from operations</b>						
Information technology services	97,898	79,884	-	-	1,865	1,999
Reimbursement of expenses from customers	912	720	-	-	70	-
Rental Income	-	-	974	905	-	-
<b>Total Operating Revenue</b>	<b>98,810</b>	<b>80,604</b>	<b>974</b>	<b>905</b>	<b>1,935</b>	<b>1,999</b>
Other Income	2,810	1,092	2,359	935	-	18
<b>Total Income</b>	<b>1,01,620</b>	<b>81,696</b>	<b>3,333</b>	<b>1,840</b>	<b>1,935</b>	<b>2,017</b>
Employee Benefits and other expenses	89,292	78,344	1,303	708	2,089	1,980
Depreciation and amortization expenses	1,961	1,785	69	82	73	28
Finance costs	361	489	28	28	-	-
<b>Total Expenses</b>	<b>91,614</b>	<b>80,618</b>	<b>1,400</b>	<b>818</b>	<b>2,162</b>	<b>2,008</b>
Exceptional items - expense/ (income)	(274)	(1,053)	-	(1,053)	-	-
<b>Profit before Tax</b>	<b>10,280</b>	<b>2,131</b>	<b>1,933</b>	<b>2,075</b>	<b>(227)</b>	<b>9</b>
Tax expense/ (Credit)	3,106	1,851	534	648	(45)	2
<b>Profit after Tax / (loss)</b>	<b>7,174</b>	<b>280</b>	<b>1,399</b>	<b>1,427</b>	<b>(182)</b>	<b>7</b>
Other Comprehensive Income	13	574	-	3	(1)	7
<b>Total Comprehensive Income</b>	<b>7,187</b>	<b>854</b>	<b>1,399</b>	<b>1,430</b>	<b>(183)</b>	<b>14</b>
<b>Earnings per share of face value of ₹ 5/- each</b>						
Basic (₹)	19.14	2.6	4.95	5.89	(0.64)	0.03
Diluted (₹)	18.36	2.47	4.76	5.59	(0.62)	0.03

\*Revenue from India Insurance Products & Services Business was contracted to be sold with effect from April 1, 2019 and accordingly, has been considered as discontinued operations. The Company proposes to amend its Memorandum of Association to include renting of property as one of its main objects and accordingly rental income is considered as revenue from operations and classified as Continuing Operations.

Financial Statements for the year ended March 31, 2019 have been prepared in accordance with Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

## 2. RESULTS OF OPERATIONS

### a) Consolidated operations

The Group registered total operating revenue of ₹ 98,810 lakhs for the year ended March 31, 2019 as compared to ₹ 80,604 lakhs for the year ended March 31, 2018.

The Group earned a net profit of ₹ 7,174 lakhs for the year ended March 31, 2019 as compared to net profit of ₹ 280 lakhs for the year ended March 31, 2018. Analysis of the Operating Revenue region-wise, offering-wise and line of business-wise is provided below.

### Breakup of Operating Revenue by regions

Region	Year ended March 31, 2019		Year ended March 31, 2018	
	₹ in lakhs	% of Revenue	₹ in lakhs	% of Revenue
	North America	84,676	85.70	70,689
Europe	6,866	6.90	4,288	5.30
Others (India & Asia Pacific)	7,268	7.40	5,627	7.00
<b>Total Operating Revenue</b>	<b>98,810</b>	<b>100.00</b>	<b>80,604</b>	<b>100.00</b>

### Breakup of Operating Revenue by offerings

Offerings	Year ended March 31, 2019		Year ended March 31, 2018	
	₹ in lakhs	% of Revenue	₹ in lakhs	% of Revenue
	License	2,983	3.00	1,673
Professional Services	37,472	37.90	42,328	52.50
Cloud	40,110	40.60	23,985	29.80
Support	18,245	18.50	12,618	15.60
<b>Total Operating Revenue</b>	<b>98,810</b>	<b>100.00</b>	<b>80,604</b>	<b>100.00</b>

### Breakup of Operating Revenue by Line of Business

Line of Business	Year ended March 31, 2019		Year ended March 31, 2018	
	₹ in lakhs	% of Revenue	₹ in lakhs	% of Revenue
	Property & Casualty	69,275	70.10	61,689
Life & Annuities	28,895	29.20	17,754	22.00
Non-Insurance	640	0.70	1,161	1.50
<b>Total Operating Revenue</b>	<b>98,810</b>	<b>100.00</b>	<b>80,604</b>	<b>100.00</b>

**b) Standalone Operations****(i) Continuing Operations**

Your Company reported a total income of ₹ 3,333 lakhs for the year ended March 31, 2019 as compared to ₹ 1,840 lakhs for the year ended March 31, 2018. The Company earned a net profit of ₹ 1,399 lakhs for the year ended March 31, 2019 as compared to net profit of ₹ 1,427 lakhs for the year ended March 31, 2018.

**(ii) Discontinued Operations**

Your Company reported a total income of ₹ 1,935 lakhs for the year ended March 31, 2019 as compared to ₹ 2,017 lakhs for the year ended March 31, 2018. The Company incurred net loss of ₹ 182 lakhs for the year ended March 31, 2019 as compared to net profit of ₹ 7 lakhs for the year ended March 31, 2018.

**3. RESERVES**

No amount is proposed to be transferred to reserves for the year ended March 31, 2019.

**4. DIVIDEND**

The Board of Directors have recommended dividend @ 30% i.e. ₹ 1.50/- per equity share of face value of ₹ 5/- each for the financial year 2018-19. The dividend is subject to approval of the shareholders at ensuing 6<sup>th</sup> Annual General Meeting of the Company ("AGM").

**5. CHANGE IN SHARE CAPITAL**

During the year under review, there was no change in authorized share capital of the Company.

During the year under review, the Company allotted 2,23,045 equity shares of face value of ₹ 5/- each, to various employees and Managing Director of the Company, on exercise of vested stock options. These equity shares rank pari passu in all respects with existing equity shares of the Company.

As on March 31, 2019, the paid-up share capital of your Company stood at ₹ 14,17,27,205/- comprising 2,83,45,441 equity shares of face value of ₹ 5/- each.

**6. STATEMENT OF UTILIZATION OF QIP PROCEEDS**

Pursuant to Regulation 32(7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI Listing Regulations"), the statement of utilization of Qualified Institutional Placement (QIP) proceeds as on March 31, 2019, as approved by the Audit Committee, is furnished below.

Particulars	Amount (₹ in crore)
Gross proceeds of QIP Issue	231.08
Less: Issue Expenses	5.81
Net proceeds of QIP Issue (as mentioned in Placement Document)	225.27
Less: Amount utilized for the purpose received	225.27
Balance Amount	NIL

Kindly note that the Company has fully utilized QIP proceeds by way of investment in subsidiary, Majesco, USA, in form of subscription to 45,81,109 shares in rights issue, which is in accordance with the objects of use of proceeds, as mentioned in placement document dated January 29, 2018.

**7. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN MARCH 31, 2019 AND DATE OF THIS REPORT & CHANGE IN NATURE OF BUSINESS**

In order to achieve the twin objective of consolidation of entire Insurance Software and Products business under Majesco, USA, subsidiary of the Company and to ensure greater operational synergies, the Board of Directors of the Company at its meeting held on March 16, 2019, based on recommendations of the Audit Committee, approved sale, transfer and disposal, as a going concern and on a slump sale basis, of the Company's India Insurance Products & Services Business, together with the use of all the licences, permits, consents and approvals whatsoever, and all related assets (excluding all immovable assets) and liabilities together with employees, to Majesco Software and Solutions India Private Limited ("MSSIPL"), a wholly-owned step-down subsidiary of Majesco, USA, for a lump sum consideration of ₹ 2437.45 lakhs (Rupees Two Thousand Four Hundred Thirty Seven lakhs and Forty Five thousand only) subject to certain adjustments at or after closing, as agreed between the Company and MSSIPL, with effect from April 1, 2019.

Aforesaid transaction has been approved by the members of the Company, by way of Special Resolution passed through Postal Ballot on April 30, 2019.

In light of above, revenue from India Insurance Products Services Business has been considered as discontinued operations.

Pursuant to Memorandum of Association of the Company ("MOA"), Main Objects of the Company is essentially to carry on the business of computers and computer peripherals, storage media, computer software and hardware, to provide facilities relating to computer operations and data processing equipment and in general to undertake the business of Information Technology consulting and software ("IT Business").

In addition to IT Business, the Company also derives income from leasing of immovable property and income from mutual funds & fixed deposits, which is permitted as an object that is incidental or ancillary to the Main Objects of the Company.

Based on the above facts, it is proposed to amend the Objects Clause of MOA to include the relevant incidental/ ancillary activities viz. leasing of immovable property & Income from mutual funds/ fixed deposits, under Main Objects. Accordingly proposal for alteration of Objects Clause of MOA is being placed for approval of Members of the Company at forthcoming AGM. Accordingly, rental income has been considered as revenue from operations and classified as Continuing Operations.

## 8. SUBSIDIARY COMPANIES

Your Company has one direct subsidiary namely Majesco, USA, in which it holds 70.28% stake. As on March 31, 2019, Majesco, USA, has eight direct and indirect subsidiaries.

In accordance with Section 129(3) of the Act, Consolidated Financial Statements have been prepared which form part of this Annual Report. As required under Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the subsidiaries in the prescribed form AOC-1 is enclosed as **Annexure - I** to this Report.

In accordance with Section 136 of the Act, the separate audited accounts of the subsidiary companies will be available on the website of the Company, <https://ir.majesco.com/> and the Members desirous of obtaining the accounts of the Company's subsidiaries may obtain the same upon request. These documents will be available for inspection by the members, till the date of AGM during business hours at registered office of the Company.

The Policy for determining Material Subsidiaries, adopted by your Board, in conformity with the SEBI Listing Regulations can be accessed on the Company's website at <https://ir.majesco.com/policies/>.

The details of subsidiary and step down subsidiaries as on March 31, 2019 are given below:

Name of the Subsidiary	Date of Incorporation	Country	Business	Turnover		Net Profit	
				As on 31.03.2019	As on 31.03.2018	As on 31.03.2019	As on 31.03.2018
				(₹ in lakhs)			
Majesco	07-Apr-1992	USA	Information Technology Services	34,355	25,510	(4,371)	(8,935)
<b>Step Down Subsidiary</b>							
Majesco Software and Solutions Inc.	03-Jun-1991	USA	Information Technology Services	54,910	30,629	5,150	426
Cover-All Systems Inc.* (ceased to be step-down subsidiary)	26-Oct-1989	USA	Information Technology Services	NA	16,881	NA	3,811
Majesco Canada Limited	09-Feb-2009	Canada	Information Technology Services	397	776	(2.03)	6
Majesco Sdn Bhd	29-Apr-2000	Malaysia	Information Technology Services	4,168	3,384	(650)	21
Majesco Asia Pacific Pte. Limited**	26-Mar-1991	Singapore	Information Technology Services	908	245	14	4
Majesco (Thailand) Co. Limited*** (ceased to be step-down subsidiary)	05-Feb-2007	Thailand	Information Technology Services	NA	NIL	NA	(23)
Majesco Software and Solutions India Private Limited <sup>§</sup>	21-Oct-2014	India	Information Technology Services	35,265	29,512	4,814	3,488
Majesco (UK) Limited <sup>§</sup>	23-Oct-2014	UK	Information Technology Services	4,438	4,280	166	134
Exaxe Holdings Limited <sup>#</sup> (acquired)	02-Nov-1999	Ireland	Information Technology Services	NIL	NA	NIL	NA
Exaxe Limited <sup>#</sup> (acquired)	16-Sep-1994	Ireland	Information Technology Services	2,504	NA	705	NA

\*Merged with Majesco Software and Solutions Inc. w.e.f. January 1, 2019.

\*\*Majesco Asia Pacific Pte. Ltd. is wholly-owned subsidiary of Majesco Sdn Bhd and step down subsidiary of Majesco, USA.

\*\*\* Liquidated w.e.f. January 29, 2019.

§Majesco Software and Solutions India Private Limited and Majesco (UK) Limited are wholly-owned subsidiaries of Majesco Software and Solutions Inc. and step down subsidiaries of Majesco, USA.

#Exaxe Holdings Limited is subsidiary of Majesco, USA and Exaxe Limited is wholly-owned subsidiary of Exaxe Holdings Limited and step-down subsidiary of Majesco, USA. Exaxe Holdings Limited was acquired on November 27, 2018. Economic transfer took place w.e.f. October 1, 2018.

## 9. MANAGEMENT DISCUSSION AND ANALYSIS

In accordance with Regulation 34 of SEBI Listing Regulations, Management Discussion and Analysis Report forms part of this Annual Report.

## 10. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of sub-sections (3) (c) and (5) of Section 134 of the Act that:

- a) In preparation of the Financial Statements for the financial year ended March 31, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- c) Proper and sufficient care had been taken for the 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;
- d) Financial Statements of the Company had been prepared on a going concern basis;
- e) We have laid down Internal Financial Controls to be followed by the Company which are adequate and operating effectively; and
- f) We have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

## 11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on date of this report, the Company has six Directors, out of those three are Independent Directors including one Woman Independent Director.

### a) Appointment of Mr. Jyotin Mehta as an Independent Director of the Company

Mr. Jyotin Mehta (DIN: 00033518) was appointed as an Additional Director (Independent) for tenor of five years with effect from November 5, 2018, not liable to retire by rotation. Proposal for his appointment as an Independent Director is being placed for the approval of members of the Company at the ensuing AGM. The Board recommends appointment of Mr. Jyotin Mehta, as an Independent Director, for approval by the members at the forthcoming AGM.

### b) Retirement by rotation

Mr. Radhakrishnan Sundar (DIN: 00533952), Executive Director of the Company, retires by rotation at the forthcoming AGM and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

### c) Independent Directors

All the Independent Directors have furnished declaration of Independence stating that they meet the criteria of independence as provided under Section 149(6) of the Act and Regulation 25 of the SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as Independent Directors during the year.

### d) Key Managerial Personnel

Key Managerial Personnel for the financial year 2018-19

- Mr. Farid Kazani (DIN: 06914620) – Managing Director & Group CFO
- Mr. Radhakrishnan Sundar (DIN: 00533952) – Executive Director
- Mr. Kunal Karan – Chief Financial Officer
- Mrs. Varika Rastogi – Company Secretary

During the year under review, Mrs. Varika Rastogi was appointed as the Company Secretary of the Company with effect from May 14, 2018 in place of Mr. Nishant S. Shirke who ceased to be the Company Secretary of the Company w.e.f. April 17, 2018.

### e) Number of Board Meetings

The Board of Directors of the Company met seven times during the financial year 2018-19. The details of the Board meetings and the attendance of the Directors, are given in Corporate Governance Report which forms part of this report.

## 12. COMMITTEES OF THE BOARD

Your Company has duly constituted the Committees required under the Act read with applicable Rules made there under and the SEBI Listing Regulations.

The Company has an Audit Committee with the constitution, powers and role as are prescribed under Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations.

The other statutory committees of the Board are given below:

- i) Nomination and Remuneration Committee
- ii) Investors' Grievances and Stakeholders' Relationship Committee
- iii) Corporate Social Responsibility Committee

Details with regard to composition, powers, role, meetings held and attendance of members at meetings

of the relevant Committee are provided in the Report on Corporate Governance which forms part of this Annual Report.

### 13. BOARD'S PERFORMANCE EVALUATION

In compliance with requirement of the provisions of Section 178 of the Act read with Rules framed thereunder and Schedule IV to the Act as well as Regulation 17(10) of the SEBI Listing Regulations, the performance evaluation of the Board as a whole and individual directors was carried out during the year under review. As a best practice, the method of formal performance evaluation combines Internal Assessment and Assessment by external evaluator. The Company had adopted the same methodology for carrying out Board Evaluation exercise.

With the help of an external evaluator, a structured questionnaire was prepared, after taking into consideration, inputs received from the Directors, covering various aspects of the Board's functioning such as Board Structure & Development, Board Meetings & Materials, Key Board Responsibilities & Reporting, Board Management Relationship, Board Committees' Effectiveness, Board Mission.

The outcome of the evaluation of the Board was comprehensively discussed at the meeting of Nomination and Remuneration Committee.

Performance Evaluation process for Independent Directors was based on the declarations received from Independent Directors that they fulfilled the criteria of independence as required under the Act and SEBI Listing Regulations.

### 14. NOMINATION AND REMUNERATION POLICY

The Company has a policy on remuneration of Directors and Key Managerial Personnel. The policy is approved by the Nomination and Remuneration Committee and the Board of Directors of the Company.

This policy is available on website of the Company and the link for the same is provided below: <https://ir.majesco.com/policies/>.

### 15. PEOPLE PRACTICES

Majesco Group deploys its intellectual capability to create and deliver intellectual property-driven solutions that make a positive business impact for its global clients. For this, the key success enabler and most vital resource is world-class talent. Majesco Group continually undertakes measures to attract and retain such high quality talent.

The Human Resources team has been on a path of continuous progress and improvement, constantly on the lookout for creating better employees experience over the last year.

**Employee Friendly Policies:** A significant step taken during the year 2018-19 towards better employee experience was to bring in changes to various HR policies. As part of continuous improvement, policies are periodically reviewed to make them more employee friendly.

**CHORDS:** Teams to work effectively, often need some external stimuli and intervention. Team building can be an effective tool to bring the team members together, learn and function better to improve communication, productivity and other desirable attributes. HR team has facilitated multitude of these sessions across different projects and Business Unit's with participants ranging from Software Engineer to Senior Vice President.

**GeekCafe:** Continuous learning plays an important role in improving productivity. GeekCafe is an initiative to leverage the expertise within to build a better knowledge base and help employees improve their technical and functional capabilities. HR team has been introducing this in various Business Unit's across offshore.

**Annual Awards:** Employees' recognition plays a key role in keeping morale up and employees engaged. While there were quarterly awards and SPOT awards, there was a need to introduce something to bring in more excitement and anticipation. Keeping this into consideration, the 'Annual Awards' were launched – a whole new categories of awards to recognize excellence, innovation & team spirit along with sizeable rewards for the winners.

**Work ethics awareness campaign:** Strong work ethics speak volumes about an organization and its culture. HR team took up an awareness campaign to share information about desired work ethics at Majesco and its importance.

**Policy awareness campaign:** Majesco has many employee benefit policies but not all employees are aware of them. Hence a policy awareness campaign was initiated wherein each month, one policy gets highlighted.

**You matter! Upwards feedback:** In line with Majesco value of 'Openness & Transparency' wherein we would like to encourage upwards feedback so as to help build a strong leadership team, HR team rolled out a new initiative called 'You Matter!'

**Fun-n-Joy & Majesco United:** In addition to celebrating the traditional events and festivals, a host of new events was added such as International Men's Day, Majesco Anniversary Week, Red FM Clash of Corporates, Back to School, etc.

As on March 31, 2019, Majesco Group had a total headcount of 2,763 (including contactors' employees). The Directors wish to place on record their appreciation for the contributions made by employees to the Company during the year under review.

### 16. INTERNAL CONTROL SYSTEM

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.

### 17. INTERNAL CONTROL OVER 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.

## 18. STATUTORY AUDITORS AND THEIR REPORT

At the 2<sup>nd</sup> AGM held on April 30, 2015, M/s. Varma & Varma, Chartered Accountants were appointed as the Statutory Auditors of the Company for a period of five consecutive years. Kindly note that, the Ministry of Corporate Affairs vide its notification dated May 7, 2018 has done away with the requirement under first proviso to Section 139 of the Act, regarding ratification of appointment of Statutory Auditors by members at every subsequent AGM. M/s. Varma & Varma, Chartered Accountants, continue to be the Statutory Auditors of the Company till the conclusion of 7<sup>th</sup> AGM, as approved by the members at 2<sup>nd</sup> AGM held on April 30, 2015. The Statutory Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

Further, the report of the Statutory Auditors is provided in the financial section of the Annual Report. The observations made in the Auditors' Report are self-explanatory and do not contain any qualification, reservation or adverse remark. Therefore, it does not call for any further comments.

## 19. SECRETARIAL AUDIT

In terms of Section 204 of the Act and Rules made there under, M/s. Abhishek Bhate & Co., Company Secretary in Practice, has been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditor is enclosed as **Annexure - II** to this report. The report is self-explanatory and does not contain any qualification or adverse remark. Therefore, it does not call for any further comments.

## 20. INTERNAL AUDITOR

As required under Section 138 of the Act and Rule 13 of the Companies (Accounts) Rules, 2014, the Internal Audit function is performed by M/s. Suresh Surana & Associates LLP, Chartered Accountants. The Internal Auditor presents its report to the Audit Committee. The scope, functioning, periodicity and methodology for conducting the internal audit has been formulated in consultation with the Audit Committee.

## 21. REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither Statutory Auditors nor Secretarial Auditor have reported to the Audit Committee any instances of fraud committed against the Company by its officers or employees, in terms of Section 143(12) of the Act.

## 22. RISK MANAGEMENT

The Company has constituted a Risk Management Committee to frame, implement and monitor Risk Management Plan of the Company. The Audit Committee quarterly reviews the risks and remedial measures taken in this regard. The risks are identified and discussed by Committee at its meeting at regular intervals. The various risks are categorized as High risk, Medium risk and Low risk and appropriate steps/ measures are taken/ initiated, to mitigate the identified risks from time to time.

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

Details of loans, guarantees, investments covered under provisions of Section 186 of the Companies Act, 2013 are provided in the notes to the Financial Statements.

## 24. RELATED PARTY TRANSACTIONS

All Related Party Transactions during the financial year under review, were at arm's length basis and are in compliance with the applicable provisions of the Act and SEBI Listing Regulations. There were no material significant related party transactions entered into by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

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

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at <https://ir.majesco.com/policies/>.

Details of related party transactions is provided in Form AOC-2, enclosed as **Annexure - III** to this report.

## 25. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Act, the extract of annual return in Form MGT-9 is enclosed as **Annexure - IV** to this report.

## 26. WHISTLE BLOWER POLICY/ VIGIL MECHANISM

In compliance with the requirement of the Act and the SEBI Listing Regulations, the Company has established a Whistle Blower Policy/ Vigil Mechanism and the same is placed on the Company's website at <https://ir.majesco.com/policies/>.

The employees of the Company are made aware of the said policy at the time of joining the Company.

## 27. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company follows a strict zero tolerance towards sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder, for prevention and redressal of complaints of sexual harassment at workplace. The Company has constituted Internal Compliance Committee (ICC) for all locations across India. Constitution of ICC is in accordance with requirements as prescribed under aforementioned statute.

During the financial year 2018-19, the Company has not received any complaint on sexual harassment.

## 28. EMPLOYEE STOCK OPTIONS

The Board of Directors hereby confirm that there is no change in the Employee Stock Option Plan ('ESOP') scheme plan I of the Company and the ESOP plan is in compliance with the SEBI (Share Based Employee Benefits), 2014.

Disclosure in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 are available on the website of the company at the following link: <https://ir.majesco.com/>.

During the financial year 2018-19, no employee was granted stock option equal to or exceeding 1% of the issued share capital of the Company at the time of grant of options.

## 29. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with Section 135 of the Act, the Board of Directors of the Company has formed a CSR Committee. The composition of CSR Committee and brief outline of the CSR policy of the Company with the initiative undertaken by the Company on CSR activities during the year are set out in **Annexure - V** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy is available on the website of the Company at <https://ir.majesco.com/policies>.

## 30. PARTICULARS OF EMPLOYEES AND REMUNERATION

The information required in terms of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 is given below:

### I. Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- a) Ratio of the remuneration of each director to the median remuneration of the employees ("MRE") of the Company for the financial year 2018-19:

Name of the Director	Ratio to MRE
<b>Executive Directors</b>	
Mr. Farid Kazani	22.88X
Mr. Radhakrishnan Sundar	2.63X
<b>Non-Executive Directors</b>	
Mr. Venkatesh N. Chakravarty	Not Applicable
Mr. Jyotin Mehta	Not Applicable
Mr. Ketan Mehta	Not Applicable
Mrs. Madhu Dubhashi	Not Applicable

- b) Percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year 2018-19:

Name of the Director/ Key Managerial Personnel	% increase in remuneration* in the financial year 2018-19
Mr. Farid Kazani	20.10%
Mr. Radhakrishnan Sundar	NIL
Mr. Venkatesh N. Chakravarty	Not Applicable
Mr. Jyotin Mehta	Not Applicable
Mr. Ketan Mehta	Not Applicable
Mrs. Madhu Dubhashi	Not Applicable
Mr. Kunal Karan, Chief Financial Officer	7.80%
Mrs. Varika Rastogi, Company Secretary	Not Applicable

\*Remuneration comprises of Gross Salary and Incentive as per Plan.

- c) Percentage increase in the MRE during financial year 2018-19: 20%
- d) Number of permanent employees on the rolls of the Company as on March 31, 2019: 79
- e) Average percentage increase made in salaries of employees other than Managerial Personnel in the financial year was 12.83% vis-à-vis increase of 14% in the salaries of Managerial Personnel.
- f) 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.

### II. Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The statement containing particulars of employees in terms of remuneration drawn is provided in a separate annexure forming part of this report. However, having regard to Section 136 of the Act, the Annual Report excluding the aforesaid annexure, is being sent to all the members of the Company and others entitled thereto. The said annexure is open for inspection at the registered office of the Company. Any member

interested in obtaining these particulars will be provided with the same, upon receipt of a written request delivered at the registered office of the Company.

### 31. 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 operations of the Company.

### 32. PUBLIC DEPOSITS

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

### 33. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) **Conservation of energy:** As a software company, energy costs constitute a small portion of the total cost and there is not much scope for energy conservation.

(i)	the steps taken or impact on conservation of energy.	Not Applicable
(ii)	the steps taken by the company for utilizing alternate sources of energy	
(iii)	the capital investment on energy conservation equipment's	

#### (b) Technology absorption:

(i)	the efforts made towards technology absorption	Not Applicable
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported (b) the year of import (c) whether the technology been fully absorbed (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	

(iv)	the expenditure incurred on Research and Development	₹ 77 lakhs (₹ 137 lakhs for FY 2017-18)
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#### (c) Foreign exchange earnings and Outgo

	Year ended March 31, 2019	Year ended March 31, 2018
Foreign Exchange used	₹ 75 lakhs	₹ 157 lakhs
Foreign Exchange earned	₹ 22 lakhs	₹ 31 lakhs

### 34. CORPORATE GOVERNANCE

The Company has complied with Corporate Governance requirements as prescribed under the Act and the SEBI Listing Regulations. A separate section on Corporate Governance practices followed by the Company together with the certificate from M/s. Abhishek Bhate & Co., Company Secretary in Practice, forms an integral part of this report.

### 35. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

### 36. ACKNOWLEDGMENT

Your Directors place on record their appreciation for employees at all levels, whose hard work and solidarity have contributed to the growth and performance of your Company. Your Directors also thank the customers, vendors, bankers and shareholders of the Company for their continued support.

Your Directors also thank the Central and State Governments and other statutory authorities for their continued support.

For and on behalf of the Board  
**Majesco Limited**

**Venkatesh N. Chakravarty**  
Non-Executive Chairman and Independent Director  
DIN: 01102892

Date: May 15, 2019  
Place: Navi Mumbai

**Annexure - I**

**Form AOC-1**

[Pursuant to first proviso to Section 129(3) of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014]

**Part A: Statement containing salient features of the Financial Statements of Subsidiaries**

Sl. No.	Name of the Subsidiary	Date of acquisition	Reporting currency	Exchange rate (Average)	Exchange Rate (on last date of financial year)	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Total Income	Profit / (Loss) before tax	Tax Expense/ (Credit)	Profit / (Loss) after Tax	Proposed Dividend	% of shareholding
1.	Majesco	April 7, 1992	USD	69.905	69.155	40	39,270	84,188	44,878	34,195	34,355	(5,389)	(1,018)	(4,371)	-	70.28%
2.	Majesco Software and Solutions Inc.*	March 7, 2008	USD	69.905	69.155	1	22,993	46,637	23,643	2,903	54,910	6,777	1,626	5,150	-	100%
3.	Cover-All Systems Inc.*	June 26, 2015	USD	69.905	69.155	-	-	-	-	-	-	-	-	-	-	-
4.	Majesco Canada Limited*	February 9, 2009	CAD	53.174	51.54	1,555	(1,574)	162	182	-	397	(2.03)	-	(2.03)	-	100%
5.	Majesco Sdn Bhd *	April 29, 2000	MYR	17.119	16.94	1,908	(406)	2,388	886	201	4,168	(61.1)	39	(650)	-	100%
6.	Majesco Asia Pacific Pte Limited**	March 26, 1991	SGD	51.476	51.038	1,455	(1,324)	906	775	-	908	14	-	14	-	100%
7.	Majesco (Thailand) Co. Limited**	February 5, 2007	THB	2.164	2.18	-	-	-	-	-	-	-	-	-	-	-
8.	Majesco Software and Solutions India Private Limited**	October 21, 2014	INR	N.A.	N.A.	35	9,564	13,909	4,310	424	35,265	6,689	1,875	4,814	-	100%
9.	Majesco (UK) Limited**	October 23, 2014	GBP	91.592	90.525	1,181	545	2,922	1,197	-	4,438	165	(1)	166	-	100%
10.	Exaxe Holdings Limited#	November 27, 2018	EUR	80.521	77.673	43	985	1,095	67	-	0	0	0	0	-	90%
11.	Exaxe Limited#	November 27, 2018	EUR	80.521	77.673	83	1,409	1,708	249	-	2,504	798	93	705	-	100%

\*These companies are wholly-owned subsidiaries of Majesco, USA in which Majesco Limited holds 70.28% shareholding.

\*\*These companies are wholly-owned step-down subsidiaries of Majesco, USA in which Majesco Limited holds 70.28% shareholding.

# Exaxe Holdings Limited is subsidiary of Majesco, USA and Exaxe Limited is wholly-owned subsidiary of Exaxe Holdings Limited and step-down subsidiary of Majesco, USA. Exaxe Holdings Limited was acquired on November 27, 2018. Economic transfer took place w.e.f. October 1, 2018.

**Notes:**

- Names of subsidiaries which are yet to commence operations: Not Applicable
- Names of subsidiaries which have been liquidated or sold during the financial year 2018-19:
  - Cover-All Systems Inc. merged with Majesco Software and Solutions Inc. w.e.f. January 1, 2019.
  - Majesco (Thailand) Co. Ltd. liquidated w.e.f. January 29, 2019.

**Part B: Statement containing salient features of the Financial Statements of Associates & Joint Ventures**

The Company does not have any associate and joint venture company during the financial year 2018-19.

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

**Farid Kazani**

Managing Director & Group CFO

DIN: 06914620

**Radhakrishnan Sundar**

Executive Director

DIN: 00533952

Place : Navi Mumbai

Date : May 15, 2019

**Venkatesh N. Chakravarty**

Non-Executive Chairman and Independent Director

DIN: 01102892

**Kunal Karan**

Chief Financial Officer

**Varika Rastogi**

Company Secretary

M. No. F7864

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,  
The Members,  
**MAJESCO LIMITED**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Majesco Limited (hereinafter called "the company") for the financial year ended March 31, 2019 ("Audit Period"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company as specified in Annexure-I and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:

- (i) The Companies Act, 2013 and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('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 (Share Based Employee Benefits) Regulations, 2014;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
  - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations"); and
- (vi) The Exim Laws, STP Scheme, SEZ and Customs Laws:
  - (a) The Foreign Trade Policy (Exim Policy) and Procedures thereunder;
  - (b) Foreign Trade (Development and Regulation) Act, 1992;
  - (c) Software Technology Parks Scheme;
  - (d) Special Economic Zones Act, 2005 and Special Economic Zones Rules, 2006 (State Acts, Rules and Policies made thereunder);
  - (e) The Customs Act, 1962
- (vii) Labour and other Laws:
  - (a) The Apprentices Act, 1961 and Apprenticeship Rules, 1992;
  - (b) The Child Labour (Prohibition and Regulation) Act, 1986 and The Child Labour (Prohibition and Regulation) Rules, 1988;
  - (c) The Contract Labour (Regulation and Abolition) Act, 1970 and The Contract Labour (Regulation and Abolition) Central Rules, 1971;

- (d) The Employees' Provident Funds and [Miscellaneous Provisions] Act, 1952, The Employees' Provident Fund Scheme, 1952, Employees' Pension Scheme, 1995, and Employees' Deposit-linked Insurance Scheme, 1976;
- (e) The Employees' State Insurance Act, 1948; The Employees State Insurance (General) Regulations, 1950 and The Employees' State Insurance (Central) Rules, 1950;
- (f) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and The Employment Exchanges (Compulsory Notification of Vacancies) Rules, 1960;
- (g) The Industrial Employment (Standing Orders) Act, 1946 and The Industrial Employment (Standing Orders) Central Rules, 1946;
- (h) The Maternity Benefit Act, 1961 and The State Rules made there under;
- (i) The Minimum Wages Act, 1948 and The Minimum Wages (Central) Rules, 1950;
- (j) The Payment of Bonus Act, 1965 and The Payment of Bonus Rules, 1975;
- (k) The Payment of Gratuity Act, 1972 and The Payment of Gratuity (Central) Rules, 1972;
- (l) The Payment of Wages Act, 1936 and the Rules made there under;
- (m) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- (n) The Maharashtra Private Security Guards (Regulation of Employment and Welfare) Act, 1981 and the Rules made thereunder;
- (o) The State Shops and Establishments Act and the State Rules made there under;
- (p) The Information Technology Act, 2000;
- (q) E-waste (Management and Handling) Rules, 2011;
- (r) Bombay Shops and Establishments Act, 1948;
- (s) The Trade Marks Act, 1999; and
- (t) The Patents Act, 1970

I have also examined compliance with the applicable clauses of Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and there is not found any observation.

#### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and through shorter notice for some of the Board and Committee meetings, 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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**I further report that** 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.

**For Abhishek Bhat & Co.**

**CS Abhishek Bhat**  
Company Secretary in Practice  
ACS: 27747, CP: 10230

Place: Thane  
Date: May 6, 2019

This Report is to be read with my letter of even date which is annexed as 'Annexure II' and forms an integral part of this report.

## Annexure-I to Secretarial Audit Report

### LIST OF DOCUMENTS

1. Corporate Matters
  - 1.1 Minutes books of the following Committees were provided:
    - 1.1.1 Board Meeting
    - 1.1.2 Audit Committee
    - 1.1.3 Nomination and Remuneration Committee
    - 1.1.4 Corporate Social Responsibility Committee
    - 1.1.5 Investors' Grievances and Stakeholders' Relationship Committee
    - 1.1.6 General Meeting
  - 1.2 Agenda papers for Board Meeting along with Notice;
  - 1.3 Annual Report for financial year 2017-18;
  - 1.4 Disclosures under the Companies Act, 2013 and the SEBI Listing Regulations;
  - 1.5 Policies framed under the Companies Act, 2013 and the SEBI Listing Regulations;
  - 1.6 Forms and returns filed with the ROC and RBI;
  - 1.7 Disclosures made with the SEBI;
  - 1.8 Registers maintained under the Companies Act, 2013.

**ANNEXURE II**

To,  
The Members,  
**MAJESCO LIMITED**

My report of even date is to be read along with this letter

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed, provided reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Abhishek Bhat & Co.**

**CS Abhishek Bhat**  
Company Secretary in Practice  
ACS: 27747, CP: 10230

Place: Thane  
Date: May 6, 2019



**Form AOC-2**

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

**Form for 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 contracts or arrangement or transactions not at arm's length basis:**

During financial year 2018-19, the Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length basis.

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

The details of material contract or arrangement or transaction at arm's length basis for the year ended March 31, 2019 are as follows:

Name of the Related Party	Nature of Relationship	Nature of Contract/ Arrangement/ Transaction	Duration of Contract/ Arrangement/ Transaction	Salient terms of Contract/ Arrangement/ Transaction including the value	Date of approval of the Board, if any	Amount paid as advance, if any
Majesco, USA	Subsidiary Company	Guarantee Commission	For duration of one year and automatically renewed annually	As per related party transactions	May 14, 2018	NIL as at March 31, 2019 (₹ 68 lakhs as at March 31, 2018)

**Note:**

- The above reported transaction has been executed at arm's length pricing basis and is in ordinary course of business.
- Necessary approval of the Audit Committee and the Board (omnibus and specific) has been obtained prior to entering into transaction.

**For and on behalf of the Board  
Majesco Limited**

Place: Navi Mumbai  
Date: May 15, 2019

**Venkatesh N. Chakravarty**  
Non-Executive Chairman and Independent Director  
DIN: 01102892

## ANNEXURE - IV

**Form No. MGT-9**  
**Extract of Annual Return**  
**as on the financial year ended on March 31, 2019**

[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	L72300MH2013PLC244874
2. Registration Date	June 27, 2013
3. Name of the Company	Majesco Limited
4. Category/ Sub-Category of the Company	Public Company Limited by Shares
5. Address of the Registered Office and contact details	MNDC, MBP-P-136, Mahape, Navi Mumbai - 400710 Phone: 022 61501800
6. Whether listed company	Yes
7. Name, Address and contact details of Registrar & Transfer Agent (RTA)	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032 Telephone: +91 40 6716 2222 Fax: +91 40 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	66.52%
2.	Real Estate Activity	681	33.48%

\*Total turnover has been considered as per Section 2(91) of Companies Act, 2013.

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of Subsidiary Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	<b>Majesco</b> Address: 412, Mt. Kemble Avenue, Suite 110C, Morristown, New Jersey 07960	Foreign Company	Subsidiary	70.28	2(87)
2.	<b>Majesco Software and Solutions Inc.</b> Address: 412, Mt. Kemble Avenue, Suite 110C, Morristown, New Jersey 07960	Foreign Company	Step Down Subsidiary	100.00	2(87)
3.	<b>Majesco Canada Ltd.</b> Address: 1 Dundas Street West, Suite 2500, Toronto, ON M5G 1Z3	Foreign Company	Step Down Subsidiary	100.00	2(87)
4.	<b>Majesco Sdn Bhd</b> Address: 2A-10-1, Block 2A, Level 10, Plaza Sentral, Jalan Stesen Sentral 5, Kl Sentral 50470 Kuala Lumpur, Wilayah Persekutuan, Malaysia	Foreign Company	Step Down Subsidiary	100.00	2(87)
5.	<b>Majesco Asia Pacific Pte Ltd.</b> Address: #11-06, Sim Lim Tower, 10, Jalan Besar, Singapore, 208787	Foreign Company	Step Down Subsidiary	100.00	2(87)

Sr. No.	Name and Address of Subsidiary Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
6.	<b>Majesco Software and Solutions India Private Limited</b> Address: MNDC, P-136, Millenium Business Park, Mahape, Navi Mumbai – 400 710	U72900MH2014PTC288244	Step Down Subsidiary	100.00	2(87)
7.	<b>Majesco (UK) Ltd.</b> Address: SoanePoint 6-8 Market Place Reading, RG1 2EG, UK	Foreign Company	Step Down Subsidiary	100.00	2(87)
8.	<b>Exaxe Holdings Limited*</b> Address: 70, Sir John Rogerson's Quay, Grand Canal Dock Dublin 2, Ireland	Foreign Company	Step Down Subsidiary	90.00	2(87)
9.	<b>Exaxe Limited*</b> Address: 70, Sir John Rogerson's Quay, Grand Canal Dock Dublin 2, Ireland	Foreign Company	Step Down Subsidiary	100.00	2(87)

\*Exaxe Holdings Limited is subsidiary of Majesco, USA and Exaxe Limited is wholly-owned subsidiary of Exaxe Holdings Limited and step-down subsidiary of Majesco, USA. Exaxe Holdings Limited was acquired on November 27, 2018. Economic transfer took place w.e.f. October 1, 2018.

#### 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 April 1, 2018				No. of Shares held at the end of the year March 31, 2019				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a. Individual/ HUF	1,08,11,104	NIL	1,08,11,104	38.44	72,40,283	NIL	72,40,283	25.54	(12.90)
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, Girija Ram acting in capacity of trustee)	5,00,000	NIL	5,00,000	1.78	5,00,000	NIL	5,00,000	1.76	(0.02)
<b>Sub-Total (A)(1)</b>	<b>1,13,11,104</b>	<b>NIL</b>	<b>1,13,11,104</b>	<b>40.22</b>	<b>77,40,283</b>	<b>NIL</b>	<b>77,40,283</b>	<b>27.30</b>	<b>(12.92)</b>
<b>(2) Foreign</b>									
a. NRIs Individuals	NIL	NIL	NIL	NIL	34,37,889	NIL	34,37,889	12.13	12.13
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>34,37,889</b>	<b>NIL</b>	<b>34,37,889</b>	<b>12.13</b>	<b>12.13</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>1,13,11,104</b>	<b>NIL</b>	<b>1,13,11,104</b>	<b>40.22</b>	<b>1,11,78,172</b>	<b>NIL</b>	<b>1,11,78,172</b>	<b>39.44</b>	<b>(0.78)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a. Mutual Funds / UTI	36,31,322	1,200	36,32,522	12.92	33,67,872	1,200	33,69,072	11.89	(1.03)
b. Banks/ FI	36,973	NIL	36,973	0.13	40,256	NIL	40,256	0.14	0.01
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

Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2018				No. of Shares held at the end of the year March 31, 2019				% Change during the year	
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share		
e. Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
f. Insurance Companies	5,18,435	NIL	5,18,435	1.84	NIL	NIL	NIL	NIL	(1.84)	
g. FII's	22,05,000	1,600	22,06,600	7.85	22,51,013	1,600	22,52,613	7.95	0.10	
h. Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
i. Others (Alternative Investment Fund)	28,846	NIL	28,846	0.10	1,08,367	NIL	1,08,367	0.38	0.28	
<b>Sub-Total (B)(1)</b>	<b>64,20,576</b>	<b>2,800</b>	<b>64,23,376</b>	<b>22.84</b>	<b>57,67,508</b>	<b>2,800</b>	<b>57,70,308</b>	<b>20.36</b>	<b>(2.48)</b>	
<b>2. Non-Institutions</b>										
a. Bodies Corp.										
i. Indian	19,84,121	2,400	19,86,521	7.06	19,61,397	2,400	19,63,797	6.93	(0.13)	
ii. Overseas	200	NIL	200	0.00	200	NIL	200	0.00	NIL	
b. Individuals										
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	53,08,493	1,81,371	54,89,864	19.52	52,94,742	1,72,970	54,67,712	19.29	(0.23)	
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	17,41,587	NIL	17,41,587	6.19	29,55,909	NIL	29,55,909	10.43	4.24	
c. Others										
i. Non Resident Individuals	10,77,887	11,273	10,89,160	3.87	9,21,972	11,573	9,33,545	3.29	(0.58)	
ii. Foreign National	12,160	NIL	12,160	0.04	11,260	NIL	11,260	0.04	NIL	
iii. NBFC	5,840	NIL	5,840	0.02	51,150	NIL	51,150	0.18	0.16	
iv. Clearing Member	57,593	NIL	57,593	0.20	8,497	NIL	8,497	0.03	(0.17)	
v. Trust	4,991	NIL	4,991	0.02	4,891	NIL	4,891	0.02	NIL	
<b>Sub-Total (B)(2)</b>	<b>1,01,92,872</b>	<b>1,95,044</b>	<b>1,03,87,916</b>	<b>36.94</b>	<b>1,12,10,018</b>	<b>1,86,943</b>	<b>1,13,96,961</b>	<b>40.21</b>	<b>3.27</b>	
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1,66,13,448</b>	<b>1,97,844</b>	<b>1,68,11,292</b>	<b>59.78</b>	<b>1,69,77,526</b>	<b>1,89,743</b>	<b>1,71,67,269</b>	<b>60.56</b>	<b>0.78</b>	
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
<b>Grand Total (A+B+C)</b>	<b>2,79,24,552</b>	<b>1,97,844</b>	<b>2,81,22,396</b>	<b>100.00</b>	<b>2,81,55,698</b>	<b>1,89,743</b>	<b>2,83,45,441</b>	<b>100.00</b>	<b>NIL</b>	

**(ii) Shareholding of Promoters and Promoters group**

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year April 1, 2018			Shareholding at the end of the year March 31, 2019			% 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.	Mr. Ashank Desai	30,99,552	11.02	NIL	30,99,552	10.93	NIL	(0.09)
2.	Mr. Sudhakar Ram	20,81,763	7.40	23.06	18,31,763	6.46	24.57	(0.94)
3.	Mr. Ketan Mehta	26,19,100	9.31	NIL	27,19,361	9.59	NIL	0.28
4.	Mr. Radhakrishnan Sundar	13,60,161	4.84	NIL	13,76,968	4.86	NIL	0.02
5.	Ms. Rupa Mehta	4,80,800	1.71	NIL	4,80,800	1.70	NIL	(0.01)
6.	Ms. Usha Sundar	4,60,000	1.64	NIL	4,60,000	1.62	NIL	(0.02)
7.	Ms. Girija Ram	1,63,600	0.58	NIL	1,63,600	0.58	NIL	NIL
8.	Ms. Padma Desai	1,55,200	0.55	NIL	1,55,200	0.55	NIL	NIL
9.	Ms. Samvitha Ram	1,03,328	0.37	NIL	1,03,328	0.36	NIL	(0.01)
10.	Ms. Avanti Desai	81,600	0.29	NIL	81,600	0.29	NIL	NIL
11.	Mr. Chinmay Ashank Desai	71,600	0.25	NIL	71,600	0.25	NIL	NIL
12.	Mr. Varun Sundar	64,000	0.23	NIL	64,000	0.23	NIL	NIL
13.	Mr. Shankar Sundar	64,000	0.23	NIL	64,000	0.23	NIL	NIL
14.	Mr. Tanay Mehta	6,400	0.02	NIL	6,400	0.02	NIL	NIL
15.	Ram Family Trust I	5,00,000	1.78	NIL	5,00,000	1.76	NIL	(0.02)

**(iii) Change in Promoters (including Promoter Group) Shareholding**

Sr. No.	Name of the Promoter and Promoter group	Shareholding at the beginning of the year as on April 1, 2018		Date	Reason	Increase/ Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	Radhakrishnan Sundar	13,60,161	4.84					13,60,161	4.84
				12.12.2018	Purchase of Shares	16,807	0.02	13,76,968	4.86
2.	Sudhakar Ram	20,81,763	7.40					20,81,763	7.40
				16.04.2018	Sale of Shares	(1,50,000)			
				28.12.2018	Sale of Shares	(1,00,000)	(0.94)	18,31,763	6.46
3.	Ketan Mehta	26,19,100	9.31					26,19,100	9.31
				17.12.2018	Purchase of Shares	261			
				28.12.2018	Purchase of Shares	1,00,000	0.28	27,19,361	9.59

**(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	For each of the Top Ten Shareholders	Shareholding at the beginning of the year April 1, 2018		Shareholding at the end of the year March 31, 2019	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Amansa Holdings Private Limited	13,03,252	4.63	13,55,743	4.78
2.	Aditya Birla Sun Life Trustee Private Limited A/C	9,82,976	3.50	11,62,371	4.10
3.	Aditya Birla Sun Life Insurance Company Limited	9,12,156	3.24	10,95,487	3.86
4.	IDFC Focused Equity Fund	11,91,729	4.24	9,75,838	3.44
5.	DSP Small Cap Fund	9,00,126	3.20	9,00,126	3.18
6.	Madhulika Agarwal	0	0.00	6,68,485	2.36
7.	Ashish Kacholia	2,75,000	0.98	6,66,123	2.35
8.	Sixteenth Street Asian Gems Fund	0	0.00	2,07,726	0.73
9.	Akash Prem Prakash	2,00,000	0.71	2,00,000	0.71
10.	Veritable, L.P. A/C Vemf - A, L.P.	1,49,702	0.64	1,52,385	0.54
11.	UBS Principal Capital Asia Limited	2,79,247	0.99	8,986	0.03
12.	Life Insurance Corporation of India	5,18,435	1.84	0	0.00
13.	Tata Regular Savings Equity Fund	3,33,300	1.19	0	0.00
14.	Arun Kumar Maheshwari	2,40,000	0.85	0	0.00

The shares of the Company are traded on a daily basis and hence the date wise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on Permanent Account Number of the shareholder.

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

Sr. No.	Name of the Director and KMP	Shareholding at the beginning of the year April 1, 2018		Shareholding at the end of the year March 31, 2019	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	Mr. Venkatesh N. Chakravarty	20,000	0.07	20,000	0.07
2.	Mr. Farid Kazani	1,13,951	0.41	1,21,201	0.43
3.	Mr. Jyotin Mehta*	N.A.	N.A.	NIL	NIL
4.	Mr. Ketan Mehta	26,19,100	9.31	27,19,361	9.59
5.	Mrs. Madhu Dubhashi	NIL	NIL	1,000	0.00
6.	Mr. Radhakrishnan Sundar	13,60,161	4.84	13,76,968	4.86
7.	Mr. Kunal Karan (Chief Financial Officer)	1,400	0.00	1,400	0.00
8.	Mrs. Varika Rastogi** (Company Secretary)	N.A.	N.A.	5	0.00
9.	Mr. Nishant S. Shirke*** (Company Secretary)	2	0.00	N.A.	N.A.
	<b>Total</b>	<b>41,14,614</b>	<b>14.63</b>	<b>42,39,935</b>	<b>14.95</b>

\* appointed w.e.f. November 5, 2018.

\*\* appointed as KMP w.e.f. May 14, 2018.

\*\*\* resigned w.e.f. 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 1, 2018</b>				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Change in Indebtedness during the financial year				
+ Addition	NIL	NIL	NIL	NIL
- Reduction	NIL	NIL	NIL	NIL
<b>Net Change</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Indebtedness at the end of the financial year March 31, 2019</b>				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(all figures in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		Farid Kazani (Managing Director & Group CFO)	Radhakrishnan Sundar (Executive Director)	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	1,39,47,302	24,00,000	1,63,47,302
	(b) Value of perquisites under Section 17(2) of Income Tax Act, 1961	42,704	NIL	42,704
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	38,52,165	NIL	38,52,165
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission			
	- as % of profit	-	-	-
	- others	-	-	-
5.	Others:			
	Contribution to superannuation Fund	6,75,000	NIL	6,75,000
	Contribution to Provident Fund	5,40,000	2,88,000	8,28,000
	Contribution to National Pension Scheme	4,50,000	NIL	4,50,000
	Performance Bonus/Incentive*	1,00,00,000	NIL	1,00,00,000
	<b>Total (A)</b>	<b>2,95,07,171</b>	<b>26,88,000</b>	<b>3,21,95,171</b>
	Ceiling as per the Act	As per Section III of Schedule V of the Companies Act, 2013.	As per Section III of Schedule V of the Companies Act, 2013.	As per Section III of Schedule V of the Companies Act, 2013.

\*Performance Bonus/ Incentive of ₹ 100 lakhs for financial year 2018-19 will be paid in financial year 2019-20.

**B. Remuneration to other Directors****I. Independent Directors**

(all figures in ₹)

Particulars of Remuneration	Name of the Directors			Total Amount
	Mr. Venkatesh N. Chakravarty	Mrs. Madhu Dubhashi	Mr. Jyotin Mehta*	
Fee for attending Board meetings	3,60,000	4,20,000	3,00,000	10,80,000
Fee for attending Audit Committee meetings	1,50,000	1,50,000	60,000	3,60,000
Commission	NIL	NIL	NIL	NIL
Others	NIL	NIL	NIL	NIL
<b>Total</b>	<b>5,10,000</b>	<b>5,70,000</b>	<b>3,60,000</b>	<b>14,40,000</b>

\*appointed w.e.f. November 5, 2018

**II. Other Non-Executive Directors:**

Particulars of Remuneration Name of the Director : Mr. Ketan Mehta	Total (Amount in ₹)
Fee for attending Board meetings	NIL
Fee for attending Audit Committee meetings	NIL
Commission	NIL
Others	NIL

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

(all figures in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. Kunal Karan (Chief Financial Officer)	Mrs. Varika Rastogi# (Company Secretary)	Mr. Nishant S. Shirke* (Company Secretary)	
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	36,81,997	20,62,268	1,88,727	59,32,992
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	32,400	NIL	NIL	32,400
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission				
	- as % of profit	-	-	-	-
	- others	-	-	-	-
5.	Others:				
	Contribution to Superannuation Fund	1,78,068	NIL	NIL	1,78,068
	Contribution to Provident Fund	1,70,946	76,358	1,931	2,49,235
	Contribution to National Pension Scheme	1,42,452	NIL	NIL	1,42,452
	Performance Bonus/ Incentive	8,07,558	NIL	NIL	8,07,558
	<b>Total</b>	<b>50,13,421</b>	<b>21,38,626</b>	<b>1,90,658</b>	<b>73,42,705</b>

# appointed as KMP w.e.f. May 14, 2018

\* resigned w.e.f. April 17, 2018



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

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTOR</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

**For and on behalf of the Board**  
**Majesco Limited**

**Venkatesh N. Chakravarty**

Non-Executive Chairman and Independent Director  
DIN: 01102892

Place: Navi Mumbai  
Date: May 15, 2019

## ANNEXURE - V

## Annual Report on Corporate Social Responsibility (CSR) Activities/ Initiatives for the Financial Year 2018-19

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

### 1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The CSR policy has been laid out for the Company to comply with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. We, at Majesco, are committed to spending up to 2% of the average net profits for the preceding three financial years on CSR projects/ programs related to activities specified in Schedule VII to the Companies Act, 2013 or such activities as may be notified from time to time. CSR committee was constituted by the Board of Directors of the Company, at its meeting held on June 1, 2015, to meet the requirements of the Companies Act, 2013. The Committee has adopted CSR policy and same is uploaded on the Company's website at <https://ir.majesco.com/policies/>.

### 2. Composition of CSR Committee:

Name of the Director	Designation	Composition
Mr. Venkatesh N. Chakravarty	Non-Executive Independent Chairman	Chairman
Mr. Farid Kazani	Managing Director & Group CFO	Member
Mr. Radhakrishnan Sundar	Executive Director	Member

3. Average net profit of the Company for last three financial years: ₹ 549.00 lakhs

4. Prescribed CSR expenditure (2% of the amount as in item 3 above): ₹ 10.98 lakhs

5. Details of CSR spent during the financial year 2018-19:

a. Total amount spent: ₹ 11.00 lakhs

b. Amount unspent, if any: NIL

c. Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Projects/ Activities identified	Sector in which the Project is covered	Locations	Amount Outlay (Budget) Projects or Programs wise	Amount spent on the Projects or Programs	Cumulative Expenditure up to reporting period	Amount spent: Direct or through implementing agency*
				₹ in lakhs			
1.	Happy Kids Program encompassing following activities: 1. Academic Growth 2. Extra-curricular Activities 3. Social Empowerment 4. Career Mapping and Guidance	Education	Mumbai, Maharashtra	10.00	10.00	10.00	10.00
2.	Mastek Foundation	Project Monitoring and Evaluation	Mumbai, Maharashtra	1.00	1.00	1.00	1.00
<b>Total Funds</b>				<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>

\*Amounts are given through Mastek Foundation, who got the project implemented through RA foundation, Juhu, Mumbai.

6. In case the Company has failed to spend the two percent 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. The CSR Committee hereby confirm that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.

**For and on behalf of the Board**  
**Majesco Limited**

Place: Navi Mumbai  
Date: May 15, 2019

**Venkatesh N. Chakravarty**  
Non-Executive Chairman and Independent Director  
DIN: 01102892

# CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Our mission is to inspire our employees to contribute back to the community by, sensitizing them to the needs of the community and engaging them with the community through volunteering. Apart from this, we support credible non-profit organizations to scale and build their capabilities through our core skill of Information Technology.

Mastek Foundation, our CSR wing, inscribed this mission on three pillars: Give, Engage and Build.

## GIVE

Giving back to the society has been an integral part of Mastek Foundation's mission since 2002. During financial year 2018-19, non-profit organizations received support towards their social development projects, through our CSR grants.

## Looking beyond CSR spends

Our employees also supported non-profit organizations through payroll giving and by purchasing merchandise and organic products, in support of projects on health, education, child development and disaster relief. Brief summary of various initiatives is provided below:

- a) When natural disasters strike, we are swift to collaborate with non-profit organizations, to support the cause. During 2018 Kerala Floods, Mastek Foundation associated with GOONJ and encouraged our employees to donate towards disaster relief operations for flood victims, for which employee's participation was enthusiastic.



Stacking of relief kits during disaster relief operations

- b) In light of ghastly Pulwama attack in February 2019, our employees donated towards "Bharat Ke Veer Corpus Fund", a fundraising initiative by the Ministry of Home Affairs, to support grieving families of Central Reserve Police Force (CRPF) personnel.
- c) NGO marketplace is a platform for credible local non-profit organizations and social enterprises to present their handmade merchandise and organic products to employees for purchase and support towards diverse social causes. Our employees participated in this initiative, to empower women entrepreneurs and specially abled children.

## ENGAGE

### Employee involvement beyond funds

Rallying around a cause, such as blood donation, increases employee engagement and gives them the opportunity to make a positive difference in the community. 158 Majesco employees participated in the blood donation camp organized during DaanUtsav – Joy of Giving Week. The blood donation camp was organized in collaboration with Federation of Bombay Blood Banks for Thalassemia patients in October 2018.

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



Team Majesco volunteering for tree plantation drive

Mastek Foundation organized its seventh annual Mastek Foundation Run in October 2018 in which 1,541 runners belonging to diverse groups participated. Vision for this year's run was women empowerment, with a message of 'for every mile we run, we pledge to empower her'. The run was ranked the 10<sup>th</sup> among top marathons by Mumbai Road Runner.

### **BUILD**

Project Deep Blue: 250 students (67 teams) from 24 engineering colleges across Mumbai and other cities made it through to the finale of 4<sup>th</sup> season of Project Deep Blue, where they developed solutions with emphasis on deploying technology, for urban sanitation and public health issues such as open defecation free India, waste segregation and plastic ban.



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

# Corporate Governance Report

## Company's Philosophy on Corporate Governance

Majesco Limited (hereinafter referred to as "Majesco" or "the Company") strongly believes that establishing good corporate governance practices in each and every function of the organization leads to achieve sustainable growth and enhances long term value for all the stakeholders. The Company always endeavors to carry its business operations in a fair, transparent and ethical manner and also holds itself accountable and responsible to the society it belongs. The Company considers it imperative to abide by the laws and regulations of the land in letter and spirit and is committed to the highest standards of corporate ethics.

Majesco'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 provides direction 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.

### A. Board of Directors ("The Board")

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

The Board comprises of majority of Non-Executive Directors. Your Company has a diversified Board with professionals from varied background in the field of Information Technology, Insurance, Finance, Marketing and Strategic Management.

As on March 31, 2019, the Board consisted of six Directors comprising two Executive Directors, one Non-Executive & Non-Independent Director and three Independent Directors, including one Woman Independent Director. Composition of the Board is in compliance with Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations") and the Companies Act, 2013.

The details of each member of the Board along with number of directorship(s)/ committee membership(s) held by Directors in companies other than the Company along with all other requisite information are given herein below.

Name of the Director & DIN	Designation	Date of Appointment	Directorship in other Indian Companies	Position held in Committees of the Board of other Indian Public Companies		Shareholding as on March 31, 2019
				As Chair person	As Member	
Mr. Venkatesh N. Chakravarty (DIN:01102892)	Non-Executive Chairman and Independent Director	15.09.2014	1	NIL	NIL	20,000

Name of the Director & DIN	Designation	Date of Appointment	Directorship in other Indian Companies	Position held in Committees of the Board of other Indian Public Companies		Shareholding as on March 31, 2019
				As Chair person	As Member	
Mr. Farid Kazani (DIN:06914620)	Managing Director & Group CFO	15.09.2014	2	NIL	NIL	1,21,201
Mr. Ketan Mehta (DIN:00129188)	Non- Executive Director (Promoter)	29.04.2015	1	NIL	NIL	27,19,361
Mrs. Madhu Dubhashi (DIN:00036846)	Independent Director	29.04.2015	7	2	1	1,000
Mr. Radhakrishnan Sundar (DIN:00533952)	Executive Director	01.06.2015	2	NIL	NIL	13,76,968
Mr. Jyotin Mehta (DIN:00033518)	Independent Director	05.11.2018	8	3	3	NIL

### List of Directorship in other Listed Entities

Name of the Director & DIN	Name of other Listed Entity	Category of Directorship
Mr. Venkatesh N. Chakravarty (DIN:01102892)	None	Not Applicable
Mr. Farid Kazani (DIN:06914620)	None	Not Applicable
Mr. Ketan Mehta (DIN:00129188)	None	Not Applicable
Mrs. Madhu Dubhashi (DIN:00036846)	Pudumjee Paper Products Limited (CIN: L21098PN2015PLC153717)	Independent Director
	Tube Investments of India Limited (CIN: L35100TN2008PLC06949)	Independent Director
Mr. Radhakrishnan Sundar (DIN:00533952)	None	Not Applicable
Mr. Jyotin Mehta (DIN: 00033518)	Linde India Limited (CIN: L40200WB1935PLC008184)	Independent Director
	Monnet Ispat and Energy Limited (CIN: L02710CT1990PLC009826)	Independent Director

### Notes:

- There are no inter-se relationships between our Board members.
- Directorship in other companies includes listed, unlisted & private limited companies and excludes foreign companies, other bodies corporate and professional bodies. Number of directorships of the Directors are within the permissible limits.

- 3) Necessary disclosures regarding change in Committee positions, if any, have been made by all the Directors, during the year under review. None of the Director is a member of more than ten Committees or Chairperson of more than five Committees across all Indian public limited companies. For this purpose, only Audit Committee and Stakeholders' Relationship Committee has been considered as required by Regulation 26 of SEBI Listing Regulations.

#### (b) Skills, Expertise and Competencies of the Directors

Considering size and nature of business of the Company, the Directors should possess one or more of skills, expertise and competencies as mentioned below:

Technology	Significant experience and knowledge in technology industry to identify opportunities & threats for the Company's core business and ability to review the competitive business strategies.
Global Business	Ability to guide in driving business success in varied geographies, with an understanding of diverse business environments, broad perspective on global market opportunities.
Mergers and Acquisitions	Ability to evaluate potential target in line with the Company's strategy, appropriate valuation of transaction and operational integration structure with the Company's culture.
Financial Acumen	Ability to evaluate and analyze the Company's financial performance, experience in financial management and financial reporting processes.
Risk Management	Ability to identify key risks impacting the Company's business and contribute towards development of control mechanism for risk mitigation.
Board Governance	Ability to contribute to the Board's role towards setting & upholding the highest standards of governance & ethics, integrity and protection of shareholders' interests.

#### (c) Familiarization Programme for Independent Directors

As required under the SEBI Listing Regulations, a familiarization programme for the Independent Directors was conducted by the Company. The details of the said familiarization programme have been uploaded on the Company's website of which a link is provided herein <https://ir.majesco.com/wp-content/uploads/2016/04/Familiarisation-Programme-for-Independent-Directors.pdf>

At the time of appointment, a formal letter of appointment is issued to every Director, including an Independent

Director. The appointment letter, inter alia, explains his/her role, functions, duties and responsibilities as a Director of the Company under various provisions of the Companies Act, 2013 and the SEBI Listing Regulations. Format of the letter of appointment is available on our website, at <https://ir.majesco.com/wp-content/uploads/2015/06/Letter-of-Appointment.pdf>

#### (d) Meeting of Independent Directors

Independent Directors of the Company met once in year, without the attendance of the Executive and Non-Executive Directors and members of the Management of the Company. In the said meeting, Independent Directors reviewed the matters as stated in the SEBI Listing Regulations and as per the Companies Act, 2013. Action items, if any, are communicated and tracked to closure to the satisfaction of Independent Directors.

#### (e) Declaration from Independent Directors

Based on declaration of independence received from Independent Directors and also in the opinion of the Board, Independent Directors fulfill the conditions specified in the Companies Act, 2013, the SEBI Listing Regulations and are independent of the management.

#### (f) Attendance of the Directors at the Board Meeting and Annual General Meeting ("AGM")

During the year ended March 31, 2019, seven Board meetings were held on May 14, 2018, August 2, 2018, November 5, 2018, November 28, 2018, January 16, 2019, February 7, 2019 and March 16, 2019 and last AGM was held on August 3, 2018.

Name of the Director	Number of Board Meetings		AGM
	Held	Attended	
Mr. Venkatesh N. Chakravarty	7	6	Yes
Mr. Farid Kazani	7	7	Yes
Mr. Jyotin Mehta*	5	5	Not Applicable
Mr. Ketan Mehta	7	5	Yes
Mrs. Madhu Dubhashi	7	7	Yes
Mr. Radhakrishnan Sundar	7	7	Yes

\*appointed as an Independent Director w.e.f. November 5, 2018.

#### (g) Board Procedures

The calendar of Board Meetings is decided in consultation with Board members and the schedule of such meeting is communicated to all the Directors well in advance. The Board meets at least once in each quarter, with not more than four months gap between two meetings. Additional meetings are held based on necessity. The Board meets inter alia to review the performance and the financial results of the Company. All the items on the Agenda are accompanied by detailed notes giving information on the related agenda item and in case of certain matters such as financial/ business plans, financial results etc. detailed presentations are made by the concerned Management representatives at the meetings. The Board members are

also free to recommend the inclusion of any matter for discussion, with the permission of the Chairman.

Information as mentioned in Regulation 17(7) read with Part A of Schedule II to the SEBI Listing Regulations is regularly placed before the Board for its consideration.

To enable the Board to discharge its responsibilities properly, the Directors are effectively briefed at every Board meeting. Senior Management members are also invited to attend the meetings to provide additional inputs on the items being discussed by the Board. All major matters involving policy formulation, strategy and business plans etc. are deliberated by the Board members.

The minutes of the Board Meetings are circulated to all Directors. The minutes of meetings of the Audit Committee and other Committees of the Board are noted on regular basis by the Board at its meetings.

## B. Committees of the Board

The Board has constituted following Committees and each committee has their terms of reference.

- (i) Audit Committee
- (ii) Nomination and Remuneration Committee
- (iii) Investors' Grievances and Stakeholders' Relationship Committee
- (iv) Corporate Social Responsibility Committee

### (i) Audit Committee

Terms of reference of Audit Committee is as follows:

- (a) Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are 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;
- (d) Review, with the management, of the annual financial statements and Auditor's report thereon before submission to the Board for approval, with particular reference to following:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Section 134(3)(c) of the Companies Act, 2013;
  - Any changes in accounting policies & practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by the 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), if any, in the draft audit report.
- (e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (f) Review, with the management, of the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc., as the case may be), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (g) Review and monitoring of the auditor's independence & performance and effectiveness of audit process;
- (h) Approval or any subsequent modification of related party transactions of the Company;
- (i) Scrutiny of inter-corporate loans and investments;
- (j) Valuation of undertakings or assets of the Company, whenever necessary;
- (k) Evaluation of internal financial controls and risk management system/ policy;
- (l) Review, with the management, of performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- (m) Review of the adequacy of internal audit function, reporting structure coverage and frequency of internal audit;
- (n) Discussion with internal auditors of any significant findings and follow-up there on;
- (o) Review of 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) Looking into the reasons for substantial default(s), if any, in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, as applicable;

- (r) Review of functioning of the whistle blower mechanism;
- (s) Approval of appointment of Chief Financial Officer of the Company, after assessing qualifications, experience and background, etc. of the candidate;
- (t) Review of utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments; and
- (u) to carry out any other function as may be assigned by the Board of Directors of the Company.

The minutes of meetings of the Audit Committee are circulated to the Board of Directors. The Chairman of the Audit Committee apprises the Board on the recommendations made by the committee. At the beginning of the financial year, the Committee reviews the areas covered by the internal audit and approves annual internal audit programme for the current year. The Committee reviews performance of internal auditor, statutory auditors and advises the Board on re-appointment of internal and statutory auditors. The Board accepted all the recommendations made by the Audit Committee.

During the year ended March 31, 2019, the Committee met five times on May 14, 2018, August 2, 2018, November 5, 2018, February 7, 2019 and March 16, 2019.

Details of composition of the Audit Committee and attendance details are provided below:

Name of Member	Category	No. of meetings	
		Held	Attended
Mr. Jyotin Mehta* (Chairman)	Independent Director	2	2
Mr. Venkatesh N. Chakravarty	Independent Director	5	5
Mrs. Madhu Dubhashi	Independent Director	5	5
Mr. Radhakrishnan Sundar	Executive Director	5	5

\*appointed as an Independent Director and Chairman of Audit Committee w.e.f. November 5, 2018.

## (ii) Nomination and Remuneration Committee

Terms of reference of Nomination and Remuneration Committee is as follows:

- (a) To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

- (b) To formulate criteria for evaluation of performance of Independent Directors and the Board of Directors;
- (c) To devise a policy on diversity of the Board of Directors;
- (d) To identify persons who are qualified to become Director or who may be appointed in senior management of the Company in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- (e) To ascertain whether to extend or continue the term of appointment of the Independent Director, on basis of performance evaluation report of Independent Directors;
- (f) To decide, formulate and amend detailed terms and conditions of the Employees Stock Option Plan, governed by the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time;
- (g) To finalize stock options to be granted to employees of the Company under the scheme and finalization of incentive plan for employees of the Company;
- (h) To recommend to the Board compensation structure of Managing/ Executive Director;
- (i) To recommend to the Board performance incentive to be paid to Managing/ Executive Director;
- (j) To ensure following:
- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- (k) To recommend to the Board, all remuneration, in whatever form, payable to senior management. Senior Management shall comprise all members of management one level below the Board including Chief Financial Officer and Company Secretary."

The Nomination and Remuneration Committee met three times on May 14, 2018, August 2, 2018 and November 5, 2018.



Details of composition of the Nomination and Remuneration Committee and attendance details are provided below:

Name of Member	Category	No. of meetings	
		Held	Attended
Mrs. Madhu Dubhashi (Chairperson)	Independent Director	3	3
Mr. Venkatesh N. Chakravarty	Independent Director	3	3
Mr. Ketan Mehta	Non-Executive Director	3	2

The Board has conducted performance evaluation of individual Directors and the Board as a whole, details of which are provided in the Board of Directors' Report.

### Criteria of Performance Evaluation of Independent Directors

- Independent Directors are expected to bring in objectivity and independent view during the Board's deliberations relating to the Company's strategy, performance and risk management and ensure highest standards of financial probity and corporate governance.
- Independent Directors are also expected to commit and allocate sufficient time to meet the expectations of their role, to the satisfaction of the Board.
- Conflict of Interest: The Independent Directors shall not involve themselves in situations which directly or indirectly may conflict with the interests of the Company. It is accepted and acknowledged that they may have business interests, other than those of the Company. As a pre-condition to their appointment as Independent Directors, they are required to declare their directorships and interest to the Board, in writing in the prescribed format, at the time of their appointment.
- The key elements in which every Independent Director is expected to contribute are: Strategy, Performance, Risk, People, Reporting and Compliance.

### (iii) Investors' Grievances and Stakeholders' Relationship Committee

Terms of reference of Investors' Grievances and Stakeholders' Relationship Committee is as follows:

- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards in respect of various services being rendered by the Registrar & Share Transfer Agent; and
- Review of various measures and initiatives taken by the Company for improving shareholders' services such as to reduce quantum of unclaimed dividends, to ensure timely receipt of dividend warrants/ annual report/ statutory notices by the shareholders of the Company.

During the year ended March 31, 2019, the Committee met five times on May 14, 2018, July 21, 2018, August 23, 2018, November 5, 2018 and February 7, 2019.

Details of composition of the Committee and attendance details are provided below:

Name of Member	Category	No. of meetings	
		Held	Attended
Mr. Venkatesh N. Chakravarty (Chairman)	Independent Director	5	5
Mr. Farid Kazani	Managing Director	5	5
Mr. Radhakrishnan Sundar	Executive Director	5	5

Mrs. Varika Rastogi, Company Secretary and Compliance Officer acts as the Secretary to the Committee.

Your Company has a designated e-mail ID, investors.grievances@majesco.com for the redressal of any stakeholder's related grievances exclusively for the purpose of registering complaint by members/ stakeholders. Your Company has also displayed the said e-mail ID under investors section at its website <https://ir.majesco.com/others/> and other relevant details prominently for creating shareholders' awareness.

### Details of request received and resolved during financial year 2018-19

Nature of Request	Opening Balance as on April 1, 2018	Received	Resolved	Outstanding as on March 31, 2019
Non-receipt of Dividend	NIL	04	04	NIL
Non-receipt of Annual Report	NIL	10	10	NIL
Non-receipt of Share Certificates	NIL	11	11	NIL

### (iv) Corporate Social Responsibility Committee (CSR Committee)

The Board has constituted CSR Committee as per the requirement of the Companies Act, 2013 along with applicable rules. Terms of reference of CSR Committee is as follows:

- Formulation and recommendation to the Board, Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- Recommendation of the amount of expenditure to be incurred on the activities; and
- Monitoring of Corporate Social Responsibility Policy of the Company from time to time.

During the year ended March 31, 2019 the Committee met twice on May 14, 2018 and February 7, 2019.

Details of composition of the Committee are provided below:

Name of the Member	Category	No. of Meeting	
		Held	Attended
Mr. Venkatesh N. Chakravarty (Chairman)	Independent Director	2	2
Mr. Farid Kazani	Managing Director	2	2
Mr. Radhakrishnan Sundar	Executive Director	2	2

### C. Remuneration paid to Directors during financial year ended March 31, 2019

- i. During the year, there was no pecuniary relationship or transaction between the Company and any of its Non-Executive Director/ Independent Directors apart from sitting fees for attending meetings of the Board and Audit Committee.

Details of sitting fees paid to Non-Executive Directors are provided in Form MGT-9, Extract of Annual Return, Annexure-IV to the Board of Directors' Report.

### ii. Criteria for making payment to Non-Executive Directors

Members of the Company, at 3<sup>rd</sup> AGM held on August 11, 2016, has approved the payment of remuneration by way of commission to Independent Directors, sum not exceeding 1% per annum of net profit of the Company for all Independent Directors in aggregate for one financial year. However, no commission has been paid to Independent Directors during the financial year 2018-19.

Mr. Venkatesh N. Chakravarty, Independent Director and Chairman, was granted 6,725 stock options on July 25, 2011 at grant price of ₹ 80.01/- per option. The said options were granted pursuant to the Scheme of Arrangement ("Scheme") between Mastek Limited, Majesco Limited and Majesco Software and Solutions India Private Limited, approved by the Hon'ble High Court of Gujarat and the Hon'ble Bombay High Court vide their respective orders dated April 30, 2015 and as per clause 16.2 of the Scheme, Majesco Limited has issued one stock option to eligible employee/ Directors for every stock option held by them in Mastek Limited as on record date i.e. June 15, 2015.

### iii. Remuneration paid to Executive Directors

Details of remuneration paid to Executive Directors are provided in Form MGT-9, Extract of Annual Return, Annexure-IV to the Board of Directors' Report.

No Stock Options was granted to Executive Directors for the financial year 2018-19.

### Service Contract, Notice Period and Severance Pay

The Company has contract with Mr. Farid Kazani, Managing Director for a period of three years with effect from July 4, 2017 to July 3, 2020, and his notice period for resignation is three months.

Mr. Radhakrishnan Sundar has been re-appointed as Executive Director of the Company for the period of three years with effect from June 1, 2018 to May 31, 2021 and his notice period for resignation is three months.

### D. Governance to Shareholders AGM held during last three years

Financial Year	Details of date, day, time and venue where AGM was held	Summary of Resolution(s) passed	Special
2017-18	Date: August 3, 2018 Day: Friday, Time: 11:00 A. M. (IST) Venue: Country Inn and Suites By Radisson, Plot No. X-4/5-B, TTC Industrial Area, MIDC, Mahape, Shilphata Road, Navi Mumbai - 400 701	i. Re-appointment of Mr. Radhakrishnan Sundar (DIN: 00533952) as an Executive Director of the Company.	
2016-17	Date: August 4, 2017 Day: Friday, Time: 11:00 A. M. (IST) Venue: Fortune Select Exotica, Plot No. 16, Sector 19D, Palm Beach Road, Vashi, Navi Mumbai - 400 705	i. Re-appointment of Mr. Farid Kazani (DIN: 06914620) as Managing Director of the Company.	
2015-16	Date: August 11, 2016 Day: Thursday, Time: 11:00 A. M. (IST) Venue: Fortune Select Exotica, Plot No. 16, Sector 19D, Palm Beach Road, Vashi, Navi Mumbai - 400 705	i. Payment of Commission to Non - Executive Directors. ii. Amendment of ESOP Plan I of the Company.	

### Extraordinary General Meetings (EGMs) held during last three years

Financial Year	Details of date, day, time and venue where EGM was held	Summary of Resolution(s) passed	Special
2018-19	Not Applicable		
2017-18	Date: January 11, 2018 Day: Thursday, Time: 11:00 A. M. (IST) Venue: Four Points by Sheraton, Plot No. 39/1, 6 to 15 Sector 30 A, Vashi, Navi Mumbai - 400 701	i. Increase in the Authorized Share Capital and consequently alteration to the Capital Clause of Memorandum of Association of the Company. ii. Alteration of Articles of Association of the Company. iii. Further Issue of Securities.	
2016-17	Not Applicable		

### Details of Postal Ballot

No resolution was passed through postal ballot during financial year 2018-19. However, notice of postal ballot was issued during financial year 2018-19, details of which are mentioned below:

Date of Postal Ballot Notice: March 16, 2019

Voting period: April 1, 2019 at 9:00 A.M. (IST) to April 30, 2019 at 5:00 P.M. (IST)

Date of declaration of result: April 30, 2019

Date of approval: April 30, 2019

Name of the Resolution	Type of Resolution	No. of votes polled	Votes cast in favor		Votes cast against	
			No. of votes	%	No. of votes	%
Sale and transfer of India Insurance Products & Services Business on slump sale basis	Special	1,52,48,936	1,50,67,862	98.81	1,81,074	1.19

Mr. Mukesh Sarswat, Practicing Company Secretary, was appointed as the scrutinizer for carrying out the above postal ballot exercise in a fair and transparent manner.

#### Procedure for Postal Ballot

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013 read with the related rules, the Company provides electronic voting (e-voting) facility, in addition to physical ballot, to its members. For this purpose, the Company has engaged the services of National Securities Depository Limited (NSDL). Postal ballot notices and forms are dispatched, along with postage-prepaid business reply envelopes to the registered members/ beneficiaries.

The Company also publishes a notice in the newspapers declaring the details of dispatch of notice, cut-off date, e-voting period and other mandatory requirements. Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of voting period and those using e-voting option are requested to vote before 5:00 P.M. (IST) on the last date of e-voting.

On completion of scrutiny, the Scrutinizer submits his report to the Chairman/ Managing Director/ Company Secretary of the Company and the results of the voting are announced by the Chairman/ Managing Director/ Company Secretary of the Company. The results are displayed on the Company's website, <https://ir.majesco.com/investor-communications/>, besides being communicated to the Stock Exchanges, Depository and Registrar & Share Transfer Agent. Last date for receipt of postal ballot forms or e-voting is the date on which resolution would be deemed to have been passed, if approved by the requisite majority.

### Communication with the Member/ Shareholders

The Board of Directors of the Company approves the quarterly, half yearly and annual financial results in the format prescribed under Regulation 33 of the SEBI Listing Regulations. The approved financial results are submitted to the Stock Exchanges within the prescribed time. The financial results and other statutory notices are published in newspapers Financial Express (English) and Mumbai Lakshadeep (Marathi).

The Company's website has a separate section where the shareholders' information is available. The financial results are also displayed on the Company's website at <https://ir.majesco.com/financial-information/quarterly-earnings/>. Annual Reports of the Company are also available on the website in a user-friendly and downloadable form. Other information relating to quarterly shareholding pattern, quarterly corporate governance report are available on the Company's website at <https://ir.majesco.com/>.

### E. General Shareholder's Information

#### Sixth AGM

Day, Date & Time: Tuesday, August 6, 2019 at 11:00 A. M. (IST)

Venue: Hotel Country Inn and Suites By Radisson, Plot No. X-4/5-B, TTC Industrial Area, MIDC, Mahape, Shilphata Road, Navi Mumbai - 400 701

#### Financial Year

Financial Year: April 1, 2019 to March 31, 2020

For the quarter ending	Tentative Date of Announcement of financial results
June 30, 2019	August 5, 2019
September 30, 2019	November 5, 2019
December 31, 2019	February 6, 2020
March 31, 2020	May 12, 2020

#### Book Closure Date

From Thursday, August 1, 2019 to Tuesday, August 6, 2019 (both days inclusive)

#### Dividend Payment Date

Dividend will be paid within thirty days from the date of AGM, subject to the approval of shareholders at ensuing AGM.

### Listing on Stock Exchanges and Stock Code

Name and Address of the Exchange	Stock Code	ISIN
BSE Limited		
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	539289	
INE898S01029		INE898S01029
National Stock Exchange of India Limited	MAJESCO	
Exchange Plaza, C - 1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051		

The Company has paid listing fees to the Stock Exchanges for the financial year 2019-20.

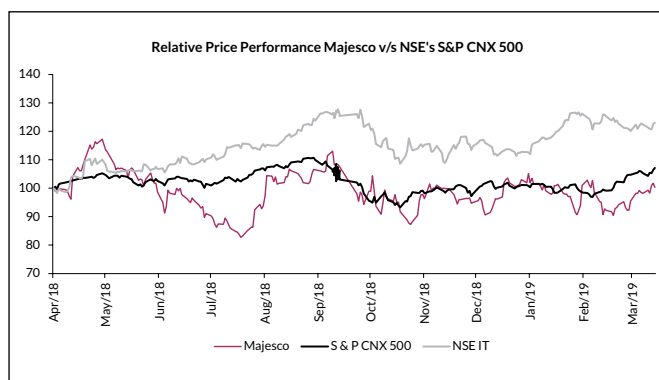
### Market Price data

Monthly high and low price of equity shares of the Company during the financial year ended March 31, 2019 are given below:

Month and year	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume (total traded quantity)	High (₹)	Low (₹)	Volume (total traded quantity)
April 2018	581.00	470.00	2,31,754	581.80	470.95	29,69,189
May 2018	570.00	488.20	2,23,404	579.20	490.10	22,90,642
June 2018	506.80	423.00	6,79,287	506.85	423.85	14,11,976
July 2018	465.90	401.10	86,357	466.00	401.10	8,83,057
August 2018	542.50	446.20	2,98,073	543.10	445.35	28,22,929
September 2018	572.00	455.45	2,48,675	572.70	456.20	25,15,926
October 2018	516.85	416.85	1,18,512	516.90	415.00	9,45,416
November 2018	515.95	461.80	71,813	518.00	461.50	7,31,003
December 2018	511.60	431.00	58,344	513.40	433.20	6,65,126
January 2019	502.40	440.00	1,14,936	522.00	440.00	5,93,625
February 2019	525.00	437.95	1,57,126	524.00	440.50	11,68,382
March 2019	522.00	456.45	40,886	522.75	455.20	6,46,345

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

### Majesco Share Price Performance Versus NSE's S&P CNX 500



### Registrar and Share Transfer Agent (RTA)

Karvy Fintech Private Limited  
 Karvy Selenium Tower B, Plot 31-32,  
 Gachibowli Financial District, Nanakramguda,  
 Hyderabad - 500 032  
 Telephone: +91 40 6716 2222  
 Fax: +91 40 2342 0814  
 E-mail: einward.ris@karvy.com  
 Website: www.karvy.com

### Share Transfers System

Share transfers in physical form are processed and the share certificates are generally returned to the transferees within

a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects.

The Company has obtained the half yearly certificate from a Company Secretary in practice for due compliance of shares transfer formalities as per the requirement of Regulation 40 (9) of SEBI Listing Regulations.

SEBI, vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20 April, 2018, introduced a documented framework for streamlining and strengthening the systems and processes of RTAs, Issuer Companies and Bankers to an Issue with regards to handling and maintenance of records, transfer of securities and payment of dividend, as may be applicable. In the said Circular, SEBI has suggested measures to make the systems and processes among the RTAs, Issuer Companies and Bankers, more robust and transparent.

The said SEBI Circular, inter alia, provides for some key requirements like maintenance of dividend master file, reconciliation of dividend account(s), Updation of PAN and Bank mandates by the members, wherever not available, System-Log(s), enhanced due diligence, etc. These changes suggested by SEBI in the share related functioning are forward looking and ensures that proper internal checks and controls are in place. The RTA has confirmed its Compliance with the applicable requirements of the Framework.

### Distribution of Shareholding as on March 31, 2019

Range no. of shares	No. of Shareholders	%	No. of Shares	%
1- 500	21,714	89.75	20,54,875	7.25
501-1000	1,275	5.27	9,72,281	3.43
1001-5000	935	3.86	19,82,434	6.99
5001-10000	121	0.50	8,35,212	2.95
10001 and above	149	0.62	2,25,00,639	79.38
<b>Total</b>	<b>24,194</b>	<b>100.00</b>	<b>2,83,45,441</b>	<b>100.00</b>

### Summary Shareholding Pattern as on March 31, 2019

Sr. No.	Category	No. of Shares	% of Holding
1.	Promoters	1,11,78,172	39.43
2.	Mutual Funds & Alternative Investment Fund	34,77,439	12.27
3.	FII's/ FPI's	22,52,613	7.95
4.	Financial Institutions/ Banks	40,256	0.14
5.	Public Shareholding (excluding above categories)	1,13,96,961	40.21
<b>Total</b>		<b>2,83,45,441</b>	<b>100.00</b>

### Dematerialization of Shares

Date	Status of shares- Physical versus Electronic Mode				Total
	Physical	%	Electronic	%	
March 31, 2019	1,89,743	0.67	2,81,55,698	99.33	2,83,45,441
March 31, 2018	1,97,844	0.70	2,79,24,552	99.30	2,81,22,396

### 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 Stock Options after vesting, when exercised, shall increase the paid-up equity share capital of the Company to that extent.

### Commodity price risk or foreign exchange risk and hedging activities

The Company is exposed to foreign exchange risk on account of nature of its transactions. The Company, in accordance with its risk management policy and procedure, enters into hedging transactions with the banks. Please refer notes to the Financial Statements in this regard. The Company does not have any exposure hedged through commodity derivatives.

The Company does not deal in commodities and hence the disclosure is not required to be given for commodity hedging activities.

### Off-shore development centers

The Company has Off-Shore Software Development Centers at Navi Mumbai and Pune. Full address of the Company's centres/offices is available elsewhere in the Annual Report.

### Address for correspondence by shareholders/ investors:

Company	Registrar & Share Transfer Agent
Mrs. Varika Rastogi Company Secretary	Karvy Fintech Private Limited (Unit: Majesco Limited)
MNDC, MBP-P-136, Mahape, Navi Mumbai- 400 710	Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032
Ph. No. : (022) 61501800	Telephone: +91 40 6716 2222
Fax No. : (022) 27781320	Fax: +91 40 2342 0814
E-mail ID: investors.grievances@majesco.com	E-mail ID: einward.ris@karvy.com
Website: www.majesco.com	Website: www.karvy.com

**Credit Rating obtained during the financial year:** Not Applicable

## F. Other Disclosures

### i. Disclosures of Related Party Transactions

The Company has formulated a policy on materiality of related party transactions and also on dealing related party transactions. This policy is available on the website <https://ir.majesco.com/policies/>. During the year 2018-19, no material significant related party transactions have been entered into by the Company with the Promoters, Directors or Management or their relatives. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Details of related party transactions are disclosed in the notes to the financial statements.

All related party transactions were executed with prior approval of the Audit Committee.

### ii. Details of non-compliance by the Company, penalties, strictures imposed on the listed entity by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during last three years

The Company has complied with all requirements specified under the SEBI Listing Regulations as well as other Regulations and guidelines of SEBI. No penalties or strictures imposed on the listed entity by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during last three years.

### iii. Vigil Mechanism / Whistle Blower Policy

The Company has in place the necessary Vigil Mechanism as envisaged under Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations. During the year under review no personnel has been denied access to the Audit Committee.

### iv. Details of compliance with mandatory requirements and adoption of the non-mandatory requirement of SEBI Listing Regulations

The Company has disclosed and complied with all mandatory requirements under SEBI Listing Regulations. The details of these compliances have been given in the relevant sections of this report.

Among the non-mandatory requirements of SEBI Listing Regulations, the Company has complied with the following:

Shareholders Rights - Quarterly Results are subjected to Limited Review by Statutory Auditors and are generally published in the Financial Express (English) and Mumbai Lakshadeep (Marathi) having wide circulation. The Quarterly Un-audited Results along with the Press Releases are made available on the website of the Company <https://ir.majesco.com/financial-information/quarterly-earnings/>. Other information relating to shareholding pattern, Compliance with the requirements of Corporate Governance, etc. are uploaded on BSE / NSE website and on Majesco's website in the Corporate Governance section. Separate Half-yearly Financial performance report, however, has not been sent to each member.

Unmodified Opinion in audit report - The Company's Financial Statements for the financial year 2018 -19 does not contain any modified audit opinion.

Separate Posts of Chairman and Chief Executive Officer - The position of Chairman and Managing Director / Chief Executive Officer is bifurcated in the Company. An Independent Non-Executive Chairman heads the Board. Managing Director is another position.

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

**v. Policy for determining Material Subsidiaries**

The Company has a policy on Material Subsidiary and same is placed on the website of the Company at <https://ir.majesco.com/policies/>.

**vi. Policy on dealing with Related Party Transactions**

The Policy on dealing with Related Party Transactions is available on the Company's website at <https://ir.majesco.com/policies/>.

**vii. Commodity price risk and commodity hedging activities:** Not Applicable**viii. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI Listing Regulations**

The statement of utilization of Qualified Institutional Placement (QIP) proceeds as on March 31, 2019, as approved by the Audit Committee, is furnished below:

Particulars	Amount (₹ in crore)
Gross proceeds of QIP Issue	231.08
Less: Issue Expenses	5.81
Net proceeds of QIP Issue (as mentioned in Placement Document)	225.27
Less: Amount utilized for the purpose received	225.27
Balance Amount	NIL

The Company has fully utilized QIP proceeds by way of investment in subsidiary, Majesco, USA, in form of subscription to rights issue, which is in accordance with the objects of use of proceeds, as mentioned in placement documents dated January 29, 2018.

**xi. Certificate from Company Secretary in Practice**

M/s. Abhishek Bhate & Co., Company Secretary in Practice, has issued a certificate as required under the SEBI Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/ Ministry of Corporate Affairs or any other statutory authority. The certificate is enclosed with this section as Annexure A.

**xii. Recommendations of Committees of the Board**

There were no instances during the financial year 2018-19, wherein the Board had not accepted recommendations made by any committee of the Board.

**xiii. Total fees paid to Statutory Auditors of the Company**

Total fees of ₹ 191.88 lakhs for financial year 2018-19, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

**xiv. Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company follows a strict zero tolerance towards sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder, for prevention and redressal of complaints of sexual harassment at workplace.

- number of complaints filed during the financial year - NIL
- number of complaints disposed of during the financial year - NIL
- number of complaints pending at the end of the financial year - NIL

**xv. Compliances with Corporate Governance disclosure requirements as specified in the SEBI Listing Regulations**

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

**xvi. Managing Director (MD) & Chief Financial Officer (CFO) Compliance Certificate**

MD and CFO have issued Compliance Certificate pursuant to the Regulation 17(8) 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.

The said certificate is annexed and forms part of the Annual Report.

**xvii. Disclosures with respect to demat suspense account/ unclaimed suspense account:** Not Applicable**xviii. Reconciliation of Share Capital Audit**

The 'Reconciliation of Share Capital Audit' was undertaken on a quarterly basis and the audit covers the reconciliation of the total admitted capital with NSDL and CDSL and the total issued and listed capital.

The audit has also confirmed that the aggregate of the total issued/ paid-up capital is in agreement with the total number of shares in physical form, shares allotted & advised for demat credit but pending execution and the total number of dematerialized shares held with NSDL and CDSL.

**xix. Accounting treatment in preparation of Financial Statements**

Indian Accounting Standards (IND-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Amendment Rules, 2016, have been followed in preparation of the financial statements of the Company in all material aspect.

**xx. Internal Controls**

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 platforms and has a strong monitoring and reporting process resulting in financial discipline and accountability.

**xxi. Information for shareholders on the internet**

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 India Private Limited - our Investor advisor regularly meet the analysts. The Press release, Analysts' conference calls as well as the presentations at analysts meetings are organized by M/s. Christensen Investor Relations India Private Limited - our Investor advisor. Decisions in such meetings are always limited to information that is already in the public domain. Please access the homepage at [www.majesco.com](http://www.majesco.com) and register yourself for regular updates.

**xxii. Management Discussion and Analysis**

As required by SEBI Listing Regulations, the Management Discussion and Analysis is provided separately in the Annual Report.

**G. Code of Conduct**

The Board of Directors has approved a Code of Business Conduct which is applicable to the Members of the

Board and all employees. The Company believes in "Zero Tolerance" to bribery and corruption in any form and the Board has laid down the "Anti-Bribery & Corruption Directive" which forms an Appendix to the Code.

The Code lays down the standard 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 behavior from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management staff were required to complete an e-learning module in this regard.

**Prevention of Insider Trading**

The Company has adopted a Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and Immediate Relatives with a view to regulate trading in securities by the Directors and designated employees of the Company. 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 in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implement action of the Code.

**H. Compliance Certificate**

The Certificate obtained from M/s. Abhishek Bhate & Co., Company Secretary in Practice (Membership Number: 27747; CP Number: 10230) is provided in the Annual Report for compliance with SEBI Listing Regulations.

**Annexure A: Certificate from Company Secretary in Practice****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS****(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
 The Members of  
 MAJESCO LIMITED  
 MNDC, MBP-P-136,  
 MAHAPE, NAVI MUMBAI,  
 Maharashtra - 400 710

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Majesco Limited having CIN - L72300MH2013PLC244874 and having registered office at MNDC, MBP-P-136, MAHAPE, NAVI MUMBAI, Maharashtra 400710 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

SR. NO.	NAME OF THE DIRECTOR	DIN	DATE OF APPOINTMENT IN COMPANY
1.	MR. JYOTIN KANTILAL MEHTA	00033518	05/11/2018
2.	MRS. MADHU DUBHASHI	00036846	29/04/2015
3.	MR. KETAN MEHTA	00129188	29/04/2015
4.	MR. RADHAKRISHNAN SUNDAR	00533952	01/06/2015
5.	MR. VENKATESH NARAYANAN CHAKRAVARTY	01102892	15/09/2014
6.	MR. FARID LALJI KAZANI	06914620	15/09/2014

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Abhishek Bhat & Co.**

**CS Abhishek Bhat**  
 ACS - 27747, COP - 10230

Place: Thane  
 Date: May 6, 2019



# REPORT OF THE COMMITTEES OF THE BOARD

## 1. AUDIT COMMITTEE

The Audit Committee of the Board consists of the following directors:

Mr. Jyotin Mehta – Chairman

Mrs. Madhu Dubhashi

Mr. Radhakrishnan Sundar

Mr. Venkatesh N. Chakravarty

The Committee has, inter alia, the mandate to oversee the Company's financial reporting process and the disclosure of financial information in order to ensure that the financial statements are correct, sufficient and credible. The Committee reviewed the independence of Internal Auditors and Statutory Auditors and expressed its satisfaction with the same. The Committee discussed the quality of the accounting principles as applied and significant judgments affecting the financial statements, with the management as well as Statutory Auditors of the Company. The Committee also discussed with the Statutory Auditors, without the presence of the management, the Company's financial disclosures and quality of the Company's accounting principles as applied, underlying judgments affecting the financial statements and other significant decisions made by the Management and Statutory Auditors, believes that the Company's financial statements are fairly presented in conformity of the applicable Indian Accounting Standards (Ind-AS) in all material aspects. The Committee had discussed with Internal and Statutory Auditors the internal financial controls, to ensure that financial statements of the Company are properly maintained and accounting transactions are in accordance with prevailing laws and regulations. The Committee reviewed the annual Internal Audit program and reviewed the Internal audit findings and with the management, the follow-up actions. There were no material observations or deviations reported by the auditors.

The Committee reviewed the Foreign Exchange Exposure Statement, Related Party Transactions, legal compliance related to financial statements, statement of utilization of QIP proceeds, utilization of investment in subsidiary and expressed its satisfaction with the same.

Place: Navi Mumbai

Date: May 15, 2019

**Jyotin Mehta**

Chairman

## 2. INVESTORS' GRIEVANCES AND STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Investors' Grievances and Stakeholders' Relationship Committee consists of the following directors:

Mr. Venkatesh N. Chakravarty- Chairman

Mr. Farid Kazani

Mr. Radhakrishnan Sundar

The Committee has the mandate to review and redress shareholders' grievances and to attend to share transfers and allotment of shares on exercise of Stock Options. The Committee reviewed the redressal of shareholders' grievances, share transfers and expressed satisfaction with the same. The Committee also noted that the shareholding in the Company in dematerialized mode as on March 31, 2019 was 99.33%.

Place: Navi Mumbai

Date: May 15, 2019

**Venkatesh N. Chakravarty**

Chairman

**DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

To the Members of Majesco Limited

This is to confirm that the Company has adopted Code of Conduct for the Board of Directors and Senior Management Personnel of the Company, which is available at [www.majesco.com](http://www.majesco.com).

I declare that the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company.

Place: Navi Mumbai

Date: May 15, 2019

**Farid Kazani**

Managing Director & Group CFO

**CERTIFICATE FROM PRACTISING COMPANY SECRETARY ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**

I have examined the compliance of conditions of Corporate Governance by Majesco Limited, for the financial year ended March 31, 2019, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Abhishek Bhat & Co.**

Place: Thane

Date: May 15, 2019

**CS Abhishek Bhat**

ACS - 27747, COP - 10230

**COMPLIANCE CERTIFICATE BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER**

[Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Majesco Limited (“the Company”) to the best of our knowledge and belief, certify that:

- 1) We have reviewed Financial Statements and Cash Flow Statements for the financial year ended March 31, 2019 and that to the best of our knowledge, information 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, applicable laws and regulations.
- 2) There are, 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 violates of the Company’s Code of Conduct.
- 3) 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 and have disclosed to the Auditors and the Audit Committee, deficiency 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.
- 4) 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,

**Farid Kazani**

Managing Director & Group CFO

**Kunal Karan**

Chief Financial Officer

Place: Navi Mumbai

Date: May 15, 2019

# Independent Auditors' Report

To,  
The Members,  
Majesco Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of **Majesco Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind-AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with the requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matter	Auditor's Response
1	<p><b>The measurement and disclosure of discontinuing operation</b></p> <p>INA AS 105-requires that details of revenue, expenses, assets, liabilities and cash flows relating to discontinuing operations have to be correctly determined and disclosed separately with net result of current year operation being disclosed in the statement of profit and loss.</p>	<p><b>Principal Audit Procedures</b></p> <ul style="list-style-type: none"> <li>▪ The decision to dispose off the insurance related software business of the Company to its step-down subsidiary was taken by the Board of Directors and duly approved by shareholders through a circular resolution. An agreement to give effect for the same from April 01, 2019 was also signed.</li> <li>▪ We verified the terms of the agreement to see whether all the assets and liabilities, revenue, expenses and cash flows as contemplated therein have been correctly identified.</li> <li>▪ This verification included the fixed assets as recorded in fixed assets register relating to the business being transferred, identification of debtors, loans and advances including deposits as well as other dues directly related to the business including employee dues and corresponding assets.</li> <li>▪ Reviewed the disclosures made in the financial statements to ensure that the same adequately comply with the disclosure requirements of the accounting standard.</li> </ul>

Sl. No.	Key Audit Matter	Auditor's Response
2	<p><b>The measurement and accounting for share-based payments</b></p> <p>The share awards are measured at the fair value at the date of the grant and expensed on a straight-line basis over the vesting period. The judgement of the fair value and number of awards expected to vest is based on management estimates. These estimates include the volatility of the share price and the expected number of options which will vest.</p>	<p><b>Principal Audit Procedures</b></p> <p>We assessed management's accounting under the principles of IND AS 102-Share Based payments.</p> <p>We tested the fair value calculations carried out by an external expert for all new shares granted during the year and the vesting conditions and assessed the ongoing fair value of the existing share-based payments. This included:</p> <ul style="list-style-type: none"> <li>• a review of the share option based on letter of grant;</li> <li>• an assessment of the reasonableness of assumptions around the likelihood of meeting vesting conditions;</li> <li>• an assessment of the reasonableness of inputs including the volatility with analysis provided to external experts by the management;</li> <li>• recalculation of the amounts recognised over the vesting period;</li> </ul>
3	<p><b>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (newly introduced revenue accounting standard). This includes accuracy of revenues and critical estimates of onerous obligations in fixed price contracts.</b></p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and the appropriateness of the basis used to measure revenue recognized over a period in respect of long-term contracts. Additionally, the new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>The estimates of efforts to determine the revenue as well as to consider progress of the contract, efforts incurred to date and efforts required to complete the contractual obligations are critical.</p>	<p><b>Principal Audit Procedures</b></p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. As the concerned software are yet to be configured for this change, some of our work was done offline.</p> <p>Our audit approach consisted of testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, review of evidence in respect of operation of these controls.</li> <li>• Selected a sample of continuing and new contracts and performed the following procedures: <ul style="list-style-type: none"> <li>▪ Read and analysed the distinct performance obligations in these contracts. Identified by the management to confirm if they are fair and reasonable.</li> <li>▪ Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.</li> <li>▪ In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified using analytical procedures with actual and estimated efforts from the time recording and budgeting systems to evaluate their reasonableness.</li> </ul> </li> </ul>

Sl. No.	Key Audit Matter	Auditor's Response
		<ul style="list-style-type: none"> <li>▪ Selected samples of contracts and performed a review of changes in efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract.</li> <li>▪ Samples of revenues disaggregated by type and service offerings were tested with the performance obligations specified in the underlying contracts.</li> <li>▪ Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the Other Information. The Other Information comprises the Management Discussion and Analysis, Board of Directors' report including Annexures to the Board of Directors' report, Corporate Governance Report and other information published along with but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We have read and considered the Management Discussion and Analysis, Board of Directors Report, Corporate Governance Report and have nothing to report.

In respect of other information other than the above which is expected to be made available to us later we shall read and consider whether there is anything materially inconsistent therein with reference to the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we find any such inconsistency or misstatement, we shall inform those charged with governance of the Company and describe actions applicable in the relevant laws and regulations. As these are yet to be approved by the Board of Directors, the same have not been read by us.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act, read with relevant rules issued thereafter.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A", a statement on the matters specified in Paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 purposes 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 Balance Sheet, the Statement of Profit and Loss including other comprehensive Income, the Statement of Changes in equity and Statement of Cash Flows dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified

under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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, in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company does not have any pending litigations.
- ii. the Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **VARMA & VARMA**  
Chartered Accountants  
FRN 004532S

Place: Navi Mumbai  
Date : May 15, 2019

**CHERIAN K BABY**  
Partner  
M No. 16043



# Annexure A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements of Majesco Limited for the year ended March 31, 2019

- i. a. In our opinion and according to the information and explanations provided to us and based on our verification of records maintained and provided to us by the Company, the Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- b. According to the information and explanations provided to us and based on our verification of records maintained and provided to us by the Company, the fixed assets of the Company have been physically verified by the management during the year by the internal auditors and no material discrepancies have been noticed on such verification. In our opinion frequency of verification is reasonable.
- c. According to the information and explanations provided to us and based on our verification of records maintained and provided to us by the Company, we report that, the title deeds, comprising all the immovable properties of leasehold land and building situated on such leasehold land, are held in the name of the Company as at the Balance Sheet date.
- ii. According to the information and explanations provided to us and based on our verification of records maintained and provided to us by the Company, the Company carried on the business of rendering software services and renting of immovable property during the year and consequently does not hold any physical inventory. Therefore, the provisions of clause 3(ii) of the said Order are not applicable to the Company.
- iii. According to the information and explanations provided to us and based on our verification of records maintained and provided to us by the Company, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii) (a) to 3(iii) (c) of the said Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us and based on our verification of records maintained and provided to us by the Company, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and securities.
- v. According to the information and explanations provided to us and based on our verification of records maintained and provided to us by the Company, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the rules framed there under to the extent notified.
- vi. According to the information and explanations provided to us and based on our verification of records maintained and provided to us by the Company, provisions of section 148 of the Act with regard to maintenance of cost records are not applicable to the Company.
- vii. a. According to the information and explanations provided to us and based on our verification of records maintained and provided to us by the Company, in our opinion, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, value added tax, service tax, goods and services tax & cess as applicable, with the appropriate authorities, in all material respects. There are no arrears of undisputed statutory dues of material nature outstanding as on the last day of the financial year for a period of more than six months from the date on which they became payable.
- b. According to the information and explanations provided to us and based on our verification of records maintained and provided to us by the Company, there are no material amounts of dues of income tax, goods and services tax, duty of customs and value added tax which have not been deposited on account of any dispute except for INR 566.29 lakhs demanded by Income Tax authorities for the Assessment Year 2015-16 (financial year 2014-15) due to not considering the tax deducted at source / advance tax paid on behalf of the Company by the authorities in assessing the income tax payable by the Company. The application for rectification in this regard is pending before the concerned authority.
- viii. According to the information and explanations provided to us and based on our verification of records maintained and provided to us by the Company, the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date. Hence, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

- ix. According to the information and explanations provided to us and based on our verification of records maintained and provided to us by the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). It has also not raised any term loans during the year.
- x. According to the information and explanations provided to us and based on our verification of records maintained and provided to us by the Company, no material fraud by the Company or on the Company by its officers or employees, was noticed or reported during the audit.
- xi. According to the information and explanations provided to us and based on our verification of records maintained and provided to us by the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. According to the information and explanations provided to us and based on our verification of records maintained and provided to us by the Company, the Company is not a Nidhi Company and Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations provided to us and based on our verification of records maintained and provided to us by the Company, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Ind-AS 24, Related Party Disclosures specified under section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting standards) Rules, 2015.
- xiv. According to the information and explanations provided to us and based on our verification of records maintained and provided to us by the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. As stated in note 18(b) of the standalone financial statements, the proceeds of the shares issued on private placement basis to Qualified Institutional buyers in the previous year was utilised during the year for investing in the rights issue of shares by its subsidiary, Majesco USA.
- xv. According to the information and explanations provided to us and based on our verification of records maintained and provided to us by the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. According to the information and explanations provided to us and based on our verification of records maintained and provided to us by the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

For **VARMA & VARMA**  
Chartered Accountants  
FRN 004532S

Place: Navi Mumbai  
Date : May 15, 2019

**CHERIAN K BABY**  
Partner  
M No. 16043

# Annexure - B to the Independent Auditors' Report

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Majesco Limited as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting 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 Ind-AS and the generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Ind-AS and the 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

Because of the inherent limitations of internal financial controls over financial reporting, 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **VARMA & VARMA**  
Chartered Accountants  
FRN 004532S

**CHERIAN K BABY**  
Partner  
M No. 16043

Place: Navi Mumbai  
Date : May 15, 2019

# Standalone Balance Sheet

As at March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Property, plant and equipment</b>	4	264	467
Investment property	5	730	750
Intangible assets	6	-	35
<b>Financial assets</b>			
Investments	7	39,984	16,453
Loans	8	31	32
Other financial assets	9	-	-
Deferred tax asset (net)	34	-	35
Income tax assets (net)	10	572	559
<b>Total non-current assets</b>		<b>41,581</b>	<b>18,331</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Investments	11	8,238	30,880
Trade receivables	12	-	443
Cash and cash equivalents	13	9	13
Bank balances other than cash and cash equivalents	14	4,500	3,001
Other assets	15	36	337
Income tax assets (net)	16	150	13
Other current assets	17	359	404
<b>Total current assets</b>		<b>13,292</b>	<b>35,091</b>
<b>Assets of Disposal group classified as held for Sale</b>	35	<b>905</b>	<b>-</b>
<b>Total assets</b>		<b>55,778</b>	<b>53,422</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	18	1,417	1,406
Other equity	19	52,640	50,584
<b>Total equity</b>		<b>54,057</b>	<b>51,990</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Other financial liabilities	20	382	354
Provisions	21	18	52
Deferred tax liabilities (net)	34	181	-
Other non-current liabilities	22	5	33
<b>Total non-current liabilities</b>		<b>586</b>	<b>439</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
<b>Trade payables</b>			
a) Dues of micro enterprises and small enterprises	23	-	-
b) Dues of creditors other than micro enterprises and small enterprises		68	104
Other financial liabilities	24	688	707
Other current liabilities	25	37	166
Provisions	26	6	16
<b>Total current liabilities</b>		<b>799</b>	<b>993</b>
<b>Total liabilities</b>		<b>1,384</b>	<b>1,432</b>
<b>Liabilities directly associated with Assets of Disposal group classified as held for sale</b>	35	<b>336</b>	<b>-</b>
<b>Total equity and liabilities</b>		<b>55,778</b>	<b>53,422</b>
Company overview & summary of significant accounting policies	1 & 2		
Other notes	33 to 50		

The accompanying notes are an integral part of the financial statements.

## For and on behalf of the Board

### Farid Kazani

Managing Director & Group CFO  
DIN- 06914620

### Jyotin Mehta

Non-Executive and Independent Director  
DIN - 00033518

Place : Navi Mumbai

Date : May 15, 2019

### Venkatesh N. Chakravarty

Non-Executive Chairman and Independent Director  
DIN- 01102892

### Kunal Karan

Chief Financial Officer

### Varika Rastogi

Company Secretary  
M. No - F7864

## As per our report of even date attached

### For Varma & Varma

Chartered Accountants  
FRN: 0045325

### Cherian K Baby

Partner

M No: 16043

Place : Navi Mumbai

Date : May 15, 2019

# Standalone Statement of Profit and Loss

For the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
<b>Continuing operations</b>			
<b>Income</b>			
Revenue	27	974	905
Other income, net	28	2,359	935
<b>Total income</b>		<b>3,333</b>	<b>1,840</b>
<b>Expenses</b>			
Employee benefits expenses	29	544	419
Finance costs	30	28	28
Depreciation and amortization expenses	31	69	82
Other expenses	32	759	290
<b>Total expenses</b>		<b>1,400</b>	<b>819</b>
<b>Profit before exceptional items and tax</b>		<b>1,933</b>	<b>1,021</b>
Exceptional items - expense / (income)	33	-	(1,053)
<b>Profit before tax</b>		<b>1,933</b>	<b>2,074</b>
<b>Income tax expense</b>			
Current tax	34	452	409
Deferred tax		82	238
<b>Total income tax expense</b>		<b>534</b>	<b>647</b>
<b>Profit for the year from continuing operations (A)</b>		<b>1,399</b>	<b>1,427</b>
<b>Profit for the year from discontinued operations before tax (Refer note 35)</b>		<b>(227)</b>	<b>9</b>
<b>Tax expenses of Discontinued operations</b>		<b>(45)</b>	<b>2</b>
<b>Profit for the year from discontinuing operations (B)</b>		<b>(182)</b>	<b>7</b>
<b>Profit for the year C=(A+B)</b>		<b>1,217</b>	<b>1,434</b>
<b>Other comprehensive income / (loss)</b>			
<b>Continuing operations</b>			
Items that will not be reclassified to profit or (loss)			
Remeasurement gains / (loss) on gratuity plan		(0)	4
Tax on remeasurement gains / (loss) on gratuity plan		0	(1)
<b>Other comprehensive income / (loss) for the year from continuing operations (D)</b>		<b>(0)</b>	<b>3</b>
<b>Other comprehensive income / (loss) for the year from discontinued operations (E)</b>		<b>(1)</b>	<b>7</b>
<b>Other comprehensive income / (loss) for the year F=(D+E)</b>		<b>(1)</b>	<b>10</b>
<b>Total comprehensive income for the year (C+F)</b>		<b>1,216</b>	<b>1,444</b>
Earnings per share- Continuing operations			
Basic (INR)	36	4.95	5.89
Diluted (INR)		4.76	5.59
Earnings per share- Discontinued operations			
Basic (INR)	36	(0.64)	0.03
Diluted (INR)		(0.62)	0.03
Earnings per share- Total			
Basic (INR)	36	4.31	5.92
Diluted (INR)		4.14	5.62
Summary of significant accounting policies	1 & 2		
Other notes	33 to 50		

The accompanying notes are an integral part of the financial statements.

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

**Farid Kazani**

Managing Director & Group CFO  
DIN- 06914620

**Jyotin Mehta**

Non-Executive and Independent Director  
DIN - 00033518

Place : Navi Mumbai

Date : May 15, 2019

**Venkatash N. Chakravarty**

Non-Executive Chairman and Independent Director  
DIN- 01102892

**Kunal Karan**

Chief Financial Officer

**Varika Rastogi**

Company Secretary  
M. No - F7864

**As per our report of even date attached**

**For Varma & Varma**

Chartered Accountants  
FRN: 0045325

**Cherian K Baby**

Partner

M No: 16043

Place : Navi Mumbai

Date : May 15, 2019

# Statement of Changes In Equity

For the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

(A) Equity share capital	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares of INR 5/- each issued, subscribed and fully paid</b>				
Opening	2,81,22,396	1,406	2,33,63,035	1,168
Add: Issued during the year	2,23,045	11	47,59,361	238
<b>Closing</b>	<b>2,83,45,441</b>	<b>1,417</b>	<b>2,81,22,396</b>	<b>1,406</b>

## (B) Other equity

Particulars	Reserves and Surplus				Total
	Employee stock options outstanding account	Securities premium	General reserve	Retained earnings	
Balance as at April 1, 2018	1,888	23,595	2,806	22,295	50,584
Profit for the year (including discontinued operation)	-	-	-	1,217	1,217
Other comprehensive loss (OCI) for the year	-	-	-	(1)	(1)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,216</b>	<b>1,216</b>
Employee stock option expenses (Refer note 29)	203	-	-	-	203
FV of Employee Stock options given to employees of subsidiaries (Refer note 38)	329	-	-	-	329
Exercise of employee stock options	-	306	-	-	306
Transfer on exercise of options	(101)	101	-	-	-
Vested/unvested options cancelled during the year (Refer note 38)	(24)	-	-	24	-
<b>Balance as at March 31, 2019</b>	<b>2,295</b>	<b>24,003</b>	<b>2,806</b>	<b>23,535</b>	<b>52,638</b>

Particulars	Reserves and Surplus				Total
	Employee stock options outstanding account	Securities premium	General reserve	Retained earnings	
Balance as at April 1, 2017	1,667	680	2,806	21,002	26,155
Profit for the year	-	-	-	1,435	1,435
Other comprehensive income (OCI) for the year	-	-	-	10	10
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,445</b>	<b>1,445</b>
Employee stock option expenses (Refer note 29)	144	-	-	-	144
FV of Employee Stock options given to employees of subsidiaries (Refer note 38)	450	-	-	-	450
Dividend	-	-	-	(235)	(235)
Dividend distribution tax	-	-	-	(48)	(48)
Exercise of employee stock options	-	368	-	-	368
Expenses on issue of shares (Refer note 18(b))	-	22,305	-	-	22,305
Transfer on exercise of options	(242)	242	-	-	-
Vested/unvested options cancelled during the year (Refer note 38)	(131)	-	-	131	-
<b>Balance as at March 31, 2018</b>	<b>1,888</b>	<b>23,595</b>	<b>2,806</b>	<b>22,295</b>	<b>50,584</b>

The accompanying notes 1 to 50 are an integral part of the financial statements.

For and on behalf of the Board of Director

**Farid Kazani**

Managing Director & Group CFO  
DIN- 06914620

**Jyotin Mehta**

Non-Executive and Independent Director  
DIN - 00033518

Place : Navi Mumbai

Date : May 15, 2019

**Venkatesh N. Chakravarty**

Non-Executive Chairman and Independent Director  
DIN- 01102892

**Kunal Karan**

Chief Financial Officer

**Varika Rastogi**

Company Secretary  
M. No - F7864

As per our report of even date attached

**For Varma & Varma**

Chartered Accountants  
FRN: 0045325

**Cherian K Baby**

Partner

M No: 16043

Place : Navi Mumbai

Date : May 15, 2019

# Standalone Statement of Cash Flows

For the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Cash flow from operating activities</b>		
Profit before exceptional items and tax	1,933	1,032
<b>Adjustments for:</b>		
Depreciation and amortization expenses	69	110
Share based payment expense	201	144
Finance costs	28	28
Interest income - on fixed deposits	(267)	(255)
Income from sale of investments (mutual funds)	(1,820)	(207)
Fair valuation adjustments of investments (mutual funds)	(250)	(442)
Guarantee commission	(22)	(31)
Exceptional items - other expenses	-	(10)
<b>Operating loss before working capital changes</b>	<b>(128)</b>	<b>369</b>
<b>Changes in working capital:</b>		
Decrease in non current financial assets	1	1
Decrease/(increase) in trade receivables	-	(65)
Decrease in current other financial assets	12	387
Increase in other current assets	(37)	(232)
(Decrease)/increase in non-current other financial liabilities	28	(51)
Increase in non-current provisions	1	2
Decrease in non-current liabilities	(28)	(28)
Increase in trade payables	38	41
(Decrease)/increase in current other financial liabilities	164	(58)
Decrease in other current liabilities	(96)	(3)
(Decrease)/increase in current provisions	21	(2)
Cash used in operations	(23)	361
Income tax paid	(547)	(410)
<b>Net cash used in operating activities (A)</b>	<b>(569)</b>	<b>(49)</b>
<b>Cash flow from investing activities</b>		
Payment for property, plant and equipment and intangible assets	(23)	(156)
Payment for investment property	(10)	(74)
Intangible asset acquired	0	(17)
Proceeds from sale of investment property (exceptional items)	-	1,559
(Purchase) / Sale of investments (mutual funds) (net)	24,713	(28,873)
Investment in subsidiaries	(23,202)	-
Net proceeds/(investment in) from fixed deposits	(1,499)	4,839
Margin money	-	2
Rent deposits refunded	-	(79)
Interest received- on fixed deposits	267	255
<b>Net cash generated from / (used in) investing activities (B)</b>	<b>246</b>	<b>(22,544)</b>

# Standalone Statement of Cash Flows

For the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Cash flow from financing activities</b>		
Proceeds from issuance of equity shares (net)	318	22,910
Dividend paid (including tax)	-	(280)
Interest and other finance charges paid	(28)	(28)
<b>Net cash generated from financing activities (C)</b>	<b>290</b>	<b>22,602</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(33)</b>	<b>8</b>
Net cash flows from discontinued operations	29	-
Cash and cash equivalents at the beginning of the year	13	5
<b>Cash and cash equivalents at the end of the year</b>	<b>9</b>	<b>13</b>
<b>Cash and cash equivalents comprise (Refer note 13)</b>		
Balances with banks		
Current accounts	9	13
<b>Total cash and bank balances at end of the year</b>	<b>9</b>	<b>13</b>

The accompanying notes 1 to 50 are an integral part of the financial statements.

## For and on behalf of the Board

### Farid Kazani

Managing Director & Group CFO  
DIN- 06914620

### Jyotin Mehta

Non-Executive and Independent Director  
DIN - 00033518

Place : Navi Mumbai

Date : May 15, 2019

### Venkatesh N. Chakravarty

Non-Executive Chairman and Independent Director  
DIN- 01102892

### Kunal Karan

Chief Financial Officer

### Varika Rastogi

Company Secretary  
M. No - F7864

## As per our report of even date attached

### For Varma & Varma

Chartered Accountants  
FRN: 004532S

### Cherian K Baby

Partner

M No: 16043

Place : Navi Mumbai

Date : May 15, 2019



# Notes forming part of the Financial Statements

For the year ended March 31, 2019

## 1 General Corporate Information

Majesco Limited is public limited company domiciled in India and is listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company is a provider of core platforms and technology solutions in Insurance (Life, Pensions and General). The Company operates through its software development center at Mahape and has a subsidiary in USA. The Company has 8 step down subsidiaries including one development center in India all of which operate in the same business.

The financial statements were approved for issue by the Board of Directors on May 15, 2019.

## 2 Summary of Significant Accounting policies

### 2.1 Basis of preparation and presentation

#### (a) Statement of Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

#### (b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy 2.16 on financial instruments)
- ii) Share based payment transactions
- iii) Derivative financial instruments
- iv) Defined benefit and other long-term employee benefits

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

#### (c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses

(Amount in INR lakhs, unless otherwise stated)

for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognised in the year in which the estimates are revised and in any future years if the revision effects such periods. Also key sources of estimation uncertainty is mentioned below:

#### i) Useful lives of property, plant and equipment and intangible assets:

As described in the significant accounting policy, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

#### ii) The fair value measurements and valuation processes:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available. Where level 1 input are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs, used in determining the fair value of various assets, liabilities and share based payments are disclosed in notes to financial statements.

#### iii) Actuarial valuation:

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the statement of profit or loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to financial statements.

### 2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalized until the assets are ready for use and include inward freight, and expenses incidental to acquisition and installation.

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

Subsequent expenditures related to an item of Property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of Property, plant and equipment measured as the difference between amount realized and net carrying value which are carried at cost are recognised in the Profit and Loss Statement.

## Depreciation methods, estimated useful lives

Depreciation on Property, plant and equipment is provided when the assets are ready for use on the straight line method, on a pro rata basis, over the estimated useful lives of assets, in order to reflect the period over which the depreciable asset is expected to be used by the Company. The management estimates the useful lives for the other fixed assets as follows.

Property, plant and equipment	Useful Life
Buildings	28 years
Computers	2 years
Plant and equipment	2 - 5 years
Furniture and fixtures	5 years
Vehicles	5 years
Office equipment	2 - 5 years
Leasehold land	Lease term ranging from 95-99 years
Leasehold improvements	5 years or the primary period of lease whichever is less

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of schedule II of the Companies Act, 2013.

The leasehold property on which the investment property at Mahape is situated is included in fixed assets and amortised over the lease period.

Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income/Other Expenses'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as change in accounting estimates.

## 2.3 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company depreciates building component of investment property over 28 years from the date of original capitalization. The Company, based on technical assessment made by technical expert and management estimate, depreciates the building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The leasehold property on which the investment property at Mahape is situated is included in Fixed Assets and amortised over the lease period.

The fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of profit or loss as exceptional items in the period of derecognition, if the amount is significant.

## 2.4 Intangible assets and amortization

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortization and impairment, if any.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Useful Life
Computer Software	1 - 3 years

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use. Research and development costs and software development costs incurred under contractual arrangements with customers are accounted as expenses in the Statement of Profit and Loss.

## 2.5 Impairment of non-financial assets

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, management estimates the recoverable amount. Recoverable amount is higher of an asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the Profit and Loss Statement to the extent carrying amount exceeds recoverable amount. Assessment is also done at each Balance sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

## 2.6 Leases

### As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as a lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Also initial direct cost incurred in operating lease such as commissions, legal fees and internal costs is recognised immediately in the Statement of Profit and Loss.

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. Such assets are disclosed as leased assets under tangible assets and are depreciated in accordance with the Company's depreciation policy described in note 2.2. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so

(Amount in INR lakhs, unless otherwise stated)

as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

## 2.7 Employee benefits

### (a) Short-term obligations

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized in the year during which the employee rendered the services. These benefits comprise compensated absences such as paid annual leave and performance incentives.

### (b) Other long-term employee benefit obligations

#### (i) 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, pension fund (NPS) and superannuation fund in India which are administered through Government of India and/or Life Insurance Corporation of India (LIC).

#### (ii) Defined benefit plans

**Gratuity:** 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 and losses are recognized immediately in the Other Comprehensive Income (OCI) as income or expense (net of taxes).

**Compensated absences:** 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. Leave encashment vests with employees on an annual basis for leave balance above the upper limit as per the Company's policy. 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 subject to an upper limit as per the Company's policy. Liability for such benefit is provided on the basis of actuarial valuation, 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 and losses are

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

recognized immediately in the Profit and Loss Statement as income or expense.

## (c) Share based payments

Stock options granted to employees of the Company and its subsidiaries (direct and step down) under the stock option scheme covered by Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014 are accounted using the fair value method. The fair value of options granted to its employees is recognised in the statement of profit and loss on a graded vesting basis over the vesting period of the option. The fair value of options granted to the employees of its subsidiaries are accounted as "Investment in subsidiaries" on a graded vesting basis over the vesting period of the option.

## 2.8 Foreign currency transactions

The financial statements are prepared in Indian Rupees. The Indian Rupee is the functional currency of the Company. Translation of foreign currency into Indian Rupees has been carried out as under :

- a) Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities are translated at closing exchange rates as at the Balance Sheet date.
- b) Income and expenditure of transactions are translated at the rate on the date of transaction.
- c) All resulting exchange differences on translation are taken directly to the Statement of Profit and Loss.

## 2.9 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(Amount in INR lakhs, unless otherwise stated)

- ▶ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The management determines the policies and procedures for both recurring fair value measurement and disclosures. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## 2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed as finance cost. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## 2.11 Revenue recognition

Revenue from Operations:

The Company derives revenues primarily from Information Technology services. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration that the company expects to receive in exchange for those products or services. Arrangements with customers for software related services are either on a time and material or on a fixed-price or on a fixed-timeframe.

### a) Time and material contracts

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

### b) Fixed-price contracts

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended are used to measure progress towards completion as there is a direct relationship between input and productivity.

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

The Company's revenue is categorized broadly into the following types:

- i) Support and Maintenance Services
- ii) Professional Services
- iii) License Fee

**i) Support and Maintenance Services:**

Support and maintenance are time bound obligations for the Company to be provided over the term of the contract and hence recognized ratably over the term of the contract. In Contracts for software customization, related services and maintenance services, the Company has applied the guidance in Ind AS 115. The revenue from contracts with customer, by applying the revenue recognition criteria after identifying distinct performance obligation. The arrangements with customers generally meet the criteria for considering software customization, development, support and maintenance and related services as distinct performance obligations and income is assigned accordingly.

**ii) Professional Services:**

The professional services do not significantly change the base software or its functionalities. They are considered as a distinct deliverable and recognized as a separate obligation over the period of delivery on a percentage completion basis.

**iii) License Fee:**

The contracted license fee arises from sale of out of the box software and is generally accompanied by an customization implementation contract. Hence income from both are recognized in proportion to the work completed for implementation as they are considered integral part of sale of the product. Where licensing contracts comes with significant obligations beyond the implementation period other than support and maintenance such as hosting the software and other efforts to be put in and costs incurred, revenue from such license is recognized over the licensing period for which these obligation run.

Revenues recognized in excess of invoicing are classified as contract assets (which is classified as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which is classified as unearned revenues).

Contract modifications are accounted for when additions, deletions or changes are approved

(Amount in INR lakhs, unless otherwise stated)

either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The company presents revenues net of indirect taxes in the Statement of Profit and loss.

## 2.12 Other Income

Dividend income from investments is recognized when the right to receive payment is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and the applicable rate of interest. The company also derives Income from letting of office premises. Rental income is recognized on a straight line basis over the term of the lease as per the terms of the base contract or such other systematic method as considered appropriate. Income from current investments are recognised periodically based on fair value through profit and loss (FVTPL) as on reporting date. Retained gains/losses are recognised on the date on which these investments are sold.

## 2.13 Taxes

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.

### (a) Current income tax

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### (b) Deferred tax

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

and tax laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets in respect of unabsorbed depreciation or carry forward losses are recognized only to the extent it is probable and supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets is reviewed at each balance sheet date for any write down or reversal, as considered appropriate.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the foreseeable future. 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 foreseeable future.

Current tax assets (classified as non-current and current as stated in 2.1(b) above) and liabilities are offset when there is a legally enforceable right to set off the recognized amount and there is an intention to settle the asset and liability on a net basis. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets and liabilities.

## 2.14 Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. When no reliable estimate can be made, a disclosure is made as a contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, 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 past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

## 2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effect of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associate with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

## 2.16 Financial instruments

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, loans and borrowings and payables are recognised net of directly attributable transaction costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL), non derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTOCI.

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

a) Non-derivative financial assets

(i) Financial assets at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

(ii) Debt instruments at FVTOCI

A debt instrument is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and

(b) the asset's contractual cash flow represent SPPI

Debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain/(loss) in statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the effective interest rate (EIR) model.

(iii) Equity instruments at FVTOCI

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to statement of profit and loss.

(iv) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL. In addition the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Company has not designated any financial asset as FVTPL. Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss.

b) Non-derivative financial liabilities

(i) Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

(ii) Financial liabilities at FVTPL

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.

(c) Investment in subsidiaries

Investment in subsidiaries are carried at cost plus additional fair value of ESOP granted to employees of subsidiaries net of impairment, if any.

## 2.17 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares are shown in other equity under securities premium as a deduction, net of tax, from the proceeds.

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

## 2.18 Earnings per share

Basic earnings per share (EPS) are calculated by dividing the net loss / profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by adjusting the number of shares used for basic EPS with the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value i.e. average market value of outstanding shares.

The number of shares and potentially dilutive shares are adjusted for share splits and bonus shares, as appropriate. In calculating diluted earnings per share, the effects of anti dilutive potential equity shares are ignored. Potential equity shares are anti-dilutive when their conversion to equity shares would increase earnings per share or decrease loss per share.

## 2.19 Assets classified as held for sale

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset (or disposal group) to be highly probable when:

- ▶ The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- ▶ An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- ▶ The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- ▶ The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- ▶ Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the Balance Sheet.

(Amount in INR lakhs, unless otherwise stated)

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

## 2.20 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest lakhs as permitted in Schedule III of the Act, unless otherwise stated.

## 3 (a) Ind AS 115

Effective from April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative effect method, the comparatives have not been retrospectively adjusted. The policies in effect for revenue recognition prior to April 1, 2018 is disclosed in Note 2.11 under Summary of Significant Accounting Policies in the financial statements for the year ended March 31, 2018. The adoption of the standard did not have any material impact on the financial statements for the year ended March 31, 2019.

## 3 (b) Recent accounting pronouncements

On 30 March, 2019, Ministry of Corporate Affairs ('MCA') has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 Leases that will supersede Ind AS 17 Leases.

The new standard will come into force from 1 April, 2019. The Company is evaluating the requirements of the new standard and its effect on the financial statements.

Ind AS 116 requires lessees to recognize assets and liabilities arising from all leases (except for short-term leases and leases of low-value assets) in the statement of financial position. The company will have to capitalise all assets currently held under operating leases. Operating lease expenses will be replaced by a depreciation expense on Right of Use assets recognised and an interest expense as the implicit interest rate in the lease liabilities unwinds.

The standard allows for two transition methods: retrospectively for all periods presented, or using a modified retrospective approach where the cumulative effect of adoption is recognised at the date of initial application. The Company is evaluating which of these transition methods will be adopted.

Also, the notified Companies (Indian Accounting Standards) Amendment Rules, 2019 amended changes to other Ind AS standards: Ind AS 103 Business Combinations and Ind AS 111 Joint Operations, Ind AS 109 Financial Instruments, Ind AS 12 Income Taxes, Ind AS 19 Employee Benefits and Ind AS 23 Borrowing Costs. These amendments shall come into effect from 1 April 2019. The Company is evaluating the impact of these amendments.



# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

## 4 Property, plant and equipment

	Gross block				Depreciation				Net block			
	As at April 1, 2018	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2019	As at April 1, 2018	For the year	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018
<b>A) Owned assets</b>												
Buildings	117	-	-	117	43	4	-	48	69	74		
Computers	95	-	(94)	1	54	25	(78)	1	0	41		
Plant and equipment	99	17	(90)	26	42	17	(43)	16	10	57		
Furniture and fixtures	913	34	(701)	246	850	20	(639)	231	15	63		
Vehicles	99	-	-	99	58	19	-	77	22	41		
Office equipment	52	12	(54)	10	6	12	(13)	5	5	46		
<b>Total (A)</b>	<b>1,375</b>	<b>63</b>	<b>(939)</b>	<b>499</b>	<b>1,053</b>	<b>97</b>	<b>-773</b>	<b>378</b>	<b>121</b>	<b>322</b>		
<b>B) Leased assets</b>												
Leasehold land	170	-	-	170	25	2	-	27	143	145		
<b>Total (B)</b>	<b>170</b>	<b>-</b>	<b>-</b>	<b>170</b>	<b>25</b>	<b>2</b>	<b>-</b>	<b>27</b>	<b>143</b>	<b>145</b>		
<b>Total (A + B)</b>	<b>1,545</b>	<b>63</b>	<b>-</b>	<b>669</b>	<b>1,078</b>	<b>99</b>	<b>-</b>	<b>405</b>	<b>264</b>	<b>467</b>		

	Gross block				Depreciation				Net block			
	As at April 1, 2017	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2018	As at April 1, 2017	For the year	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2018	As at April 1, 2017	As at April 1, 2017
<b>A) Owned assets</b>												
Buildings	123	-	(6)	117	39	4	-	43	74	84		
Computers	47	48	-	95	46	9	(1)	54	41	1		
Plant and equipment	78	37	(16)	99	47	11	(16)	42	57	31		
Furniture and fixtures	879	34	-	913	838	12	-	850	63	41		
Vehicles	99	-	-	99	38	20	-	58	41	61		
Office equipment	10	42	-	52	1	5	-	6	46	9		
<b>Total (A)</b>	<b>1,236</b>	<b>161</b>	<b>(22)</b>	<b>1,375</b>	<b>1,009</b>	<b>61</b>	<b>(17)</b>	<b>1,053</b>	<b>322</b>	<b>227</b>		
<b>B) Leased assets</b>												
Leasehold land	170	-	-	170	23	2	-	25	145	147		
<b>Total (B)</b>	<b>170</b>	<b>-</b>	<b>-</b>	<b>170</b>	<b>23</b>	<b>2</b>	<b>-</b>	<b>25</b>	<b>145</b>	<b>147</b>		
<b>Total (A + B)</b>	<b>1,406</b>	<b>161</b>	<b>(22)</b>	<b>1,545</b>	<b>1,032</b>	<b>63</b>	<b>(17)</b>	<b>1,078</b>	<b>467</b>	<b>374</b>		

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>5 Investment property</b>		
<b>Gross Block</b>		
Opening	1,089	1,471
Add : Addition during the year	10	262
Less : Deductions / adjustments	-	(644)
<b>Closing</b>	<b>1,099</b>	<b>1,089</b>
<b>Less : Accumulated depreciation</b>		
Opening	339	467
Add : Depreciation for the year	30	42
Less : Deductions / adjustments	-	(170)
<b>Closing</b>	<b>369</b>	<b>339</b>
<b>Net block</b>	<b>730</b>	<b>750</b>
<b>Information regarding income and expenditure of Investment property</b>		
Rental income derived from investment properties (Refer note 39 (c) (i) )	974	905
Operating expenses incurred for generating rental income	249	62
Profit arising from investment properties before depreciation and indirect expenses	<b>725</b>	<b>843</b>
Less : Depreciation	30	42
<b>Profit arising from investment properties before indirect expenses</b>	<b>695</b>	<b>801</b>

- a) The Company had two investment properties, one at Mahape and other at Pune at the beginning of financial year 2017-18. The Pune property has been sold off in the previous financial year and gain of INR 1,063 lakhs was recognised as an exceptional item (Refer note 33).
- b) Most of the Mahape property has been given on rent to one of its step down subsidiary company, Majesco Software and Solutions India Private Ltd, based on a rental agreement is classified as Investment property. During the year ended March 31, 2019 and March 31, 2018, the Company has earned rental income of INR 974 lakhs and INR 870 lakhs respectively. (Refer note 39 (c)(i) )
- c) The fair value of the Mahape property as on March 31, 2019 is INR 10,468 lakhs (PY INR 10,377 lakhs) as certified by an independent valuer.

## 6 Intangible assets

	Gross block				Depreciation					Net block		
	As at April 1, 2018	Additions/ Adjustments	Deductions/ Adjustments	Assets of disposal group classified as held for sale	As at March 31, 2019	As at April 1, 2018	For the year	Deductions/ Adjustments	Assets of disposal group classified as held for sale	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Computer Software	40	-	-	(40)	-	5	13	-	(18)	-	-	35
<b>Total</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35</b>

	Gross block				Depreciation					Net block		
	As at April 1, 2017	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2018	As at April 1, 2017	For the year	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2018	As at April 1, 2017		
Computer Software	0	40	-	40	0	5	-	5	35	0		
<b>Total</b>	<b>0</b>	<b>40</b>	<b>-</b>	<b>40</b>	<b>0</b>	<b>5</b>	<b>-</b>	<b>5</b>	<b>35</b>	<b>0</b>		

Note:

- 4.1 Building represent portion of the property in Mahape in own use, let out portion is being classified as Investment property.
- 4.2 The amount of depreciation mentioned above relates to both Continuing operations and Discontinued operations.

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>7 Financial assets- non current investments</b>		
<b>A. Investment in subsidiary - quoted</b>		
Investments measured at cost	39,934	16,403
In equity shares - fully paid-up		
<b>Majesco</b>		
3,01,11,234 (March 31, 2018: 2,55,30,125) equity shares of US\$0.002 each - (Refer note 18(b))		
During the year the Company had invested in Majesco (USA) right issue for 45,81,109 shares (Refer note 18). The above includes fair value of options granted to employees of the subsidiaries and stepdown subsidiaries INR 2,142 lakhs (INR 1,813 lakhs as at 31 March 2018)-(Refer note 19(A))		
<b>B. Other investments - unquoted</b>		
Investments measured at cost		
500 , (face value INR 10,000/- each), ( March 31,2018:INR 500 lakhs) Secured Non Convertible Redeemable REC Capital Gains tax exemption bonds	50	50
<b>Total</b>	<b>39,984</b>	<b>16,453</b>
<b>Aggregate book value of:</b>		
Quoted investments	39,934	16,403
Unquoted investments	50	50
<b>Aggregate market value of:</b>		
Quoted investments	1,46,805	84,195
<b>Aggregate impairment of:</b>		
Quoted investments	-	-
Unquoted investments	-	-
<b>8 Non-current financial assets - loans</b>		
<b>Unsecured, considered good</b>		
Security deposits	31	32
<b>Total</b>	<b>31</b>	<b>32</b>
<b>9 Non-current financial assets - others</b>		
Balance held with bank as margin money against bank guarantee	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>10 Income tax assets net</b>		
Advance income tax (net of provisions)	572	559
<b>Total</b>	<b>572</b>	<b>559</b>

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>11 Financial assets current - investments</b>		
<b>At fair value through profit and loss (fully paid)</b>		
<b>Investments in Mutual Funds (Quoted)</b>		
Franklin India Short Term Income Plan - Retail Plan - Growth *	2,277	2,091
Franklin India Low Duration Fund - Growth *	2,261	2,077
UTI Credit Risk Fund - Regular Growth Plan*	2,186	-
UTI Liquid Cash Plan - Regular Growth Plan	295	-
Reliance Liquid Fund - Growth Plan - Growth Option	279	-
HDFC Liquid Fund - Regular Plan - Growth	235	-
SBI Liquid Fund Regular Growth	230	-
ICICI Prudential Liquid Fund - Growth	199	-
Kotak Liquid Regular Plan Growth	125	-
Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan	125	-
L&T Liquid Fund - Regular Growth	26	2,553
Kotak Floater Short Term Fund - Growth	-	1,002
Indiabulls Liquid Fund - Growth	-	2,503
Reliance Quarterly Interval Fund - Growth	-	3,062
UTI Money Market - IP - Growth	-	3,032
SBI Magnum Insta Cash Fund - Liquid Floater - Growth	-	2,514
ICICI Prudential Money Market Fund - Regular - Growth	-	2,504
DHFL Pramerica Liquid Fund - Growth	-	2,503
HSBC Cash Fund - Growth	-	1,001
Aditya Birla Sun Life Savings Fund - Growth	-	614
ICICI Prudential Flexible Income Plan - Reg - Growth	-	614
HDFC F R I F - STF - WP - Growth	-	614
LIC MF Liquid Fund - Growth	-	50
Kotak Low Duration Fund - Std -Growth*	-	2,075
UTI Income Opportunities Fund -Growth*	-	2,071
<b>Total</b>	<b>8,238</b>	<b>30,880</b>
<b>Non current assets classified as held for sale</b>	<b>-</b>	<b>-</b>

\*These investments costing INR 6,000 lakhs (March 31, 2018: INR 8,000 lakhs) and fair value INR 6,724 lakhs (March 31, 2018: INR 8314 lakhs) were under lien with HSBC Bank for stand by documentary credit (SBDC) of US\$ 10 million (March 31, 2018: US\$ 10 million) given by HSBC Bank, for the term loan availed by Majesco, USA, subsidiary of the Company. The term loan availed from HSBC has been fully repaid by Majesco US, subsidiary during the current year and the lien has been removed subsequent to the balance sheet date.

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

Particulars	Face Value (in INR.)	Number of units	
		As at March 31, 2019	As at March 31, 2018
<b>11.1. Details of investments in Mutual Funds (Quoted) designated at FVTPL:</b>			
Franklin India Short Term Income Plan - Retail Plan - Growth	1000/-	56,967	56,967
Franklin India Low Duration Fund - Growth	10/-	1,04,00,968	1,04,00,968
UTI Credit Risk Fund - Regular Growth Plan	10/-	1,30,66,435	-
UTI Liquid Cash Plan - Regular Growth Plan	1000/-	9,684	-
Reliance Liquid Fund - Growth Plan - Growth Option	1000/-	6,146	-
HDFC Liquid Fund - Regular Plan - Growth	1000/-	6,406	-
SBI Liquid Fund Regular Growth	1000/-	7,884	-
ICICI Prudential Liquid Fund - Growth	100/-	72,250	-
Kotak Liquid Regular Plan Growth	1000/-	3,326	-
Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan	100/-	41,727	-
L&T Liquid Fund - Regular Growth	1000/-	1,012	1,07,456
Kotak Floater Short Term Fund - Growth	1000/-	-	35,211
Indiabulls Liquid Fund - Growth	1000/-	-	1,48,154
Reliance Quarterly Interval Fund - Growth	10/-	-	1,28,26,707
UTI Money Market - IP - Growth	10/-	-	1,43,30,480
SBI Magnum Insta Cash Fund - Liquid Floater - Regular Plan-Growth	1000/-	-	87,075
ICICI Prudential Money Market Fund - Regular - Growth	100/-	-	10,45,432
DHFL Pramerica InstaCash Fund Plus - Growth	100/-	-	11,12,678
HSBC Cash Fund - Growth	1000/-	-	58,002
Aditya Birla Sun Life Savings Fund - Growth	100/-	-	1,79,576
ICICI Prudential Flexible Income Plan - Reg - Growth	100/-	-	1,84,175
HDFC F R I F - STF - WP - Growth	10/-	-	20,28,624
LIC MF Liquid Fund - Growth	1000/-	-	1,603
Kotak Low Duration Fund - Std -Growth	1000/-	-	97,754
UTI Income Opportunities Fund -Growth	10/-	-	1,30,66,435

## 12 Trade receivable

### Unsecured (Refer below note)

Considered good	-	443
Considered doubtful	-	13
Less : Allowance for bad and doubtful debts	-	(13)
<b>Total</b>	-	<b>443</b>

Note:- Credit risk is perceived mainly in case of receivables overdue for more than 180 days. The following table gives details of risk concentration in respect of percentage of receivables overdue for more than 180 days:

Receivables overdue for more than 180 days	-	13
Total Receivables	-	456
Overdue for more than 180 days as a % of total receivables	-	3%
<b>Amount provided against receivables overdue for more than 180 days</b>	-	<b>13</b>
Movement in expected credit loss allowance :		
Opening balance	-	88
Movement in expected credit loss allowance	-	(75)
<b>Closing balance</b>	-	<b>13</b>

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>13 Cash and cash equivalents</b>		
<b>Cash and cash equivalents consists of the following:</b>		
Balances with banks in		
Current accounts	9	13
<b>Total</b>	<b>9</b>	<b>13</b>
<b>14 Bank balances other than cash and cash equivalents</b>		
<b>In Fixed deposits with maturity of more than 3 months but less than 12 months from balance sheet date</b>		
Restricted (Refer note 14.1)	500	500
Others	4,000	2,501
<b>Total</b>	<b>4,500</b>	<b>3,001</b>
<b>14.1</b> As at March 31, 2019, fixed deposits of INR 500 lakhs (Previous Year INR 500 lakhs) with Standard Chartered Bank were under lien for PCFC facility availed by Majesco Software and Solutions India Private Limited, step down subsidiary of the Company.		
<b>15 Current financial assets - others</b>		
Interest accrued on fixed deposits	36	36
Unbilled revenue considered good	-	301
<b>Total</b>	<b>36</b>	<b>337</b>
<b>16 Income tax assets</b>		
Advance income tax (net)	150	13
<b>Total</b>	<b>150</b>	<b>13</b>
<b>17 Other current assets</b>		
Gratuity fund - excess of fund balance over obligation (Refer note 37)	1	18
Balance with statutory authorities	3	73
Advances to suppliers	104	28
Advances to employees	1	2
Prepaid expenses	2	35
Others (Refer below note)	248	248
<b>Total</b>	<b>359</b>	<b>404</b>

Note: Share of stamp duty INR 248 lakhs, (March 31, 2018 INR 248 lakhs) against demand on Mastek Ltd, by the Office of the Superintendent of Stamps, Gandhinagar, for implementation of the demerger scheme, paid under protest.

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>18 Equity share capital</b>		
<b>The Company has only one class of equity share capital having a par value of INR 5 per share.</b>		
<b>Authorized</b>		
50,000,000 (March 31, 2018:50,000,000) Equity Shares of INR 5/- each	2,500	2,500
<b>Total</b>	<b>2,500</b>	<b>2,500</b>
<b>Issued, subscribed and paid up</b>		
28,345,441 (March 31, 2018: 28,122,396) equity shares of INR 5/- each fully paid	1,417	1,406
<b>Total</b>	<b>1,417</b>	<b>1,406</b>

## (a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	2,81,22,396	1,406	2,33,63,035	1,168
Add : Shares issued on exercise of options	2,23,045	11	3,15,512	16
Add : Shares issued under QIP-Refer note (b) below	-	-	44,43,849	222
<b>Outstanding at the end of the year</b>	<b>2,83,45,441</b>	<b>1,417</b>	<b>2,81,22,396</b>	<b>1,406</b>

(b) In the previous year, the Company had issued 44,43,849 Equity shares of INR 5/- each for cash pursuant to qualified institutional placement (QIP) for inorganic growth, including through overseas subsidiaries and step down subsidiaries, investment in subsidiaries, repayment and prepayment of debt, working capital and other corporate purpose, as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, at INR 520/- per share aggregating to INR 22,527 lakhs including share premium, less issue expenses. This issue was fully subscribed and allotment was completed on February 1, 2018.

The funds so collected were utilized by the Company for investing in the rights issue of its subsidiary, Majesco, USA. The Company subscribed to 45,81,109 shares at \$ 7.10 per share, the equivalent Rupee value of these investments is INR 23,202 lakhs.

## (c) Rights, preferences and restrictions attached to shares:

Equity Shares: The Company has only one class of equity shares having par value of INR 5/- per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees.

## (d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Ashank Desai	30,99,552	10.93%	30,99,552	11.02%
Sudhakar Venkatraman Ram	18,31,763	6.46%	20,81,763	7.40%
Ketan Mehta	27,19,361	9.59%	26,19,100	9.31%
<b>Total</b>	<b>76,50,676</b>	<b>26.98%</b>	<b>78,00,415</b>	<b>27.73%</b>

(e) No class of shares have been issued as bonus shares or for consideration other than cash by the Company since its incorporation.

(f) Shares reserved for issue under options as at March 31, 2019 and March 31, 2018, were 19,43,506 and 22,52,012 respectively (Refer note 38)

(g) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

(h) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by them.

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

## 19 Other equity

### (A) Employee Stock options outstanding account (ESOOA)

(The Employee stock options outstanding account is used to record the fair value of equity-settled share based payment transactions. The amounts recorded in this account are transferred to share premium upon exercise of stock options. In case of cancellation of options, corresponding balance is transferred to Retained earnings.)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	1,888	1,667
Add: Employee stock option expense	203	144
Add: Fair value of Employee stock options given to employees of subsidiaries-Refer note 7(A)	329	450
Less: Transferred to securities premium on exercise of stock options	(101)	(242)
Less: Transferred to retained earnings on cancellation of vested/unvested options	(24)	(131)
<b>Closing balance</b>	<b>2,295</b>	<b>1,888</b>

### (B) Securities premium

(Amounts received on issue of shares in excess of the par value has been classified as securities premium.)

Opening balance	23,595	680
Add : Addition on account of exercise of shares under ESOP	307	368
Add : Addition on account of issue of shares under QIP net of issue expenses	-	22,305
Add : Transferred from ESOOA on exercise of stock options	101	242
<b>Closing balance</b>	<b>24,003</b>	<b>23,595</b>

### (C) General reserve

(This represents appropriation of profit by the Company)

Opening balance	2,806	2,806
<b>Closing balance</b>	<b>2,806</b>	<b>2,806</b>

### (D) Retained earnings

(Retained earnings comprise of the Company's prior years' undistributed earnings after taxes.)

Opening balance	22,295	21,002
Add: Net Profit for the current year from continuing operations	1,399	1,427
Add : Remeasurement gain / (loss) on gratuity plan	-	3
Add : Net loss for the current year from discontinued operations	(181)	8
Less: Special dividend including Dividend distribution tax (Refer No. 46)	(1)	(283)
Add: Transferred from ESOOA on cancellation of vested/unvested options	24	131
<b>Closing balance</b>	<b>23,536</b>	<b>22,295</b>
<b>Total</b>	<b>52,640</b>	<b>50,584</b>

## 20 Other non-current financial liabilities

Security deposits (Refer note 39 (D) (iii))	382	354
<b>Total</b>	<b>382</b>	<b>354</b>

## 21 Non-current provisions

### Provision for employee benefits (Refer note 37(c))

Provision for gratuity (funded)	-	-
Provision for leave encashment (unfunded)	18	52
<b>Total</b>	<b>18</b>	<b>52</b>



# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>22 Other non-current liabilities</b>		
Deferred lease liability (Refer note 39 (D) (iii))	5	33
<b>Total</b>	<b>5</b>	<b>33</b>

## 23 Trade payables

Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	68	104
<b>Total</b>	<b>68</b>	<b>104</b>

\*Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

## 24 Other financial liabilities

Credit balance in bank accounts	5	-
Capital creditors	25	46
Employee payables	72	96
Accrued expenses	583	448
Unpaid special dividend	3	3
Other payables	-	114
<b>Total</b>	<b>688</b>	<b>707</b>

## 25 Other current liabilities

Unearned revenue	-	26
Deferred lease liability (Refer note 39 (D) (iii))	28	28
Statutory dues payable	9	112
<b>Total</b>	<b>37</b>	<b>166</b>

## 26 Current provisions

Provision for employee benefits (Refer note 37(c))		
Provision for leave encashment (unfunded)	6	16
<b>Total</b>	<b>6</b>	<b>16</b>

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>27 Revenue from operations</b>		
Rental income	974	905
<b>Total</b>	<b>974</b>	<b>905</b>

Revenue from the "India Business" which has been contracted to be sold w.e.f April 1, 2019 is considered in discontinued operation (Refer note 35). The Company proposes to amend its Memorandum of Association to include renting of property as one of its main

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

objects and accordingly rental income is considered as revenue from operations.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>28 Other income</b>		
Profit on sale of current investments (net)	1,820	207
Fair valuation adjustments of investments (mutual funds)	250	442
Guarantee commission (Refer note 39 (C) (iii))	22	31
Interest income on fixed deposits	267	255
<b>Total</b>	<b>2,359</b>	<b>935</b>
<b>29 Employee benefits expense</b>		
Salaries, wages, bonus and other allowances	312	277
Contribution to provident fund, ESI and other funds (Refer note 37)	18	25
Gratuity expenses	5	1
Compensated absences expenses	6	4
Employee stock option expenses (Refer note 38)	201	110
Staff welfare expenses	2	1
<b>Total</b>	<b>544</b>	<b>419</b>
<b>30 Finance costs</b>		
Other finance charges	28	28
<b>Total</b>	<b>28</b>	<b>28</b>
<b>31 Depreciation and amortization expense</b>		
Depreciation on tangible assets (Refer note 4)	39	40
Depreciation on investment property (Refer note 5)	30	42
<b>Total</b>	<b>69</b>	<b>82</b>

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>32 Other expenses</b>		
Travelling and conveyance	40	30
Professional fees ( Refer Note (a) below)	325	73
Hardware and software expenses	4	-
Repairs and maintenance		
Buildings	243	26
Others	-	28
Advertisement and publicity	1	9
Communication charges	-	10
Rates and taxes	103	58
Insurance	18	13
Electricity	-	1
Membership and subscription	-	1
Hire Charges	1	-
Stock exchange listing fees	10	9
CSR expenditure / Donations (Refer note 48)	11	7
Miscellaneous expenses	3	23
<b>Total</b>	<b>759</b>	<b>290</b>

\*Note : The following is the break-up of auditors remuneration (exclusive of service tax & GST)

<b>(a) Payment to auditors*</b>		
i. Statutory audit	9	9
ii. Limited review	6	6
iii. Audit of Consolidated financial statements.	9	6
iv. Other matters- certification fees	-	1
<b>Total</b>	<b>24</b>	<b>22</b>

\* Includes fees INR 11 lakhs relating to discontinued operations (Refer note 35)

<b>33 Exceptional items</b>		
Demerger expenses - rates and taxes	-	10
Profit on sale of investment property	-	(1,063)
<b>Total</b>	<b>-</b>	<b>(1,053)</b>

- (a) In the previous year, the Company has recognised a net profit of INR 1,063 lakhs on sale of investment property. The Company had entered into a deed of assignment on August 1, 2017 for assignment of all its rights, title and interest in relation to the property located at Pune, Maharashtra in favour of the buyer for a total consideration of INR 1,559 lakhs. The said transaction was completed on August 1, 2017.
- (b) During an earlier year, the Company has provided INR 225 lakhs on account of share of stamp duty against demand raised on Mastek Limited by the Office of the Superintendent of Stamps, Gandhinagar, Gujarat, for implementation of the demerger scheme and while making the payment, an additional cost of INR 10 lakhs has been accrued during the year ended March 31,

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

2018.

Particulars	As at March 31, 2019	As at March 31, 2018
<b>34 Income Tax</b>		
<b>(a) Deferred tax relates to the following:</b>		
<b>Deferred tax assets</b>		
On property, plant and equipment	-	87
On provision for employee benefits	7	19
On deductions u/s 35DD of Income Tax Act, 1961	37	63
On provision for doubtful debts	-	4
	<b>44</b>	<b>174</b>
<b>Deferred tax liabilities</b>		
On fair valuation gain/(loss) on current investments	214	137
On property, plant and equipment	9	-
On others	3	1
	<b>225</b>	<b>138</b>
Deferred tax asset / (liability), net	(181)	35
Cumulative MAT credit not recognised as at the balance sheet date.(Refer note 2.13(b))	382	382
<b>(b) Reconciliation of deferred tax assets/ (liabilities) (net):</b>		
<b>Opening balance</b>	35	276
Tax (liability)/asset recognized in Statement of Profit and Loss	(93)	(238)
Tax liability recognized in OCI :		
On re-measurement gain / (loss) of post-employment benefit obligations	1	(3)
Reclassified under disposal group held for sale	(124)	-
Closing balance	(181)	35
<b>(c) Deferred tax assets / (liabilities) recognized in Statement of Profit and Loss</b>		
Tax liability	(115)	(238)
Tax asset	23	-
	<b>(93)</b>	<b>(238)</b>
<b>(d) Income tax expense - Continuing operations (A)</b>		
Current tax	452	409
Deferred tax charge / (income)	82	238
<b>Total</b>	<b>534</b>	<b>647</b>
<b>Income tax expense - Discontinued operations (B)</b>		
Current tax	(54)	2
Deferred tax charge / (income)	9	-
<b>Total</b>	<b>(45)</b>	<b>2</b>
<b>Total tax expenses (A+B)</b>	<b>489</b>	<b>649</b>
<b>(e) Reconciliation of tax charge</b>		
Profit before tax (continuing and discontinued operations)	1,706	2,083
Statutory Income Tax Rate	29.12%	28.87%
Income tax expense on the same at tax rates applicable	497	601

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Tax effects of :		
Effect of deferred tax created at different rates	(2)	-
Impact of different tax rates on capital gain		(134)
Items not deductible for tax purposes	70	-
MAT credit not recognised	-	242
Effect of income to be assessed at different tax rates	21	22
Expenses disallowed	-	(28)
Short term capital gain setoff against carry forward capital losses	-	(11)
ESOP expenses not considered for income tax	-	40
Prior year tax credits	4	(13)
Impact of lower effective tax rates on rental income	(101)	(70)
<b>Income tax expense</b>	<b>489</b>	<b>649</b>

**35** In order to achieve the twin objective of consolidation of entire Insurance Software and Products Business under Majesco, USA, subsidiary of the Company and to ensure greater operational synergies, Management of the Company has proposed to sell, transfer and dispose off, as a going concern and on a slump sale basis, the Company's India Insurance Products & Services Business ("India Business"), together with the use of all the licences, permits, consents and approvals whatsoever, and all related assets (excluding all immovable assets) and liabilities together with employees, to Majesco Software and Solutions India Private Limited, (MSSIPL) a step-down subsidiary which is a wholly owned step-down subsidiary of Majesco, USA, for a lump sum consideration of INR 2,437 lakhs on basis of Valuation Report obtained from an independent valuer, subject to certain adjustments at or after closing, as agreed between the Company and MSSIPL, with effect from April 1, 2019.

This has been approved by the Board of Directors at their meeting held on March 16, 2019 and approval of shareholders was thereafter obtained on April 30, 2019. The Board of Directors of MSSIPL has also given the approval to the proposed transaction and the Business Transfer Agreement was signed as on April 1, 2019.

The Company has classified the transactions and balances of the "India Business" as discontinued operations in these financial statements as required under Ind AS 105 Non-current assets held for sale and discontinued operations. Transactions for the year ended March 31, 2018 has also been shown as discontinued operations for comparative purpose.

## A. Profit and loss from Discontinued operations

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Discontinued operations</b>		
<b>Income</b>		
<b>Revenue from operations</b>		
Information technology services	1,935	1,999
Other income, net	-	18
<b>Total income</b>	<b>1,935</b>	<b>2,017</b>
<b>Expenses</b>		
<b>Employee benefits expense</b>		
Salaries, wages, bonus and other allowances	935	975
Contribution to Provident Fund, ESI and other funds	45	39
Gratuity Expenses	8	12
Compensated absences expenses	11	8
Employee stock option scheme compensation (Refer note 38)	2	34
Staff welfare expenses	17	28
	<b>1,018</b>	<b>1,095</b>

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Depreciation and amortization expense</b>		
Depreciation on tangible assets	60	23
Amortization of intangible assets	13	5
	<b>73</b>	<b>28</b>
<b>Other expenses</b>		
Travelling and conveyance	22	21
Consultancy and sub-contracting charges (Refer note 39 ( C ) (ii) )	858	740
Professional fees (includes Payment to auditors INR 11 : Previous year INR 10)	33	42
Hardware and software expenses	68	-
Repairs and maintenance	26	75
Advertisement and publicity	2	-
Communication charges	1	-
Recruitment and training expenses	3	3
Rates and taxes		3
Insurance	1	2
Electricity	28	23
Membership and subscription	1	-
Provision/(reversal) for doubtful debts , net	21	(75)
Bad debts written off		45
Printing and stationery	1	-
Hire Charges	3	4
Miscellaneous expenses	3	2
	<b>1,071</b>	<b>885</b>
<b>Total expenses</b>	<b>2,162</b>	<b>2,009</b>
<b>Profit / (Loss) before tax</b>	<b>(227)</b>	<b>8</b>
<b>Income tax expense</b>		
Current tax	(54)	2
Deferred tax	9	-
<b>Total income tax expense</b>	<b>(45)</b>	<b>2</b>
<b>Profit / (Loss) for the year from discontinued operations</b>	<b>(182)</b>	<b>6</b>
<b>Other comprehensive income / (loss)</b>		
Items that will not be reclassified to profit or loss		
Remeasurement gains losses on gratuity plan	(1)	9
Tax on remeasurement losses on gratuity plan	0	(2)
<b>Other comprehensive Income / (loss) for the year from discontinued operations</b>	<b>(1)</b>	<b>7</b>
<b>Total comprehensive Income / (loss) from discontinued operations for the year</b>	<b>(183)</b>	<b>13</b>

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

## B. Carrying amounts of the total assets to be disposed and the total liabilities to be settled as at March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2019
<b>ASSETS</b>	
Non-current assets	
Property, plant and equipment	165
Intangible assets	22
Deferred tax assets (net)	124
<b>Total non-current assets</b>	<b>311</b>
<b>Current assets</b>	
Financial assets	
Trade receivables	299
Other assets	215
Other current assets	80
Total current assets	594
<b>Total assets</b>	<b>905</b>
<b>Liabilities</b>	
<b>Non-current liabilities</b>	
Financial liabilities	
Provisions	35
<b>Total non-current liabilities</b>	<b>35</b>
<b>Current liabilities</b>	
<b>Financial liabilities</b>	
Trade payables	
a) Dues of micro enterprises and small enterprises	-
b) Dues of creditors other than micro enterprises and small enterprises	74
Other financial liabilities	162
Other current liabilities	34
Provisions	31
Total current liabilities	301
Total liabilities	336
Net carrying amount of disposal group classified as held for sale	569

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

## C. Cash flow attributable to operating, investing and financing activities for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
a. Net cash flows from operating activities	89	(75)
b. Net cash flow used in investing activities	(60)	(260)
c. Net cash flow from financing activities	-	-

## 36 Earnings per share

Basic earnings per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the profit/loss attributable to equity holders after adjusting by the weighted average number of equity shares outstanding during the year plus the effect of dilutive potential equity shares arising from outstanding stock options

The components of basic and diluted earnings per share for total operations are as follows:

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(a) Net profit attributable to equity shareholders</b>	1,217	1,434
<b>(b) Weighted average number of outstanding equity shares considered for basic EPS</b>	2,82,28,356	2,42,30,766
Add : Effect of dilutive potential equity shares arising from outstanding employee stock options	11,99,055	12,91,023
Number of shares considered for diluted EPS	2,94,27,411	2,55,21,789
<b>(c) Earnings per share (Face value per share INR 5/- each(Previous year INR 5/- each)</b>		
Basic (INR)	4.31	5.92
Diluted (INR)	4.14	5.62
* The weighted average number of shares takes into account the weighted average effect of changes arising from issue of new shares and ESOP transactions during the year.		
Out of the above:		
(i) Earnings per share (face value per share INR 5/- each) attributable to Continuing operations		
Basic (INR)	4.95	5.89
Diluted (INR)	4.76	5.59
(ii) Earnings per share (face value per share INR 5/- each) attributable to Discontinued operations		
Basic (INR)	(0.64)	0.03
Diluted (INR)	(0.62)	0.03



# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>37 Employee benefits</b>		
<b>(A) Defined contribution plans</b>		
During the year, the company has recognized the following amounts in the Statement of Profit and Loss (Refer note 29 and 35)		
Contribution to provident fund	42	44
Contribution to superannuation fund	12	11
Contribution to national pension scheme	8	8
Contribution to employees' deposit linked insurance	1	1
<b>Total</b>	<b>63</b>	<b>64</b>
<b>(B) Defined benefit plans - Gratuity</b>		
Liability for employee defined benefits plan has been determined by an Actuary, appointed for the purpose, in conformity with the principles set out in the Indian Accounting Standard -19 the details of which are as under. The liability is fully funded through and approved trust with Life Insurance Corporation of India.		
<b>i) Actuarial assumptions</b>		
Discount rate (per annum)	7.30%	7.75%
Rate of increase in salary	7.00%	7.00%
Expected average remaining working lives of employees (years)	25.43	26.96
Attrition rate ( across various age groups)	0 - 22%	0 - 22%
<b>Expected rate of return on plan assets</b>	<b>7.50%</b>	<b>7.50%</b>
<b>ii) Changes in the present value of defined benefit obligation</b>		
Present value of obligation at the beginning of the year	105	96
Current service cost	15	15
Past service cost	-	-
Interest on defined benefit obligation	8	7
Actuarial (gain)/ loss on obligations	(1)	(13)
Benefits paid	(9)	-
<b>Present value of obligation at the end of the year</b>	<b>118</b>	<b>105</b>
<b>iii) Change in fair value of assets</b>		
Fair value of plan assets - opening	124	109
Expected return on plan assets	9	8
Remeasurement due to; actual return on planned assets less expected interest on planned assets	(2)	1
Employer's contribution	-	6
Benefits paid	(9)	-
<b>Fair value of plan assets - closing</b>	<b>122</b>	<b>124</b>
<b>iv) Expense recognized as Employee benefits expense in the Statement of Profit and Loss</b>		
Current service cost	15	15
Interest on net defined benefit liability / (asset)	(2)	(2)
<b>Total</b>	<b>13</b>	<b>13</b>

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>v) Expense / (income) recognized as OCI in the Statement of Profit and Loss</b>		
Remeasurements during the year due to:		
Changes in financial assumptions	4	(3)
Changes in demographic assumptions	(0)	(1)
Experience adjustments	(5)	(9)
Actual return on plan assets less expected interest on plan assets	3	(1)
Adjustment to recognize the effect of asset ceiling	(0)	1
<b>Total</b>	<b>2</b>	<b>(13)</b>
<b>vi) Assets and liabilities recognized in the Balance Sheet:</b>		
Present value of funded defined benefit obligation - opening	118	105
Fair value of plan assets	(122)	(123)
<b>Net liability/ ( asset ) recognized in Balance Sheet</b>	<b>(4)</b>	<b>(18)</b>
Included in Other current assets (Refer note 17 and 35)	(4)	(18)
<b>vii) Expected contribution to the fund in the next year</b>	<b>10</b>	<b>10</b>
<b>viii) Sensitivity Analysis</b>		
Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future escalation rate. A quantitative sensitivity analysis for significant assumptions is furnished below :		
<b>Impact on defined benefit obligation</b>		
Discount rate		
0.5% increase	(4.12)%	(4.27)%
0.5% decrease	4.45%	4.63%
<b>Rate of increase in salary</b>		
0.5% increase	4.45%	4.64%
0.5% decrease	(4.15)%	(4.32)%
<b>ix) Maturity profile of defined benefit obligations</b>		
<b>Year</b>		
Apr 2018- Mar 2019	-	16
Apr 2019- Mar 2020	27	15
Apr 2020- Mar 2021	5	5
Apr 2021- Mar 2022	5	5
Apr 2022- Mar 2023	5	5
Apr 2023- Mar 2024	4	4
Apr 2024 onwards	219	211

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(C) Defined benefit plans - leave encashment</b>		
<b>i) Assets and liabilities recognized in the Balance Sheet:</b>		
Opening Balance	68	66
Charged during the year (Refer note 29 and 35)	17	12
Amount paid during the year	(14)	(10)
<b>Net liability recognised in Balance Sheet</b>	<b>71</b>	<b>68</b>
Included in non-current provision (Refer note 21 and 35)	53	52
Included in current provision (Refer note 26 and 35)	18	16

Note: The information given above relate to both the continuing operations and discontinued operations.

## 38 Employee Stock Option Scheme

### (a) Nature and extent of employee stock option scheme that existed during the year:

#### Plan I

The Company introduced the employee stock option scheme as a part of the scheme of arrangement, approved by the Hon'ble High Court of Gujarat and Hon'ble High Court of Bombay. On the date of demerger all employees of Mastek who were having options of Mastek Limited were granted equal number of options of the Company.

The Company introduced the scheme for granting up to 8,000,000 stock options to the employees, each option representing one equity share of the Company. The exercise price is to be determined by the Nomination and Remuneration Committee ("Committee") and such price may be the face value of the share from time to time or may be the market price or any other price as may be decided by the Committee and will be governed by the Securities and Exchange Board of India (SEBI) (Share based employee benefits) Regulations, 2014. The first vesting of the stock options shall happen only on completion of one year from the date of grant and the options are exercisable within seven years from the date of vesting.

The Company has granted employee stock options to its employees and also to employees of its direct and indirect subsidiaries. As per the demerger scheme of Mastek employees of Mastek Limited who were having options of Mastek on date of demerger were granted equal number of options of the Company. These options are mostly granted at the market price on the date of grant. As per the SEBI guidelines, the excess of market price of the underlying equity shares as of the date of the grant of the options over the exercise price of the option were recognised and amortised on a straight line basis over the vesting period in the previous GAAP. On the date of transition to Ind-AS i.e. 1 April, 2016, the Company carried out a fair valuation of all the unvested options as on that date and debited Retained earnings by INR 214 lakhs and INR 30 lakhs on account of options relating to employees of Mastek Limited and the Company respectively with a credit to the employee stock option outstanding account considering the same as equivalent to cost of employee stock option granted by Mastek Limited to employees of Majesco Group as per the said scheme of demerger since the management of the Company does not expect a separate recovery of the same amount from Mastek Limited or recovery from the Company by Mastek Limited. Accordingly no further adjustments for fair value have been made in respect of these options. The fair value of the unvested options relating to the employees of its subsidiaries and step down subsidiaries amounting to INR 677 lakhs was debited to Investment in subsidiary account with the corresponding credit to the employee stock options outstanding account as part of the Ind AS transition adjustment.

For the year ended March 31, 2019 and March 31, 2018 the fair value of the options both vested and unvested options granted to the employees of the Company was determined and the incremental amount of INR 203 lakhs and INR 144 lakhs respectively were charged to the employee benefit expense with a corresponding credit to Employee stock options outstanding account.

For the year ended March 31, 2019 and March 31, 2018 similar amount relating to employees of its subsidiaries and step down subsidiaries amounting to INR 329 lakhs and INR 450 lakhs respectively was debited to the Investment in subsidiary account with the corresponding credit to Employee stock options outstanding account.

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	WAEP (INR)	Number	WAEP (INR)
Options outstanding at beginning of the year	22,52,012	193	23,98,300	190
<b>Add:</b>				
Options granted during the year	54,000	218	3,47,000	206
<b>Less:</b>				
Options exercised during the year	2,23,045	142	3,15,512	122
Options lapsed during the year	11,377	120	70,651	160
Options cancelled during the year	1,28,084	370	1,07,125	390
Options outstanding at the end of the year	19,43,506	188	22,52,012	193
Options exercisable at the end of the year	15,13,502		13,55,487	

The fair value of each option is estimated on the date of grant using the Black Scholes model. The following tables list the inputs used on the date of grant for the years ended:

Particulars	As at March 31, 2019	As at March 31, 2018
Dividend yield (%)	0%	0%
Risk free interest rate (%)	7.20%	6.98%
Expected life of share options (years)	5 years	6 years
Expected volatility (%)	34.00%	48.59%
Weighted average share price (INR)	507	378
(b) Stock options exercised during the year :		
Number of options exercised during the year	2,23,045	3,15,512
Weighted average share price at the date of exercise (INR)	142	122

(c) For stock options outstanding at the end of the year, the range of exercise prices and weighted average remaining contractual life (vesting period and exercise period)

Particulars	Options Outstanding	Weighted Average Exercise Price (INR)	Weighted Average remaining Contractual Life (years)
<b>As at March 31, 2019</b>			
<b>Range of exercise price (INR)</b>			
5-100	7,25,160	53	4.30
101-200	4,48,318	118	4.62
Above 200	7,70,028	357	6.57
<b>As at March 31, 2018</b>			
<b>Range of exercise price (INR)</b>			
5-100	7,86,343	57	5.17
101-200	5,82,174	121	5.39
Above 200	8,83,495	361	7.34

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(d) Information on stock options granted during the year :</b>		
Number of options granted during the year	54,000	3,47,000
Option pricing model used	Black-Scholes option-pricing model	
Weighted average share price (INR)	507	378
Exercise price (INR)	218	206
Expected volatility (%)	34.00%	48.59%
Option life (vesting period and exercise period)	5 years	6 years
Dividend yield (%)	0%	0%
Risk free interest rate (%)	7.20%	6.98%
<b>(e) Effect of share-based payment plan on the Balance Sheet and Profit and Loss Statement :</b>		
Employee stock options outstanding account (Refer note 19)	2,295	1,888
Employee stock compensation expenses (Refer note 29 and 35)	203	144

Note: The information given above relate to both the continuing operations and the discontinued operations.

## 39 Related Party Disclosures

### (A) Names of related parties and description of relationship as identified and certified by the Company as at March 31, 2019

Name of the Related Party	Country	Relationship
1 Majesco	USA	Subsidiary
2 Majesco Software and Solutions Inc.	USA	Step down subsidiary
3 Majesco (UK) Ltd.	United Kingdom	Step down subsidiary
4 Majesco Software And Solutions India Private Ltd.	India	Step down subsidiary
5 Majesco Canada Ltd.	Canada	Step down subsidiary
6 Majesco Sdn Bhd.	Malaysia	Step down subsidiary
7 Majesco (Thailand) Co. Ltd. (Liquidated w.e.f. January 29, 2019)	Thailand	Step down subsidiary
8 Majesco Asia Pacific Pte Ltd.	Singapore	Step down subsidiary
9 Cover-All Systems Inc. (Merged with Majesco Software and Solutions Inc. w.e.f 01 Jan, 2019)	USA	Step down subsidiary
10 Exaxe Holding Limited (Acquired w.e.f. November 26, 2018)	Ireland	Step down subsidiary
11 Exaxe Limited (Acquired w.e.f. November 26, 2018)	Ireland	Step down subsidiary

### (B) Other related parties with whom the Company had transactions during the year

List of Key management personnel:

Farid Kazani (Managing Director & Group CFO)

Radhakrishnan Sundar (Executive Director)

Kunal Karan (Chief Financial Officer)

Nishant Shirke (Company Secretary) (resigned w.e.f. April 17, 2018)

Varika Rastogi (Company Secretary) (appointed w.e.f. May14, 2018)

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(C) Details of transactions with related party in the ordinary course of business:</b>		
i. Rental income (Refer note 27)		
Majesco Software and Solutions India Private Ltd.	945	870
ii. Consultancy and sub-contracting charges (Refer note 35)		
Majesco Software and Solutions India Private Ltd.	854	693
iii. Guarantee commission (Refer note 28)		
Majesco	22	31
iv. Reimbursable / other expenses recovered		
Majesco	47	24
Majesco Software and Solutions Inc.	46	46
Majesco (UK) Ltd.	10	7
Majesco Software and Solutions India Private Ltd.	406	214
Majesco Canada Limited	6	-
Majesco Sdn Bhd	12	-
Coverall Systems Inc	27	-
Majesco Asia Pacific Pte Ltd.	5	-
v. Remuneration to key management personnel		
Farid Kazani	135	162
Radhakrishnan Sundar	24	27
Kunal Karan	44	39
Nishant Shirke	1	16
Varika Rastogi	21	-
vii. Investment made in Majesco	23,202	-

Note: The information given above relate to both the continuing operations and the discontinued operations

## vii. Other benefits to key management personnel

For the year ended 31 March 2019	Provident Fund	N a t i o n a l Pension Scheme	Gratuity	Leave encashment	Superannuation	Share based benefit
Farid Kazani	5	5	2	4	7	39
Radhakrishnan Sundar	3	-	-	-	-	-
Kunal Karan	2	1	1	1	2	-
Varika Rastogi	1	-	-	-	-	-
Nishant Shirke	-	-	-	1	-	-
For the year ended 31 March 2018	Provident Fund	N a t i o n a l Pension Scheme	Gratuity	Leave encashment	Superannuation	Share based benefit
Farid Kazani	5	4	1	3	7	48
Radhakrishnan Sundar	3	-	-	-	-	-
Kunal Karan	2	1	-	1	3	8
Nishant Shirke	-	-	-	-	-	2

## viii. Consideration received by Company on exercise of options

	Year ended March 31, 2019	Year ended March 31, 2018
Farid Kazani	10	94
ix. Fair value of vested and unvested options granted to employees of Majesco and step down subsidiaries debited to the carrying value of investment in Majesco.	329	450

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(D) Amount due to / from related party</b>		
<b>i Trade payables:</b>		
Majesco Software and Solutions India Private Ltd.	63	63
<b>ii. Advances received:</b>		
Majesco	-	68
Majesco Software and Solutions India Private Ltd.	4	-
<b>iii. Other liabilities:</b>		
Security and other deposits (Refer note 20)		
Majesco Software and Solutions India Private Ltd.	382	352
Deferred lease liability (Refer note 22,25)		
Majesco Software and Solutions India Private Ltd.	33	61

Note: The information given above relate to both the continuing operations and the discontinued operations

## (E) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

## 40 Contingent liabilities and commitments

(a) Corporate guarantee secured by lien on mutual funds with initial cost of INR 4,000 lakhs (2018: by lien against mutual funds with initial cost of INR 8,000 lakhs) given to HSBC India for Standby Documentary Credit (SBDC) favouring HSBC Bank USA National Association for extending a term loan to the extent of \$ 10 million to Majesco, USA, a subsidiary of the company (Refer Note 11 and 14)	6,916	6,518
(b) Lien marked on fixed deposit of the Company with Standard Chartered Bank for PCFC granted to step-down subsidiary (Refer note 14)	500	500
<b>Total</b>	<b>7,416</b>	<b>7,018</b>

The loan has been completely repaid by Majesco USA and the company is in the process of completing the documentation and filing the satisfaction of charge with the Registrar of companies.

## 41 Capital and other commitments

### Capital commitments :

Estimated amount of contract remaining to be executed on capital account not provided for	2	95
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## 42 Segment reporting

As per Ind AS 108 - Operating Segment, if a financial report contains both consolidated financial statements of a parent that is within the scope of this Ind AS as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS 108 - Operating Segment has been given in the consolidated financial statements of the Company.

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

## 43 Fair values of financial assets and financial liabilities

The Company's financial instruments consist primarily of cash and cash equivalents, short term investments in time deposits, restricted cash, accounts receivables, unbilled accounts receivable, accounts payable, and accrued liabilities. The carrying amount of cash and cash equivalents, short term investments in time deposits, restricted cash, accounts receivables, unbilled accounts receivable, accounts payable and accrued liabilities as of the reporting date approximates their fair market value due to the relatively short period of time of original maturity tenure of these instruments. Classification of the financial assets and financial liabilities is given below:

Fair Value and Carrying Amount	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>FINANCIAL ASSETS- NON CURRENT</b>						
Investments	-	-	39,984	-	-	16,453
Loans	-	-	31	-	-	32
<b>FINANCIAL ASSETS- CURRENT</b>						
Investments	8,238	-	-	30,880	-	-
Trade receivables	-	-	-	-	-	443
Cash and cash equivalents	-	-	9	-	-	13
Bank balances other than cash and cash equivalents	-	-	4,500	-	-	3,001
Other Financial assets	-	-	36	-	-	337
<b>FINANCIAL LIABILITIES- NON CURRENT</b>						
Other financial liabilities	-	-	382	-	-	354
<b>FINANCIAL LIABILITIES- CURRENT</b>						
Trade payables	-	-	68	-	-	104
Other financial liabilities	-	-	688	-	-	707

## 44 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- 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).

No financial assets/liabilities have been valued using level 3 fair value measurements.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Level 1 (Quoted price in active markets)</b>		
Investments in mutual funds FVTPL	8,238	30,880
<b>Level 2 (Based on observable inputs)</b>		
Disclosure of fair value of investment property (Refer note 5)	10,468	10,377



# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

## 45 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

### (A) Market risk

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. We are exposed to market risk primarily due to fluctuations in interest rates as described more fully below. We do not hold or issue derivative financial instruments for trading or speculative purposes.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's Investments and bank balances.

#### Interest rate sensitivity

Our exposure to market risk for changes in interest rates relates primarily to our cash and cash equivalents, other bank balances and investments. We do not use derivative financial instruments to hedge interest rate exposure. Our cash and cash equivalents, other bank balances and investments as of March 31, 2019 and March 31, 2018 were INR 12,747 lakhs and INR 33,894 lakhs respectively. We invest primarily in highly liquid, money market funds and bank fixed deposits. Because of the short-term nature of the majority of the interest-bearing securities we hold, we believe that a 10% fluctuation in the interest rates applicable to our cash and cash equivalents and investments would not have a material effect on our financial condition or results of operations.

### (B) Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, time deposits, and accounts receivables. The Company maintains its cash and cash equivalents, time deposits, with banks having good reputation, good past track record, and who meet the minimum threshold requirements under the counterparty risk assessment process, and reviews their credit-worthiness on a periodic basis. Accounts receivables of the Company are typically unsecured. As there is no independent credit rating of the customer available with the Company, Management reviews the creditworthiness of customers based on their financial position, past experience and other factors. The Company performs ongoing credit evaluations of their customers' financial condition and monitor the creditworthiness of their customers to which they grant credit terms in the normal course of business.

### (C) Liquidity risk

The Company's current assets aggregate to INR 13,876 lakhs (March 31, 2018 - INR 35,091 lakhs) including current investments, cash and cash equivalents and bank balances against aggregate current liability of INR 1072 lakhs (March 31, 2018 - INR 993 lakhs) and non current liabilities INR 526 lakhs (March 31, 2018 - INR 439 lakhs) on the reporting date. While the Company's total equity stands at INR 54,057 lakhs (March 31, 2018 - INR 51,990 lakhs), it has no borrowings. Hence liquidity risk or risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

## 46 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

For the financial year ended March 31, 2019, the Board of Directors at their meeting held on May 15, 2019 have recommended a dividend of 30% (INR 1.5/- per equity share of INR 5/- each), subject to the approval of the shareholders in the ensuing Annual General Meeting of the company.

During the previous year, the Board of Directors of the Company in their meeting held on August 3, 2017 approved the payment of Special Dividend @ INR 1/- per share (face value INR 5/- per share), to eligible shareholders. Accordingly the Company has paid INR 235 on account of Special Dividend and INR 48 being tax thereon, during the previous financial year. This was confirmed by the shareholders of the company at the Annual General Meeting of the company held on August 03, 2018.

The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowings. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars		As at March 31, 2019	As at March 31, 2018
Total equity	(i)	54,057	51,990
Total debt	(ii)	-	-
Overall financing	(iii) = (i) + (ii)	54,057	51,990
Gearing ratio	(ii)/ (iii)	NA	NA

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019, 31 March 2018. The details of capital raised during the previous year is given in note 18(b).

## 47 (A) Earnings and expenditure in foreign currency

<b>i) Earnings in foreign currency</b>			
Guarantee commission		22	31
<b>ii) Expenditure in foreign currency</b>			
Professional fees		72	153
Travelling and conveyance		3	4

## (B) Unhedged foreign currency balances

Particulars	Currency	As at March 31, 2019		As at March 31, 2018	
		Foreign currency in lakhs	INR in lakhs	Foreign currency in lakhs	INR in lakhs
I. Assets		NIL	NIL	NIL	NIL
II. Liabilities					
Payables ( trade and others financial liabilities)	USD	1	69	1	78
Total Liabilities		1	69	1	78
Unhedged payables		1	69	1	78

Note: The information given above relate to both the continuing operations and the discontinued operations.

# Notes forming part of the Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

## 48 Corporate Social Responsibility Expenditure

As per section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013

- The gross amount required to be spent by the Company during the year is INR 11 lakhs (2018-INR 5 lakhs).
- The details of the amount spent during the year on CSR activities are as follows :

Particulars	March 31, 2019			March 31, 2018		
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
1. Construction/acquisition of any asset	-	-	-	-	-	-
2. On purpose other than (1) above	11	-	11	5	-	5

## 49 Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2019 by offerings and contract-type. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

Particulars	March 31, 2019	March 31, 2018
<b>Revenue by offerings-Included under discontinued operations</b>		
License fees	38	3
Support and Maintenance	1,694	39
Professional services	203	1,957
<b>Total</b>	<b>1,935</b>	<b>1,999</b>
<b>Revenues by contract type</b>		
Fixed Price Contracts	1,278	1,351
Time and Materials Contracts	657	648
<b>Total</b>	<b>1,935</b>	<b>1,999</b>
<b>Revenue by offerings-Included under Continuing operations</b>		
Rent Income (Based on rates agreed with the customer)	974	905

- 50** Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

The accompanying notes 1 to 50 are an integral part of the financial statements.

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

**Farid Kazani**

Managing Director & Group CFO  
DIN- 06914620

**Jyotin Mehta**

Non-Executive and Independent Director  
DIN - 00033518

Place : Navi Mumbai

Date : May 15, 2019

**Venkatesh N. Chakravarty**

Non-Executive Chairman and Independent Director  
DIN- 01102892

**Kunal Karan**

Chief Financial Officer

**Varika Rastogi**

Company Secretary  
M. No - F7864

**As per our report of even date attached**

**For Varma & Varma**

Chartered Accountants  
FRN: 004532S

**Cherian K Baby**

Partner

M No: 16043

Place : Navi Mumbai

Date : May 15, 2019

# Independent Auditors' Report

To,  
The Members,  
Majesco Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Majesco Limited ("the Company" or "the Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind-AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, its consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 2013, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matter	Auditor's Response
1	<p><b>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (newly introduced revenue accounting standard). This includes accuracy of revenues and critical estimates of onerous obligations in fixed price contracts.</b></p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and the appropriateness of the basis used to measure revenue recognized over a period in respect of long-term contracts. Additionally, the new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<p><b>Principal Audit Procedures</b></p> <ul style="list-style-type: none"> <li>We assessed the Group's process to identify the impact of adoption of the new revenue accounting standard. As the concerned software are yet to be configured for this change, some of our work was done offline.</li> <li>Our audit approach consisted of testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</li> <li>Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, review of evidence in respect of operation of these controls.</li> </ul>

Sl. No.	Key Audit Matter	Auditor's Response
		<ul style="list-style-type: none"> <li>• Selected a sample of continuing and new contracts and performed the following procedures: <ul style="list-style-type: none"> <li>• Read and analysed the distinct performance obligations in these contracts identified by the management, to confirm if they are fair and reasonable.</li> <li>• Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.</li> <li>• Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation/ judgement of the variable consideration.</li> <li>• In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified using analytical procedures with actual and estimated efforts from the time recording and budgeting systems to evaluate their reasonableness.</li> <li>• Selected samples of contracts and performed a review of changes in efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract.</li> <li>• Samples of revenues disaggregated by type and service offerings were tested with the performance obligations specified in the underlying contracts.</li> <li>• Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings</li> </ul> </li> </ul>
2	<p><b>The measurement and accounting for share-based payments</b></p> <p>The share awards are measured at the fair value at the date of the grant and expensed on a straight-line basis over the vesting period. The judgement of the fair value and number of awards expected to vest is based on management estimates. These estimates include the volatility of the share price and the expected number of options which will vest</p>	<p><b>Principal Audit Procedures</b></p> <p>We assessed management's accounting under the principles of IND AS 102-Share Based payments.</p> <p>We tested the fair value calculations for all new shares granted during the year and the vesting conditions and assessed the ongoing fair value of the existing share-based payments. This included:</p> <ul style="list-style-type: none"> <li>• a review of the share option based on letter of grant;</li> <li>• an assessment of the reasonableness of assumptions around the likelihood of meeting vesting conditions;</li> <li>• an assessment of the reasonableness of inputs including the volatility with analysis provided to external experts by the management;</li> <li>• recalculation of the amounts recognised over the vesting period.</li> </ul>

Sl. No.	Key Audit Matter	Auditor's Response
3	<p><b>Fair Value assessment of Trade Receivables</b></p> <p>Trade receivables comprise a significant portion of the liquid assets of the Group and serve as security for a majority of the Group short-term debt.</p>	<p><b>Principal Audit Procedures</b></p> <p>We assessed the validity of material long outstanding receivables by obtaining third-party confirmations of amounts owing. We also considered payments received subsequent to year-end, past payment history and unusual patterns to identify potentially impaired balances.</p> <p>The assessment of the appropriateness of the allowance for trade receivables comprised a variety of audit procedures across the Group including:</p> <ul style="list-style-type: none"> <li>• Challenging the appropriateness and reasonableness of the assumptions applied in the management assessment of the receivables;</li> <li>• Consideration of the creditworthiness of significant trade receivables over 180 days with external confirmations wherever possible;</li> <li>• Consideration and concurrence of the agreed payment terms;</li> <li>• Verification of receipts from trade receivables subsequent to year-end;</li> <li>• Considered the completeness and accuracy of the disclosures.</li> </ul> <p>We were satisfied that the Group's trade receivables are fairly valued and adequately provided against where doubt exists. We further considered whether the provisions were misstated and concluded that they were appropriate in all material respects, and disclosures related to trade receivable in the consolidated financial statements are appropriate..</p>

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the Other Information. The other information comprises the Management Discussion and Analysis, Board of Directors' report including Annexures to the Board of Directors' report, Corporate Governance Report, and other information published along with but 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 and will 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 identified above 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 that we have 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. We have read and considered the Management Discussion and Analysis, Board of Directors Report, Corporate Governance Report and have nothing to report.

In respect of other information other than the above which is expected to be made available to us later we shall read and consider whether there is anything materially inconsistent therein with reference to the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we find any such inconsistency or misstatement, we shall inform those charged with governance of the Company and describe actions applicable in the relevant laws and regulations. As these are yet to be approved by the Board of Directors, the same have not been read by us.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereafter.

The respective Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of presentation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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 SAs 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 ability of the Group 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.
- Obtain sufficient appropriate audit evidence regarding financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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.

### **Other Matters**

- a) We have audited the standalone financial statements of the Holding company and its step-down subsidiary incorporated in India prepared under Ind AS in accordance with applicable Standards on Auditing, which have been considered in these consolidated financial statements.
- b) We have audited the special purpose financial statements of four foreign subsidiaries prepared under Ind AS for the purposes of consolidation which have been considered in these consolidated financial statements. These reflect total assets of INR 1,32,895 Lakhs and net assets of INR 63,989 lakhs as at March 31, 2019, total revenue of INR 94,100 lakhs, net profit of INR 943 lakhs and net cash flows (increase of INR 14,390 lakhs) for the year ended on that date (all the above figures before elimination in the consolidated financial statements). These statements are prepared with reference to the consolidated financial statements of all the subsidiaries prepared by the management under US-GAAP on which reliance is placed by us for the audit of the special purpose financial statements. We are not the statutory auditors of these companies.
- c) We did not audit the financial statements of five subsidiaries included in the audited consolidated financial statements referred to above whose financial information reflect total assets of INR 6,096 lakhs and net assets of INR 4,152 lakhs as at March 31, 2019, total revenue of INR 8,429 lakhs, net profit of INR 944 lakhs and net cash flows (increase) of INR 787 lakhs for the year ended on that date (all the above figures before elimination in the consolidated financial statements), which have been considered in these consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries (not incorporated in India) is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, 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 purposes 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 Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive Income, the Consolidated Statement of Changes in equity and Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained by the Holding company and its subsidiaries and other relevant records maintained for preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014.



- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019, taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its step-down subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. Further, based on the report of the statutory auditors of its step-down subsidiary company incorporated in India, we report that the remuneration paid by such step-down subsidiary company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. There was no pending litigations as at the financial year end, Litigation settled during the year has been disclosed in Note No. 60 of the consolidated financial statements.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. Refer Note 23, 28 and 30 to the consolidated financial statements.
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its step-down subsidiary company incorporated in India.

For **VARMA & VARMA**  
Chartered Accountants  
FRN 004532S

**CHERIAN K BABY**  
Partner  
M No. 16043

Place: Navi Mumbai  
Date : May 15, 2019

# Annexure-A to the Independent Auditors' Report

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 referred to in Para 9 of our report for the year ended March 31, 2019.

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of **Majesco Limited** and one of its subsidiary company which is a company incorporated in India, as of that date

### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. A company's internal financial controls over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, including the Indian Accounting Standards (Ind As) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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**

Because of the inherent limitations of internal financial controls over financial reporting, 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its step-down subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **VARMA & VARMA**  
Chartered Accountants  
FRN 004532S

Place: Navi Mumbai  
Date : May 15, 2019

**CHERIAN K BABY**  
Partner  
M No. 16043

# Consolidated Balance Sheet

As at March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	3,051	2,955
Capital work-in-progress		5	24
Investment property	6	-	-
Goodwill			
On consolidation	6	21,282	18,892
Others	6	3,424	3,232
Other intangible assets	6	6,071	488
<b>Financial assets</b>			
Investments	7	50	50
Loans	8	332	371
Other financial assets	9	633	65
Deferred tax assets (net)	39	5,179	4,623
Income tax assets (net)	10	769	604
Other non-current assets	11	146	152
<b>Total non-current assets</b>		<b>40,942</b>	<b>31,456</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Investments	12	8,662	30,880
Trade receivables	13	11,960	12,832
Cash and cash equivalents	14	10,986	5,976
Bank balances other than cash and cash equivalents	15	20,665	3,001
Loans	16	-	9
Other financial assets	17	14,749	6,591
Income tax assets (net)	18	150	65
Other current assets	19	3,036	2,735
<b>Total current assets</b>		<b>70,208</b>	<b>62,089</b>
<b>Total Assets</b>		<b>111,150</b>	<b>93,545</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	20	1,417	1,406
Other equity	21	66,284	52,923
Total equity attributable to equity holders of the Company		67,701	54,329
Non-controlling interests		12,816	7,865
<b>Total equity</b>		<b>80,517</b>	<b>62,194</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	22	76	3,414
Other financial liabilities	23	2,016	11
Provisions	24	2,747	2,192
Other non-current liabilities	25	2,356	2,831
<b>Total non-current liabilities</b>		<b>7,195</b>	<b>8,448</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	26	287	3,429
Trade payables	27	-	-
a) Dues of micro enterprises and small enterprises		-	-
b) Dues of creditors other than micro enterprises and small enterprises		1,651	1,596
Other financial liabilities	28	12,971	10,125
Other current liabilities	29	6,400	6,474
Provisions	30	1,197	1,244
Income tax liabilities (net)	31	932	35
<b>Total current liabilities</b>		<b>23,438</b>	<b>22,903</b>
<b>Total liabilities</b>		<b>30,633</b>	<b>31,351</b>
<b>Total Equity and Liabilities</b>		<b>111,150</b>	<b>93,545</b>
Summary of significant accounting policies	2		
Other notes	41 to 67		

The accompanying notes are an integral part of the consolidated financial statements.

## For and on behalf of the Board of Director

### Farid Kazani

Managing Director & Group CFO  
DIN- 06914620

### Jyotin Mehta

Non-Executive and Independent Director  
DIN - 00033518

Place : Navi Mumbai

Date : May 15, 2019

### Venkatesh N. Chakravarty

Non-Executive Chairman and Independent Director  
DIN- 01102892

### Kunal Karan

Chief Financial Officer

### Varika Rastogi

Company Secretary  
M. No - F7864

## As per our report of even date attached

### For Varma & Varma

Chartered Accountants  
FRN: 0045325

### Cherian K Baby

Partner  
M No: 16043

Place : Navi Mumbai

Date : May 15, 2019

# Consolidated Statement of Profit and Loss

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
<b>Income</b>			
Revenue from operations	32	98,810	80,604
Other income, net	33	2,810	1,092
<b>Total income</b>		<b>101,620</b>	<b>81,696</b>
<b>Expenses</b>			
Employee benefit expenses	34	66,107	57,284
Finance costs	35	361	489
Depreciation and amortization expenses	36	1,961	1,785
Other expenses	37	23,185	21,060
<b>Total expenses</b>		<b>91,614</b>	<b>80,618</b>
<b>Profit before exceptional items and tax</b>		<b>10,006</b>	<b>1,078</b>
Exceptional items - Loss / (gain)	38	(274)	(1,053)
<b>Profit before tax</b>		<b>10,280</b>	<b>2,131</b>
<b>Income tax expense</b>			
Current tax	39	3,415	2,437
Deferred tax		(309)	(586)
<b>Total income tax expense</b>		<b>3,106</b>	<b>1,851</b>
<b>Profit for the year</b>		<b>7,174</b>	<b>280</b>
<b>Other comprehensive income / (loss)</b>			
Items that will be reclassified to profit or loss			
(i) Net change in fair value of cash flow hedge		221	5
Tax on net change in fair value of cash flow hedge		(64)	1
(ii) Exchange differences on translation of foreign operations		(53)	532
		104	538
Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on gratuity plan		(129)	49
Tax on remeasurement gain / (loss) on gratuity plan		38	(13)
		(91)	36
<b>Total other comprehensive income for the year</b>		<b>13</b>	<b>574</b>
<b>Total comprehensive income for the year</b>		<b>7,187</b>	<b>854</b>
<b>Profit / (loss) for the year attributable to :</b>			
Equity shareholders of the Company		5,404	629
Non controlling interests		1,770	(349)
<b>Other comprehensive income attributable to :</b>			
Equity shareholders of the Company		9	403
Non controlling interests		4	171
<b>Total comprehensive income / (loss) attributable to :</b>			
Equity shareholders of the Company		5,413	1,033
Non controlling interests		1,774	(179)
Earnings per share	40		
Basic (INR)		19.14	2.60
Diluted (INR)		18.36	2.47
Summary of significant accounting policies	2		
Other notes	41 to 67		

The accompanying notes are an integral part of the consolidated financial statements.

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

**Farid Kazani**

Managing Director & Group CFO  
DIN- 06914620

**Jyotin Mehta**

Non-Executive and Independent Director  
DIN - 00033518

Place : Navi Mumbai

Date : May 15, 2019

**Venkatesh N. Chakravarty**

Non-Executive Chairman and Independent Director  
DIN- 01102892

**Kunal Karan**

Chief Financial Officer

**Varika Rastogi**

Company Secretary  
M. No - F7864

**As per our report of even date attached**

**For Varma & Varma**

Chartered Accountants  
FRN: 0045325

**Cherian K Baby**

Partner

M No: 16043

Place : Navi Mumbai

Date : May 15, 2019

# Consolidated Statement of Changes In Equity

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

(A) Equity share capital	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
	<b>Equity shares of INR 5/- each issued, subscribed and fully paid up</b>			
Opening	28,122,396	1,406	23,363,035	1,168
Add: Issued during the year	223,045	11	4,759,361	238
<b>Closing</b>	<b>28,345,441</b>	<b>1,417</b>	<b>28,122,396</b>	<b>1,406</b>

## (B) Other equity

Particulars	Capital reserve	Reserve and surplus				Items of OCI		Total other equity
		Employee stock options outstanding account	Securities premium	General reserve	Retained earnings	Hedging reserve account	Foreign currency translation reserve	
Balance as at April 1, 2018	5,219	4,316	23,789	4,272	15,537	67	(278)	52,923
Profit for the year	-	-	-	-	5,405	-	-	5,405
Other comprehensive income / (loss)	-	-	-	-	(91)	157	(53)	12
Adjustment for non-controlling interest	-	-	-	-	27	(47)	15	(4)
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>5,341</b>	<b>110</b>	<b>(38)</b>	<b>5,413</b>
Employee stock option scheme expense	-	2,238	-	-	-	-	-	2,238
Exercise of employee stock options	-	-	784	-	-	-	-	784
Right Issues of shares in subsidiary-(Refer note: 59)	-	-	7,738	-	-	-	-	7,738
Transfer on exercise of options	-	(101)	101	-	-	-	-	-
Vested/unvested options cancelled during the year	-	(24)	-	-	24	-	-	-
Reclassified from General reserve to Retained earnings	-	-	-	(284)	284	-	-	-
Adjustment for non-controlling interest	-	-	(2,442)	-	(369)	-	-	(2,811)
<b>Balance as at March 31, 2019</b>	<b>5,219</b>	<b>6,429</b>	<b>29,970</b>	<b>3,988</b>	<b>20,817</b>	<b>177</b>	<b>(316)</b>	<b>66,285</b>
Balance as at April 1, 2017	5,219	3,020	681	4,272	15,538	63	(649)	28,145
Profit for the year	-	-	-	-	629	-	-	629
Other comprehensive income	-	-	-	-	36	6	532	574
Adjustment for non-controlling interest	-	-	-	-	(8)	(2)	(161)	(171)
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>657</b>	<b>4</b>	<b>371</b>	<b>1,033</b>
Employee stock option scheme expense	-	1,669	-	-	-	-	-	1,669
Exercise of employee stock options	-	-	645	-	-	-	-	645
Issue of shares (Refer note 20 (b))	-	-	22,305	-	-	-	-	22,305
Transfer on exercise of options	-	(242)	242	-	-	-	-	-
Vested/unvested options cancelled during the year	-	(131)	-	-	131	-	-	-
Special dividend including tax	-	-	-	-	(283)	-	-	(283)
Adjustment for non-controlling interest	-	-	(84)	-	(506)	-	-	(590)
<b>Balance as at March 31, 2018</b>	<b>5,219</b>	<b>4,316</b>	<b>23,789</b>	<b>4,272</b>	<b>15,537</b>	<b>67</b>	<b>(278)</b>	<b>52,923</b>

The accompanying notes are an integral part of the consolidated financial statements.

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

**Farid Kazani**

Managing Director & Group CFO  
DIN- 06914620

**Jyotin Mehta**

Non-Executive and Independent Director  
DIN - 00033518

Place : Navi Mumbai

Date : May 15, 2019

**Venkatesh N. Chakravarty**

Non-Executive Chairman and Independent Director  
DIN- 01102892

**Kunal Karan**

Chief Financial Officer

**Varika Rastogi**

Company Secretary  
M. No - F7864

**As per our report of even date attached**

**For Varma & Varma**

Chartered Accountants  
FRN: 0045325

**Cherian K Baby**

Partner

M No: 16043

Place : Navi Mumbai

Date : May 15, 2019

# Consolidated Statement of Cash Flows

For the year ended March 31, 2019

	(Amount in INR lakhs, unless otherwise stated)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Cash flow from operating activities</b>		
Profit before exceptional items and tax	10,006	1,078
Adjustments for:		
Depreciation and amortization expenses	1,961	1,785
Employee stock option expense	2,254	1,658
Finance costs	361	489
Rental income	(6)	(36)
Interest income on fixed deposits	(340)	(266)
Income from sale of investments designated as FVTPL (mutual funds)	(1,922)	(233)
Fair valuation adjustments of investments designated as FVTPL (mutual funds)	(254)	(442)
Provision for doubtful debts	114	309
Profit on sale of property, plant and equipment	(6)	(11)
Gain on fair valuation of security deposit (net)	(15)	(18)
Exceptional items - other expenses	-	(10)
Unrealised foreign exchange loss	323	90
<b>Operating profit before working capital changes</b>	<b>12,476</b>	<b>4,393</b>
<b>Changes in working capital</b>		
Increase in non current financial assets	(243)	(54)
Decrease in non-current other assets	6	134
Decrease/(increase) in trade receivables	545	(4,841)
Increase in current other financial assets	(8,185)	(1,006)
Increase in other current assets	(301)	(459)
Decrease in non-current financial liabilities	1,678	-
Decrease in non-current other financial liabilities	-	(83)
Increase in non-current provisions	555	127
(Decrease)/increase in non-current liabilities	(475)	16
(Decrease)/increase in trade payables	(20)	165
Increase in current other financial liabilities	2,505	286
(Decrease)/increase in other current liabilities	(378)	960
(Decrease)/increase in current provisions	(105)	562
<b>Cash generated from operations</b>	<b>8,058</b>	<b>200</b>
Income tax paid	(3,079)	(2,476)
<b>Net cash (used in) / generated from operating activities (A)</b>	<b>4,979</b>	<b>(2,276)</b>
<b>Cash flow from investing activities</b>		
Payment for property, plant and equipment and intangible assets	(3,427)	(1,289)
Payment for investment property	-	(74)
Payment on acquisition of new subsidiary	(5,367)	-
Proceeds from sale of investments	24,394	1,559
Proceeds from sale disposal of fixed assets	150	-
Purchase of investments (mutual funds) (net)	-	(28,446)
Net proceeds/(investment in) from fixed deposits	(18,174)	4,884
Decrease/(increase) in other deposits	-	(79)
Rental income	6	36
Interest income on fixed deposits	340	266
<b>Net cash used in investing activities (B)</b>	<b>(2,078)</b>	<b>(23,143)</b>

# Consolidated Statement of Cash Flows

For the year ended March 31, 2019

	(Amount in INR lakhs, unless otherwise stated)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares (net)	7,752	22,527
Proceeds from exercise of share options	784	661
Dividend paid	-	(283)
Proceeds / (repayment) from short-term borrowings	(3,144)	1,767
Repayment of long term loan (net)	(3,338)	(1,065)
Interest and other finance charges paid	(324)	(372)
<b>Net cash generated from financing activities (C)</b>	<b>1,730</b>	<b>23,235</b>
<b>Effect of changes in exchange rates of cash and cash equivalents (D)</b>	<b>166</b>	<b>289</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C+D)</b>	<b>4,797</b>	<b>(1,895)</b>
Cash and cash equivalents at the beginning of the year	5,976	7,871
Cash and cash equivalents on acquisition of Exaxe Holdings Limited	213	-
<b>Cash and cash equivalents at the end of the year</b>	<b>10,986</b>	<b>5,976</b>
<b>Cash and cash equivalents comprise (Refer note 14)</b>		
Balances with banks		
Current accounts	5,128	5,375
EEFC accounts	3,004	601
Fixed deposits with maturity of less than 3 months	2,854	-
<b>Total cash and bank balances at end of the year</b>	<b>10,986</b>	<b>5,976</b>
Summary of significant accounting policies	2	
Other notes	41 to 67	

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in Ind AS-7 "Statement of Cash Flows".
- Figures in brackets indicate cash outflow.
- Previous year figures have been regrouped or reclassified wherever necessary.

The accompanying notes are an integral part of the consolidated financial statements.

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

**Farid Kazani**

Managing Director & Group CFO  
DIN- 06914620

**Jyotin Mehta**

Non-Executive and Independent Director  
DIN - 00033518

Place : Navi Mumbai

Date : May 15, 2019

**Venkatesh N. Chakravarty**

Non-Executive Chairman and Independent Director  
DIN- 01102892

**Kunal Karan**

Chief Financial Officer

**Varika Rastogi**

Company Secretary  
M.No - F7864

**As per our report of even date attached**

**For Varma & Varma**

Chartered Accountants  
FRN: 0045325

**Cherian K Baby**

Partner  
M No: 16043

Place : Navi Mumbai

Date : May 15, 2019



# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

## 1 General Information

Majesco Limited (the 'Company') and its subsidiaries (collectively referred herein under as "the Group") are providers of software solutions for the insurance industry.

The Group offers core software solutions for property and casualty ("P&C") and life and annuity ("L&A") providers, allowing them to manage policy administration, claims management and billing function.

The company is a public limited company incorporated and domiciled in India and has its registered office at Mastek New Development Centre, MBP-P-136 Mahape, Navi Mumbai, Mumbai-400710, Maharashtra, India. The Company has its primary listings on the BSE Ltd. and National Stock Exchange of India Limited.

The Group has operations in U.S., Canada, U.K., Ireland, India, Malaysia and Singapore and has its offshore software development centres in India at Mahape and Pune.

The consolidated financial statements were approved for issue by the Board of Directors on May 15, 2019.

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

Name of the Company	Country of Incorporation	% of effective voting power held as at March 31, 2019	% of effective voting power held as at March 31, 2018
<b>Subsidiary</b>			
Majesco (Formerly - MajescoMastek)	USA	70.28%	69.75%
<b>Step down subsidiaries</b>			
Majesco Software and Solutions Inc.	USA	70.28%	69.75%
Majesco Canada Ltd.	Canada	70.28%	69.75%
Cover-All Systems Inc.*	USA	70.28%	69.75%
Majesco (UK) Ltd.	United kingdom	70.28%	69.75%
Majesco Software And Solutions India Private Ltd.	India	70.28%	69.75%
Majesco Sdn Bhd. (Formerly - Mastek MSC Sdn. Bhd.)	Malaysia	70.28%	69.75%
Majesco (Thailand) Co. Ltd. # (Formerly - Mastek MSC (Thailand) Co. Ltd.)	Thailand	70.28%	69.75%
Majesco Asia Pacific Pte Ltd. (Formerly - Mastek Asia Pacific Pte Ltd.)	Singapore	70.28%	69.75%
Exaxe Holding Limited ##	Ireland	63.25%	-
Exaxe Limited ##	Ireland	63.25%	-

\* Merged with Majesco Software and Solutions Inc. w.e.f January 01, 2019.

# Closed w.e.f. January 29, 2019.

## Acquired w.e.f. October 01, 2018.

## 2 Summary of Significant Accounting policies

### 2.1 Basis of preparation and presentation

#### (a) Statement of Compliance with Ind AS

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is

initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### (b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-

- Certain financial assets and liabilities measured at fair value (refer accounting policy 2.15 on financial instruments)
- Share based payment transactions
- Derivative financial instruments
- Defined benefit and other long-term employee benefits

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

All assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

## (c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognised in the year in which the estimates are revised and in any future years if the revision effects such periods. Also key sources of estimation uncertainty is mentioned below:

### i) Useful lives of property, plant and equipment and intangible assets:

As described in the significant accounting policy, the Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

### ii) The fair value measurements and valuation processes:

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent it is available. Where level 1 input are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs, used in determining the fair value of various assets, liabilities and share based payments are disclosed in notes to financial statements.

### iii) Actuarial valuation:

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation

(Amount in INR lakhs, unless otherwise stated)

including determination of amounts to be recognized in the statement of profit or loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to financial statements.

## 2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalized until the assets are ready for use and include inward freight, and expenses incidental to acquisition and installation. Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of property, plant and equipment measured as the difference between amount realized and net carrying value which are carried at cost are recognised in the statement of profit and loss.

Depreciation methods, estimated useful lives

Depreciation on property, plant and equipment is provided when the assets are ready for use on the straight line method, on a pro rata basis, over the estimated useful lives of assets, in order to reflect the period over which the depreciable asset is expected to be used by the Group. The management estimates the useful lives for the other fixed assets as follows.

Property, plant and equipment	Useful Life
Buildings	28 years
Computers	2 years
Plant and equipment	2 - 5 years
Furniture and fixtures	5 years
Vehicles	5 years
Office equipment	2 - 5 years
Leasehold land	Lease term ranging from 95-99 years
Leasehold improvements	5 years or the primary period of lease whichever is less

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of schedule II of the Companies Act, 2013.

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income/Other Expenses'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as change in accounting estimates.

## 2.3 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Group depreciates building component of investment property over 28 years from the date of original capitalization. The Group, based on technical assessment made by technical expert and management estimate, depreciates the building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of profit or loss as exceptional items in the period of derecognition. If the amount is significant.

## 2.4 Intangible assets and amortization

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortization and impairment, if any.

The Group amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Useful Life
Computer Software	1 - 3 years
Technology	5 years
Trade Name	9.7 years
Customer relationships	15 years

(Amount in INR lakhs, unless otherwise stated)

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use. Research and development costs and software development costs incurred under contractual arrangements with customers are accounted as expenses in the Statement of Profit and Loss.

## 2.5 Foreign Currency Transactions

The consolidated financial statements are prepared in Indian Rupees. The Indian Rupee is the functional currency of Majesco Limited. However, U.S. Dollar, Pound Sterling, Malaysian Ringgits, Thai Baht, Singapore Dollar, Canadian Dollar and Euro are the functional currencies for its subsidiaries located in United States of America, United Kingdom, Malaysia, Thailand, Singapore, Canada and Ireland respectively. Translation of foreign currency into Indian Rupees has been carried out as under :

- Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities are translated at closing exchange rates as at the balance sheet date.
- Income and expenditure of foreign operations are translated at annual average closing exchange rates.
- All resulting exchange differences on translation are taken to reserves under Foreign Currency Translation Reserve through other comprehensive income until the disposal of the investment in subsidiaries.

## 2.6 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The management determines the policies and procedures for both recurring fair value measurement and disclosures. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## 2.7 Revenue recognition

### Revenue from Operations:

The Group derives revenues primarily from Information Technology services and offers core software solutions for property and casualty (P&C) and life and annuity (L&A) providers, allowing them to manage policy administration, claim management and billing functions.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration that the group expects to receive in exchange for those products or services.

Arrangements with customers for software related services are either on a time and material or on a fixed-price or on a fixed-timeframe.

#### a) Time and material contracts

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

#### b) Fixed-price contracts

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended are used to measure progress towards completion as there is a direct relationship between input and productivity.

The Groups revenue is categorized broadly into the following types:

- i) Professional Services
- ii) Cloud Services/ Usage based Subscription Services
- iii) Support and Maintenance Services
- iv) License Fee

#### i) Professional Services:

The professional services do not significantly change the base software or its functionalities. They are considered as a distinct deliverable and recognized as a separate obligation over the period of delivery on a percentage completion basis.

#### ii) Cloud Services/ Usage based Subscription Services:

This is a service obligation of the Group over a period of time and is paid by the customer on a recurring monthly fee based on the service being provided. Given that the obligations to this contract are met on an ongoing basis over the period of the contract, the Group recognizes the revenue on a monthly basis based on the subscriptions earned for the month in which the services are provided on the minimum subscription applicable based on the usage of the customer during that month. In addition to this the Group estimates any variations to this at the end of quarter and true up for the variations when they happen.

#### iii) Support and Maintenance:

Support and maintenance are time bound obligations for the Group to be provided over the term of the contract and hence recognized ratably over the term of the contract.

In respect of contracts for software customization, related services and maintenance services, the Group has applied the guidance in Ind AS 115. Revenue from contracts with customer, by applying the revenue recognition criteria after identifying distinct performance obligation. The arrangements with customers generally meet the criteria for considering software customization, development, support and maintenance and related services as distinct performance obligations and income is assigned accordingly.

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

## iv) License Fee:

- a) For all Licenses sold or delivered prior to April 01, 2018, Group will continue to fulfill its obligation towards the non-distinct support and License arrangements and will continue to recognize revenue over the period of the contract. At the end of the term, if the customer wishes to renew or in case the customer contracts Group to upgrade to the current out of the box version, Group will consider all its obligations under the previous contract as completed and will recognize the going forward License revenue at a point of time in line with the revenue recognition of all current contracts.
- b) For all Licenses handed over to the customer in 2018-19, sold as out of the box product, of the License Fees, based on the Groups estimates a percentage is allocable towards the ongoing support to be provided towards maintenance of the base product. Rest of the contracted license fee and implementation fee is recognized in proportion to the work completed for implementation as they are considered integral part of sale of the product.
- c) In contracts wherein the software is considered to be handed over to the customer on acceptance of the base product, the License fees will be recognized for the entire initial term at a point of time after transfer to the customer has occurred, regardless of the payment schedule.
- d) In contracts wherein complex change or roll out of the software which require extensive augmentative integration services to the software to make it ready for the customer for them to derive any value, the License and the augmentative integration services will be treated as combined performance obligation, and license revenue will be recognized together with such professional services revenue over the implementation period on a percentage completion method regardless of the payment schedule.
- e) For all variable License Fees contracts, where the License Fees are structured based on a usage model, the revenue recognition follows the same principle that the Group is adopting for usage-based subscription model included under the relevant section in this policy.

Revenues in excess of invoicing are classified as contract assets (which is classified as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which is classified as unearned revenues).

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Group presents revenues net of indirect taxes in the Statement of Profit and loss.

Unbilled revenue included in 'Other current financial assets', represents amounts in respect of services performed in accordance with contract terms, not yet billed to customers at the year end. Unearned revenue included in 'Other current liabilities' represents amounts received/billed in excess of the value of work performed in accordance with the terms of the contracts with customers.

## 2.8 Other Income

Dividend income from investments is recognized when the right to receive payment is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and the applicable rate of interest. Rental income is recognized on a straight line basis over the term of the lease as per the terms of the base contract or such other systematic method as considered appropriate. Income from current investments are recognised periodically based on fair value through profit and loss (FVTPL) as on reporting date. Retained gain / loss are recognised on the date on which these investments are sold.

## 2.9 Taxes

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.

### (a) Current income tax

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## (b) Deferred tax

Deferred tax is recognized on timing differences between the accounting income 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 tax assets are recognized and carried forward to the extent it is probable and supported by convincing evidence that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets in respect of unabsorbed depreciation or carry forward losses are recognized only to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets is reviewed at each balance sheet date for any write down or reversal, as considered appropriate.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the foreseeable future. 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 foreseeable future.

Current tax assets (classified as non-current and current as stated in 2.1(b) above) and liabilities are offset when there is a legally enforceable right to set off the recognized amount and there is an intention to settle the asset and liability on a net basis.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets and liabilities.

## 2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest

(Amount in INR lakhs, unless otherwise stated)

and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## 2.11 Leases

### As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as a lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lesser) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Also initial direct cost incurred in operating lease such as commissions, legal fees and internal costs is recognised immediately in the Statement of Profit and Loss.

Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. Such assets are disclosed as leased assets under tangible assets and are depreciated in accordance with the Group's depreciation policy described in note 2.2. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

## 2.12 Impairment of non-financial assets

At each Balance Sheet date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, management estimates the recoverable amount. Recoverable amount is higher of an asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the Profit and Loss Statement to the extent carrying amount exceeds recoverable amount. Assessment is also done at each Balance sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each Cash Generating Unit (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

## 2.13 Provision and contingent liabilities

Provisions are recognized when the Group has a present legal obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. When no reliable estimate can be made, a disclosure is made as a contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, 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 past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

## 2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effect of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associate with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

## 2.15 Financial instruments

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, loans and borrowings and payables are recognised net of directly attributable transaction costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL), non derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTOCI

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

### a) Non-derivative financial assets

#### (i) Financial assets at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

## (ii) Debt instruments at FVTOCI

A debt instrument is measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the asset's contractual cash flow represent SPPI

Debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain/(loss) in statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the effective interest rate (EIR) model.

## (iii) Equity instruments at FVTOCI

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to statement of profit and loss.

## (iv) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL.

In addition the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Company has not designated any financial asset as FVTPL. Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss.

## b) Non-derivative financial liabilities

### (i) Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

### (ii) Financial liabilities at FVTPL

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.

## c) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities and forecasted cash flows denominated in foreign currencies. The counterparty for these contracts is generally a bank. Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in the statement of profit and loss.

- (i) **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. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized



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For the year ended March 31, 2019

in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the related forecasted transaction.

- (ii) **Others:** Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges and the ineffective portion of cash flow hedges are recognized in the statement of profit and loss and reported within foreign exchange gain / (loss).

## 2.16 Employee benefits

### (a) Short-term obligations

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized in the year during which the employee rendered the services. These benefits comprise compensated absences such as paid annual leave and performance incentives.

### (b) Other long-term employee benefit obligations

#### (i) 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, pension fund (NPS) 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, 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.

The Group also make payments to defined contribution plans established and maintained in accordance with the local laws of the United States, Canada and United Kingdom and of the jurisdictions in which the subsidiaries are located. The monthly contributions to all of these plans are charged to the Statement of Profit and Loss in the year they are incurred and there are no further obligations under these plans beyond those monthly contributions.

#### (ii) Defined benefit plans

**Gratuity:** The Group has defined benefit plans for post employment benefits in the form of gratuity for its employees in India. The gratuity scheme of the Group is administered through Life Insurance Corporation of India (LIC). Liability for defined benefit plans is provided on the basis of actuarial valuations, as at the Balance Sheet date, carried

(Amount in INR lakhs, unless otherwise stated)

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 and losses are recognized immediately in the Other Comprehensive Income (OCI) as income or expense (net of taxes).

**Compensated absences:** 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. Leave encashment vests to employees on an annual basis for leave balance above the upper limit as per the Company's policy. 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 subject to an upper limit as per the Company's policy. Liability for such benefit 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 and losses are recognized immediately in the Statement of Profit and Loss as income or expense.

### (c) Share based payments

#### Employee stock options:

Stock options granted to employees of the company and its subsidiaries under the stock option schemes are covered by Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014. The subsidiary of the Company also has stock option scheme, where options are granted to employees, consultants, directors at an exercise or grant price determined by the Board of Directors on the date of grant. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, based on the estimated fair value of the award and recognizes the cost on a straight-line basis (net of estimated forfeitures) over the employee's requisite service period for the entire award. Forfeitures are estimated on the date of grant and revised if actual or expected forfeiture activity differs materially from the original estimates. The Group estimates the fair value of stock options using a Black-Scholes valuation model. The cost is recorded in Employee benefits expenses.

## 2.17 Foreign currency

### Functional currency

The functional currency of Majesco Software and Solution India Private Ltd. (MSSIPL) is the Indian rupee. The functional currencies for Majesco USA, Majesco Software

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

and Solutions Inc, Coverall Systems Inc, Majesco (UK) Ltd., Majesco Canada Ltd., Majesco Sdn Bhd., Majesco (Thailand) Co. Ltd., Majesco Asia Pacific Pte Ltd. and Exaxe Holding Limited are their respective local currencies. These financial statements are presented in Indian rupees (rounded off to lakhs).

## Transactions and translations

Foreign-currency-denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction. The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed of, in full, the relevant amount is transferred to net profit in the Statement of Profit and Loss. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through 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.

## 2.18 Business combination, goodwill and intangible assets

Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

(Amount in INR lakhs, unless otherwise stated)

Transaction costs incurred in connection with a business combination are expensed as incurred.

### a) Goodwill on consolidation:

Goodwill arising on consolidation is stated at cost less impairment losses, were applicable. On disposal of a subsidiary, attributable amount of goodwill is included in the determination of the profit or loss recognised in the Statement of Profit and Loss. On acquisition of an associate or joint venture, the goodwill/capital reserve arising from such acquisitions included in the carrying amount of the investment and also disclosed separately. Impairment loss, if any, to the extent the carrying amount exceed the recoverable amount is charged off to the Statement of Profit and Loss as it arises and is not reversed. For impairment testing, goodwill is allocated to Cash Generating Unit (CGU) or group of CGUs to which it related, which is not larger than an operating segment, and is monitored for internal management purposes.

### b) Intangible assets

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 acquire. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

## 2.19 Contributed equity

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 2.20 Earnings per share

Basic earnings per share (EPS) are calculated by dividing the net loss / profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by adjusting the number of shares used for basic EPS with the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value i.e. average market value of outstanding shares.

The number of shares and potentially dilutive shares are adjusted for share splits and bonus shares, as appropriate.

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

In calculating diluted earnings per share, the effects of anti dilutive potential equity shares are ignored. Potential equity shares are anti-dilutive when their conversion to equity shares would increase earnings per share or decrease loss per share.

## 2.21 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest lakhs as per requirement of Schedule III of the Act, unless otherwise stated.

## 3 Basis of consolidation

The Consolidated Financial Statements (CFS) - consolidates the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Group. The assets, liabilities, income and expenses of subsidiaries are aggregated and consolidated, line by line, from the date control is acquired by any Group entity to the date it ceases. Profit or loss and each component of other comprehensive income are attributed to the Group as owners and to the non-controlling interests. The Group presents the non-controlling interests in the Balance Sheet separately from the equity of the Group as owners. The excess of the Group's investment in a subsidiary over its share in the net worth of such subsidiary on the date control is acquired is treated as goodwill while a deficit is considered as a capital reserve in the CFS. On disposal of the subsidiary, attributable amount on goodwill is included in the determination of the profit or loss and recognised in the Statement of Profit and Loss. Impairment loss, if any, to the extent the carrying amount exceeds the recoverable amount is charged off to the Statement of Profit and Loss as it arises and is not reversed. For impairment testing, goodwill is allocated to Cash Generating Unit (CGU) or a group of CGUs to which it relates, which is not larger than an operating segment, and is monitored for internal management purposes. The proportionate share of the Group in the net profits/losses as also in the other comprehensive income is recognised in the Statement of Profit and Loss and the carrying value of the investment is adjusted by a like amount (referred as 'equity method'). All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### Operating cycle

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 - Presentation of Financial

(Amount in INR lakhs, unless otherwise stated)

Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

## 4(a) Ind AS 115

Effective from April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative effect method, the comparatives have not been retrospectively adjusted. The policies in effect for revenue recognition prior to April 1, 2018 is disclosed in Note 2.11 under Summary of Significant Accounting Policies in the financial statements for the year ended March 31, 2018. The adoption of the standard did not have any material impact on the financial statements for the year ended March 31, 2019.

## 4(b) Recent accounting pronouncements

On 30 March, 2019, Ministry of Corporate Affairs ('MCA') has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 Leases that will supersede Ind AS 17 Leases.

The new standard will come into force from 1 April, 2019. The Company is evaluating the requirements of the new standard and its effect on the financial statements.

Ind AS 116 requires lessees to recognize assets and liabilities arising from all leases (except for short-term leases and leases of low-value assets) in the statement of financial position. The company will have to capitalise all assets currently held under operating leases. Operating lease expenses will be replaced by a depreciation expense on Right of Use assets recognised and an interest expense as the implicit interest rate as the lease liabilities unwinds.

The standard allows for two transition methods: retrospectively for all periods presented, or using a modified retrospective approach where the cumulative effect of adoption is recognised at the date of initial application. The Company is evaluating which of these transition methods will be adopted.

Also, the notified Companies (Indian Accounting Standards) Amendment Rules, 2019 amended changes to other Ind AS standards: Ind AS 103 Business Combinations and Ind AS 111 Joint Operations, Ind AS 109 Financial Instruments, Ind AS 12 Income Taxes, Ind AS 19 Employee Benefits and Ind AS 23 Borrowing Costs. These amendments shall come into effect from 1 April 2019. The Company is evaluating the impact of these amendments.



# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

## 6 Other intangible assets and goodwill (i) Other intangible assets

	Grossblock					Amortization					Net block		
	As at April 1, 2018	Additions/ Adjustments	Assets Acquired (Refer Note 56)	Deductions/ Adjustments	Foreign exchange translation adjustments	As at March 31, 2019	As at April 1, 2018	For the year	On Assets Acquired (Refer Note 56)	Deductions/ Adjustments	Foreign exchange translation adjustments	As at March 31, 2019	As at March 31, 2018
Computer Software	3,432	23	-	(670)	153	2,938	2,944	179	-	(670)	135	2,588	350
Technology	-	-	5,301	-	(397)	4,904	-	-	507	-	(18)	489	4,415
Trade Name	-	-	264	-	(20)	244	-	-	38	-	(1)	37	207
Customer relationships	-	-	1,202	-	(90)	1,112	-	-	13	-	(0)	13	1,099
<b>Total</b>	<b>3,432</b>	<b>23</b>	<b>6,767</b>	<b>(670)</b>	<b>(354)</b>	<b>9,198</b>	<b>2,944</b>	<b>179</b>	<b>558</b>	<b>(670)</b>	<b>116</b>	<b>3,127</b>	<b>488</b>

	Grossblock					Amortization					Net block		
	As at April 1, 2017	Additions/ Adjustments	Assets Acquired	Deductions/ Adjustments	Foreign exchange translation adjustments	As at March 31, 2018	As at April 1, 2017	For the year	On Assets Acquired	Deductions/ Adjustments	Foreign exchange translation adjustments	As at March 31, 2018	As at April 1, 2017
Computer Software	2,961	392	-	(2)	81	3,432	2,559	307	-	(2)	80	2,944	488
<b>Total</b>	<b>2,961</b>	<b>392</b>	<b>-</b>	<b>(2)</b>	<b>81</b>	<b>3,432</b>	<b>2,559</b>	<b>307</b>	<b>-</b>	<b>(2)</b>	<b>80</b>	<b>2,944</b>	<b>488</b>

## (ii) Goodwill

The group tests goodwill for impairment annually on March 31. The impairment assessment is based on value in use calculations in case of goodwill arising on consolidation as well as goodwill arising on acquisition of business. During the year ended March 31, 2019 the testing did not result in any impairment in the carrying amount of goodwill. The carrying amount of goodwill is attributable to the following CGUs / group of CGUs.

Particulars	As of	
	March 31, 2019	March 31, 2018
Goodwill on Agile acquisition * (Refer note 55)	3,424	3,232
Goodwill on consolidation of Majesco Software and Solutions, Inc., USA with Majesco, USA *	20,046	18,892
Goodwill on consolidation of Exaxe Holdings Ltd. with Majesco, USA - (Refer note 56)	1,236	-
<b>Total</b>	<b>24,706</b>	<b>22,124</b>

\* The above amounts vary due to exchange fluctuations.

The recoverable amount of above CGUs on aggregate basis are based on value-in-use, which is determined based on five year consolidated business plans of the group that have been prepared by management for internal purposes. The cash flows beyond the planning period are extrapolated using appropriate terminal growth rates. The terminal growth rates used do not exceed the long term average growth rates of the respective industry and country in which the entity operates and are consistent with the internal / external sources of information.

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

The key assumptions used in value-in-use calculations are as follows:

- Earnings before interest and taxes (EBIT)
- Discount rate
- Growth rates
- Anticipated capital expenditure

## EBIT MARGINS:

The margins have been estimated based on past experience after considering incremental revenue arising out of services from the existing and new customers. Margins will be positively impacted from the efficiencies and initiatives driven by the company; whereas, factors like increased cost of operations may impact the margins negatively.

## Discount rate:

Discount rates reflects current market assessment of the specific CGUs and is estimated based on the weighted average cost of capital for respective CGU/group of CGUs. Pre-tax discount rate used was ranging from 4.5% to 5.75% for the year ended March 31, 2019 (previous year 7.78%)

## Growth rates:

The growth rates used is in line with the long term average growth rates of the respective industry and country in which the entity operates considering the technology involved and are consistent with the internal / external sources of information. The average growth rates used in extrapolating cash flows ranged from 12% to 16%. (previous year 12% to 16%)

## Capital expenditure:

The cash flow forecasts of capital expenditure are based on past experience after considering the additional capital expenditure required which is expected to be very nominal.

## 6 Investment property

	As at March 31, 2019	As at 31 March 2018
<b>Gross block</b>		
Opening	-	388
Add : Transfer pursuant to the scheme of arrangement	-	-
Add : Addition during the year	-	262
Less : Deductions / adjustments	-	(650)
<b>Closing</b>	-	-
<b>Less : Accumulated depreciation</b>		
Opening	-	157
Add : Transfer pursuant to the scheme of arrangement	-	-
Add : Depreciation for the year	-	12
Less : Deductions / adjustments	-	(169)
<b>Closing</b>	-	-
<b>Net block</b>	-	-
<b>Information regarding income and expenditure of investment property</b>		
Rental income derived from investment properties	-	36
Operating expenses generating rental income	-	16
Profit arising from investment properties before depreciation and indirect expenses	-	20
Less – Depreciation	-	12
Profit / (loss) arising from investment properties before indirect expenses	-	8

The Company has sold off the property in the previous financial year and recognised gain of INR 1,063 lakhs as an exceptional item (Refer note 38).

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
<b>7 Financial assets- non current investments</b>		
Other investments - unquoted		
Investments measured at cost		
5.25 %, 500 nos, (face value INR 10,000/- each), (March 31,2018; 500 face value INR 10,000/- each) in Secured Non Convertible Redeemable REC Capital Gains Tax Exemption bonds	50	50
<b>Total</b>	<b>50</b>	<b>50</b>
Aggregate amount of unquoted investments	50	50
Aggregate amount of impairment in the value of unquoted investments	-	-
<b>8 Non-current financial assets - loans</b>		
Unsecured, considered good		
Security deposits	332	371
<b>Total</b>	<b>332</b>	<b>371</b>
<b>9 Non-current financial assets - others</b>		
MTM gains receivable on outstanding derivative contracts	302	30
Balance held with bank as margin money against bank guarantee	30	35
Unbilled revenue considered good	301	-
<b>Total</b>	<b>633</b>	<b>65</b>
<b>10 Income tax assets (net)</b>		
Advance income tax (net)	769	604
<b>Total</b>	<b>769</b>	<b>604</b>
<b>11 Other non-current assets</b>		
Capital advance	37	-
Prepaid expenses	109	152
<b>Total</b>	<b>146</b>	<b>152</b>
<b>12 Financial assets current - investments</b>		
At fair value through profit and loss (fully paid)		
Investments in Mutual Funds (Quoted) (Refer note 12.1)		
Franklin India Short Term Income Plan - Retail Plan - Growth *	2,277	2,091
Franklin India Low Duration Fund - Growth *	2,261	2,077
UTI Credit Risk Fund - Regular Growth Plan *	2,186	-
UTI Liquid Cash Plan - Regular Growth Plan	370	-
Reliance Liquid Fund - Growth Plan - Growth Option	360	-
SBI Liquid Fund Regular Growth	301	-
HDFC Liquid Fund - Regular Plan - Growth	269	-
Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan	207	-
Kotak Liquid Regular Plan Growth	206	-
ICICI Prudential Liquid Fund - Growth	199	-
L&T Liquid Fund - Regular Growth	26	2,553
Kotak Floater Short Term Fund - Growth	-	1,002
Indiabulls Liquid Fund - Growth	-	2,503
Reliance Quarterly Interval Fund - Growth	-	3,062

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
UTI Money Market - IP - Growth	-	3,032
SBI Magnum Insta Cash Fund - Liquid Floater - Growth	-	2,514
ICICI Prudential Money Market Fund - Regular - Growth	-	2,504
DHFL Pramerica Liquid Fund - Growth	-	2,503
HSBC Cash Fund - Growth	-	1,001
Aditya Birla Sun Life Savings Fund - Growth	-	614
ICICI Prudential Flexible Income Plan - Reg - Growth	-	614
HDFC F R I F - STF - WP - Growth	-	614
LIC MF Liquid Fund - Growth	-	50
Kotak Low Duration Fund - Std -Growth *	-	2,075
UTI Income Opportunities Fund -Growth *	-	2,071
<b>Total</b>	<b>8,662</b>	<b>30,880</b>

\* These investments costing INR 6,000 lakhs (March 31, 2018: INR 8,000 lakhs) and fair value INR 6,724 lakhs (March 31, 2018:INR 8,314 lakhs) were under lien with HSBC Bank for stand by documentary credit (SBDC) of US\$ 10 million (March 31, 2018:US\$ 10 million) given by HSBC Bank, for the term loan availed by Majesco, USA, subsidiary of the Company. The term loan avail from HSBC has been fully repaid by Majesco US, subsidiary and the lien has been removed subsequent to the balance sheet date.

## 12.1. Details of investments in Mutual Funds (Quoted) designated at FVTPL:

	Face Value (in INR.)	Number of units	
		As at 31 March 2019	As at 31 March 2018
Franklin India Short Term Income Plan - Retail Plan - Growth	1000/-	56,967	56,967
Franklin India Low Duration Fund - Growth	10/-	10,400,968	10,400,968
UTI Credit Risk Fund - Regular Growth Plan	10/-	13,066,435	-
UTI Liquid Cash Plan - Regular Growth Plan	1000/-	12,138	-
Reliance Liquid Fund - Growth Plan - Growth Option	1000/-	7,925	-
SBI Liquid Fund Regular Growth	1000/-	10,310	-
HDFC Liquid Fund - Regular Plan - Growth	1000/-	7,352	-
Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan	100/-	69,187	-
Kotak Liquid Regular Plan Growth	1000/-	5,471	-
ICICI Prudential Liquid Fund - Growth	100/-	72,250	-
L&T Liquid Fund - Regular Growth	1000/-	1,012	107,456
Kotak Floater Short Term Fund - Growth	1000/-	-	35,211
Indiabulls Liquid Fund - Growth	1000/-	-	148,154
Reliance Quarterly Interval Fund - Growth	10/-	-	12,826,707
UTI Money Market - IP - Growth	10/-	-	14,330,480
SBI Magnum Insta Cash Fund - Liquid Floater - Regular Plan-Growth	1000/-	-	87,075
ICICI Prudential Money Market Fund - Regular - Growth	100/-	-	1,045,432
DHFL Pramerica InstaCash Fund Plus - Growth	100/-	-	1,112,678
HSBC Cash Fund - Growth	1000/-	-	58,002
Aditya Birla Sun Life Savings Fund - Growth	100/-	-	179,576
ICICI Prudential Flexible Income Plan - Reg - Growth	100/-	-	184,175
HDFC F R I F - STF - WP - Growth	10/-	-	2,028,624
LIC MF Liquid Fund - Growth	1000/-	-	1,603
Kotak Low Duration Fund - Std -Growth	1000/-	-	97,754
UTI Income Opportunities Fund -Growth	10/-	-	13,066,435



# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>13 Trade receivable</b>		
Unsecured		
Considered good	11,960	12,832
Considered doubtful	1,288	1,143
Less : Allowance for bad and doubtful debts	(1,288)	(1,143)
<b>Total</b>	<b>11,960</b>	<b>12,832</b>
Expected Credit Loss:- Credit risk is perceived mainly in case of receivables overdue for more than 180 days. The following table gives details of risk concentration in respect of percentage of receivables overdue for more than 180 days:		
Receivables overdue for more than 180 days	1,288	1,143
Total Receivables	13,248	13,975
Overdue for more than 180 days as a % of total receivables	10%	8%
Amount provided against receivables overdue for more than 180 days	1,288	1,143
<b>Movement in expected credit loss allowance :</b>		
Opening balance	1,143	817
Movement in expected credit loss allowance (Refer note 37)	114	309
Effect of foreign currency translation	31	17
<b>Closing balance</b>	<b>1,288</b>	<b>1,143</b>
<b>14 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Balances with banks		
Current accounts *	5,128	5,375
EEFC accounts	3,004	601
Fixed deposits with original maturity of less than 3 months	2,854	-
<b>Total</b>	<b>10,986</b>	<b>5,976</b>
*includes balance in special dividend account	3	3
<b>15 Bank balances other than cash and cash equivalents</b>		
In Fixed deposit with original maturity of more than 3 months but less than 12 months		
Restricted (Refer note 15.1)	500	500
Others	20,165	2,501
<b>Total</b>	<b>20,665</b>	<b>3,001</b>
15.1 As at March 31, 2019, fixed deposits of INR 500 lakhs (March 31, 2018 INR 500 lakhs) with Standard Chartered Bank were under lien for PCFC facility availed by Majesco Software and Solutions India Private Ltd., step down subsidiary of the Company.		
<b>16 Current financial assets - loans</b>		
Unsecured		
Security deposit		
Considered good	-	9
Considered doubtful	-	8
Less: Provision for doubtful	-	(8)
<b>Total</b>	<b>-</b>	<b>9</b>

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>17 Current financial assets - others</b>		
Interest accrued on fixed deposits	88	41
MTM gains receivable on outstanding derivative contracts	91	127
Balances with Banks- margin money	10	-
Other Advances and Receivable	1,901	-
Reimbursable expenses receivables considered good	24	22
Unbilled revenue		
Considered good	12,635	6,401
Considered doubtful	-	395
Less : Provision for doubtful unbilled revenue	-	(395)
<b>Total</b>	<b>14,749</b>	<b>6,591</b>
<b>18 Income tax assets</b>		
Advance income tax (net)	150	65
<b>Total</b>	<b>150</b>	<b>65</b>
<b>19 Other current assets</b>		
Balance with statutory authorities	657	683
Advances to suppliers	417	424
Advances to employees	104	136
Prepaid expenses	1,572	1,244
Others *	286	248
<b>Total</b>	<b>3,036</b>	<b>2,735</b>
* Note: Includes share of stamp duty INR 248 lakhs (March 31, 2018 INR 248 lakhs) against demand on Mastek Ltd by the office of the superintendent of Stamps, Gandhinagar, for implementation of the demerger scheme, paid under protest.		
<b>20 Equity share capital</b>		
The Company has only one class of equity share capital having a par value of INR 5 per share, referred to herein as equity shares.		
<b>Authorized</b>		
5,00,00,000 (March 31, 2018: 5,00,00,000) Equity Shares of INR 5/- each	2,500	2,500
	<b>2,500</b>	<b>2,500</b>
<b>Issued, subscribed and paid up</b>		
2,83,45,441 (March 31, 2018: 2,81,22,396) equity shares of INR 5/- each fully paid up	1,417	1,406
<b>Total</b>	<b>1,417</b>	<b>1,406</b>

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

## (a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	28,122,396	1,406	23,363,035	1,168
Add : Shares issued on exercise of options	223,045	11	315,512	16
Add : Shares issued under QIP ( Refer note (b) below)	-	-	4,443,849	222
Outstanding at the end of the year	28,345,441	1,417	28,122,396	1,406

(b) In the previous year, the Company had issued 44,43,849 Equity shares of INR 5 each for cash pursuant to qualified institutional placement (QIP) for inorganic growth, including through overseas subsidiaries and step down subsidiaries, investment in subsidiaries, repayment and prepayment of debt, working capital and other corporate purpose, as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, at INR 520 per share aggregating to INR 22,527 lakhs including share premium, less issue expenses. This issue was fully subscribed and allotment was completed on February 1, 2018.

The funds so collected were utilized by the Company for investing in the rights issue of its subsidiary, Majesco, USA. The Company subscribed to 45,81,109 number of shares at \$ 7.10 per share, the equivalent Rupee value of these investments is INR 23,202 lakhs.

## (c) Rights, preferences and restrictions attached to shares:

Equity Shares: The Company has only one class of equity shares having par value of INR 5/- per share. Each shareholder is entitled to one vote per share held. Dividend, if any declared is payable in Indian Rupees.

## (d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Ashank Desai	3,099,552	10.93%	3,099,552	11.02%
Sudhakar Venkatraman Ram	1,831,763	6.46%	2,081,763	7.40%
Ketan Mehta	2,719,361	9.59%	2,619,100	9.31%

## (e) No class of shares have been issued as bonus shares or for consideration other than cash by the Company since its incorporation.

	As at March 31, 2019	As at March 31, 2018
(f) Shares reserved for issue under options (Refer note 42)	1,943,506	2,252,012

(g) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

(h) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by them.

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
<b>21 Other equity</b>		
<b>(A) Capital reserve</b>		
Opening balance	5,219	5,219
<b>Closing balance</b>	<b>5,219</b>	<b>5,219</b>
<b>(B) Employee Stock options outstanding account (ESOOA)</b>		
(The Employee stock options outstanding account is used to record the fair value of equity-settled share based payment transactions. The amounts recorded in this account are transferred to share premium upon exercise of stock options. In case of cancellation of options, corresponding balance is transferred to Retained earnings.)		
Opening balance	4,316	3,020
Add: Employee stock option expense	2,238	1,669
Less: Transferred to securities premium on exercise of stock options	(101)	(242)
Less: Transferred to retained earnings on cancellation of vested/unvested options	(24)	(131)
<b>Closing balance</b>	<b>6,429</b>	<b>4,316</b>
<b>(C) Securities premium</b>		
(Amounts received on issue of shares in excess of the par value has been classified as securities premium.)		
Opening balance	23,789	681
Add : Addition on account of QIP (Refer note 20 (b) )	-	22,305
Add : Addition on account of exercise of shares under ESOP	305	368
Add : Addition on account of exercise of shares under ESOP - in subsidiary	479	277
Add : Addition on account of exercise of shares under Right issue- in subsidiary	7,809	-
Add / (less) : Adjustment for Non-controlling interest	(2,442)	(84)
Add : Transferred from employee stock options outstanding account on exercise of options	101	242
Less: Expenses on right issue in subsidiary	(71)	-
<b>Closing balance</b>	<b>29,970</b>	<b>23,789</b>
<b>(D) General reserve</b>		
(This represents appropriation of profit by the group)		
Opening balance	4,272	4,272
Less: Reclassification from General reserve to Retained earnings	(284)	-
<b>Closing balance</b>	<b>3,988</b>	<b>4,272</b>
<b>(E) Retained earnings</b>		
(Retained earnings comprise of the Group prior years' undistributed earnings after taxes.)		
Opening balance	15,537	15,538
Add: Net Profit for the current year	5,405	629
Add : Remeasurement gains on gratuity plan	(91)	36
Less: Adjustment for Non-controlling interest on remeasurements gains on gratuity plan	27	(8)
Less: Special dividend including dividend distribution tax	-	(283)
Less : Impact on opening Non-controlling interest due to change in control during the year	138	(45)
Less : Non-controlling interest on ESOOA reserve	(507)	(461)
Add: Transferred from ESOOA on cancellation of vested/unvested options	24	131
Add: Reclassification from General reserve to Retained earnings	284	-
<b>Closing balance</b>	<b>20,817</b>	<b>15,537</b>
<b>(F) Hedging reserve account - OCI</b>		
Opening balance	67	63
Add: Net change in fair value of cash flow hedge	157	6
Add: Adjustment for Non-controlling interest	(47)	(2)
<b>Closing balance</b>	<b>177</b>	<b>67</b>

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
<b>(G) Foreign currency translation reserve - OCI</b>		
Opening balance	(278)	(649)
Add : Exchange gain / (loss) on translation during the year	(53)	532
Add: Adjustment for Non-controlling interest	15	(161)
Closing balance	(316)	(278)
<b>Total</b>	<b>66,284</b>	<b>52,923</b>

## 22 Non-current borrowings

<b>Secured :</b>		
Term loan from bank	-	3,258
Long term maturities of lease obligations	-	134
Long term maturities of auto loans *	76	22
<b>Total</b>	<b>76</b>	<b>3,414</b>

\* Auto loans are obtained against the hypothecation of the vehicles & are repayable within a period of 5 years

Term loan from bank : On March 23, 2016, Majesco, subsidiary of the Company had availed the loan of US\$ 10 million from HSBC which has been fully repaid during the year by the Company.

Nature of borrowing :	Term loan facility
Rate of interest :	LIBOR plus a margin in effect of the first day of the relevant interest period
Term of repayments :	Six equal instalments, commencing from January 1, 2018 and on each January 1 and July 1 thereafter until July 2020. However loan has been fully repaid by the company during the year
<b>Security :</b>	
Charge holder	HSBC
Amount	US\$ 10 million
Nature of security	The facility is unsecured and supported by a letter of credit issued by HSBC India, which is secured by a cash pledge of the Company ( Refer note 12 and 15 )

As on 31 March 2019, one of the step down subsidiaries has also been sanctioned PCFC limits by Standard Chartered Bank Limited (INR 2000 lakhs) in respect of which charges have been registered with the Registrar of the Companies on pari passu basis on the current assets of one of the step down subsidiaries, which however have not been drawn till the Balance Sheet date.

## 23 Other non-current financial liabilities

Deferred consideration payable on business acquisition (Refer note 56)	2,001	-
MTM losses on outstanding derivative contracts	15	11
<b>Total</b>	<b>2,016</b>	<b>11</b>

## 24 Non-current provisions

Provision for employee benefits ( Refer note 41 )		
Provision for gratuity (funded)	408	47
Provision for leave encashment (unfunded)	2,339	2,145
<b>Total</b>	<b>2,747</b>	<b>2,192</b>

## 25 Other non-current liabilities

Unearned revenue	2,356	2,831
<b>Total</b>	<b>2,356</b>	<b>2,831</b>

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
<b>26 Short -term borrowings</b>		
Secured :		
Working capital loan from banks	287	3,429
<b>Total</b>	<b>287</b>	<b>3,429</b>
<b>1. Working capital loan from banks</b>		
Nature of borrowing :	Advance fund against receivables	
Rate of interest :	Libor + 2%	
<b>Security :</b>		
Charge holder	HSBC Bank	
Amount	Not applicable	
Nature of security	Receivables of US subsidiary and step down subsidiary	
<b>27 Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,651	1,596
<b>Total</b>	<b>1,651</b>	<b>1,596</b>
*Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.		
<b>28 Other financial liabilities</b>		
Interest accrued but not due on loan	-	152
Credit balances in bank accounts	295	-
MTM losses on outstanding derivative contracts	94	83
Current maturities of auto loan obligations	19	173
Current maturities of long term borrowings ( Refer note 22 )	-	2,173
Deferred consideration payable on business acquisition (Refer note 56 )	896	1
Contingent consideration	-	543
Capital creditors	73	163
Employee related payables	8,232	4,677
Accrued expenses	3,359	2,157
Unpaid special dividend	3	3
<b>Total</b>	<b>12,971</b>	<b>10,125</b>
<b>29 Other current liabilities</b>		
Unearned revenue	5,265	5,147
Statutory dues payable	1,037	1,215
Others	98	112
<b>Total</b>	<b>6,400</b>	<b>6,474</b>
<b>30 Current provisions</b>		
Provision for employee benefits ( Refer note 41 )		
Provision for leave encashment (unfunded)	758	865
Provision for cost overrun on contracts	439	379
<b>Total</b>	<b>1,197</b>	<b>1,244</b>
<b>31 Income tax liabilities (net)</b>		
Provision for tax	932	35
<b>Total</b>	<b>932</b>	<b>35</b>

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
<b>32 Revenue from operations</b>		
Information technology services	97,898	79,884
Reimbursement of expenses from customers	912	720
<b>Total</b>	<b>98,810</b>	<b>80,604</b>
<b>33 Other income</b>		
Interest income on fixed deposits	340	266
Interest on income tax refund	-	16
Gain on foreign currency transactions and translation (net)	216	-
Profit on sale of investments designated as FVTPL (mutual funds)	1,922	233
Income from sale of property, plant and equipment (net)	6	11
Fair valuation adjustments of investments designated as FVTPL (mutual funds)	254	442
Gain on fair valuation of security deposit (net)	15	18
Rental income	6	36
Miscellaneous income	51	70
<b>Total</b>	<b>2,810</b>	<b>1,092</b>
<b>34 Employee benefit expenses</b>		
Salaries, wages, bonus and other allowances	57,324	49,692
Contribution to provident fund, ESI and other funds (Refer note 41)	3,130	2,857
Gratuity expenses	275	244
Compensated absences expenses	708	802
Employee stock option expense (Refer note 42)	2,254	1,658
Staff welfare expenses	2,416	2,031
<b>Total</b>	<b>66,107</b>	<b>57,284</b>
<b>35 Finance costs</b>		
Interest expense on borrowings	311	313
Amortization of upfront fees paid on borrowings	36	31
Interest on fair valuation of contingent consideration	-	51
Interest on fair valuation of deferred consideration	-	35
Other finance charges	14	59
<b>Total</b>	<b>361</b>	<b>489</b>
<b>36 Depreciation and amortization expenses</b>		
Depreciation on property, plant and equipment	1,224	1,466
Amortization of intangible assets	737	307
Depreciation on investment property	-	12
<b>Total</b>	<b>1,961</b>	<b>1,785</b>
<b>37 Other expenses</b>		
Travelling and conveyance	4,702	4,637
Consultancy and sub-contracting charges	6,260	5,701
Professional fees ( Refer Note (a) & (b) below)	3,182	2,207

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Hardware and software expenses	2,997	2,884
Repairs and maintenance		
Buildings	517	247
Others	200	240
Rent	1,293	1,258
Advertisement and publicity	461	634
Communication charges	782	749
Recruitment and training expenses	392	260
Rates and taxes	468	216
Insurance	409	356
Electricity	396	311
Membership and subscription	350	361
Provision for doubtful debts ( net)	114	309
Consultancy, subcontracting, settlement (Refer note 60)	874	-
Bad debts written off	58	79
Printing and stationery	173	167
Hire charges	94	82
Stock exchange listing fees	46	57
CSR expenditure / donations	44	11
Loss on foreign currency transactions and translations (net)	-	52
Miscellaneous expenses	247	242
<b>Total</b>	<b>23,185</b>	<b>21,060</b>
Note : The following is the break-up of auditors remuneration (exclusive of GST)		
<b>(a) Payment to auditors</b>		
i. Statutory audit (including audit of consolidated financial statements)	30	28
ii. Limited review	13	13
iii. Audit of special purpose financial statements	8	8
iv. Certification fees	1	6
v. Reimbursement of expenses	4	4
<b>(b) Payment to auditors of subsidiaries</b>		
i. Statutory audit	134	133
<b>38 Exceptional items</b>		
Demerger expenses - rates and taxes	-	10
Reversal of contingent consideration (Refer note 55)	(584)	-
Acquisition Expenses (Refer note 56)	310	-
Profit on sale of investment property	-	(1,063)
	<b>(274)</b>	<b>(1,053)</b>

During the Previous year the Company has made a profit on sale of investment property of INR 1,063 lakhs. The Company vide a deed of assignment dated August 1, 2017 sold all of its rights, title and interest in relation to the property located at Pune, Maharashtra in favour of buyer for a net consideration of INR 1,559 lakhs. The said transaction was completed on August 1, 2017.

During an earlier year, the Company had provided INR 225 lakhs on account of stamp duty arising from demerger. The balance amount was paid in the current year under protest and delayed payment cost of another INR 10 lakhs was provided in the previous year.



# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
<b>39 Income Tax</b>		
<b>(A) Deferred tax relates to the following:</b>		
<b>Deferred tax assets</b>		
On property, plant and equipment	851	739
On provision for employee benefits	1,748	1,251
On net operating losses	1,482	2,278
On research and development expenses carry forward	1,069	844
On deduction u/s 35DD of Income Tax Act, 1961	37	63
On provision for doubtful debts	337	293
On purchase price contingencies	-	149
On others	832	90
	<b>6,356</b>	<b>5,707</b>
<b>Deferred tax liabilities</b>		
On property, plant and equipment and intangibles	802	841
On fair valuation gain on current investment	214	137
On unrealized gain on hedging	82	18
On others	79	88
	<b>1,177</b>	<b>1,084</b>
<b>Deferred tax asset, net</b>	<b>5,179</b>	<b>4,623</b>
<b>Cumulative MAT Credit not recognised as at the balance sheet date (Refer Note 2.9 (6))</b>	<b>382</b>	<b>382</b>
<b>(B) Summary of deferred tax asset and deferred tax liability</b>		
<b>Balance sheet</b>		
Deferred tax asset	6,356	5,707
Deferred tax liabilities	(1,177)	(1,084)
Deferred tax assets / (liabilities), net	<b>5,179</b>	<b>4,623</b>
<b>(C) Reconciliation of deferred tax assets / (liabilities) (net):</b>		
Opening balance	4,623	3,985
Tax (liability) / asset recognized in Statement of Profit and Loss	309	586
Tax liability recognized in OCI	(27)	12
On acquisition of Exaxe Holdings Ltd.	22	-
Exchange difference	252	40
<b>Closing balance</b>	<b>5,179</b>	<b>4,623</b>
<b>(D) Deferred tax charge/credit to be recognized in Statement of Profit and Loss</b>		
Tax charge		
Tax credit	(309)	(586)
	<b>(309)</b>	<b>(586)</b>

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
<b>(E) Income tax expense</b>		
- Current tax	3,415	2,437
- Deferred tax charge / (income)	(309)	(586)
<b>Total</b>	<b>3,106</b>	<b>1,851</b>
<b>(F) Reconciliation of tax charge</b>		
Profit before tax	10,209	2,131
Statutory Income Tax Rate	29.12%	28.87%
Income tax expense on the same at tax rates applicable	2,973	615
Tax effects of :		
Effect of deferred tax created at different rates	18	1,283
Items not deductible for tax purposes	954	492
MAT credit not recognised	-	242
Effect of income to be assessed at different tax rates	(119)	(375)
Tax credits on R & D deduction	(257)	(171)
Non deductible intangible amortisation	-	(391)
Prior year tax credits	4	43
Others	(467)	113
<b>Income tax expense</b>	<b>3,106</b>	<b>1,851</b>

Note :

Due to the Tax reforms in USA, in the previous year, which included a reduction in corporate tax rates, the foreign subsidiary company had to reassess its deferred Tax Assets ("DTAs") and deferred Tax Liabilities. As a result of which INR 1,634 lakhs was debited to the statement of profit and loss account in the previous year considering the reduced tax rates in USA.

## 40 Earnings per share

Basic earnings / (loss) per share amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings / (loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders after adjusting by the weighted average number of equity shares outstanding during the year plus the effect of dilutive potential equity shares arising from outstanding stock options

The components of basic and diluted earnings per share for total operations are as follows:

	As at March 31, 2019	As at March 31, 2018
(a) Net profit attributable to equity shareholders	5,404	629
(b) Weighted average number of outstanding equity shares*		
Number of shares considered for basic EPS	28,228,356	24,230,766
Add : Effect of dilutive potential equity shares arising from outstanding stock options	1,199,055	1,291,023
Considered for diluted EPS	<b>29,427,411</b>	<b>25,521,789</b>
(c) Earnings per share (Face value per share INR 5/- each(Previous year INR 5/-) each)		
Basic (Amount in INR)	19.14	2.60
Diluted (Amount in INR)	18.36	2.47

\*The weighted average number of shares takes into account the weighted average effect of changes arising from issue of new shares and ESOP transactions during the year.

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

## 41 Employee benefits

### (A) Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss (Refer note 34)

	Year ended March 31, 2019	Year ended March 31, 2018
Contribution to social security	1,855	1,811
Contribution to provident fund	786	692
Contribution to national insurance fund	167	131
Contribution to 401K	126	104
Contribution to superannuation fund	37	35
Contribution to national pension scheme	138	66
Contribution to employees' deposit link insurance	18	15
Contribution to employees' state insurance corporation	2	2
Contribution to labour welfare fund	1	1
<b>Total</b>	<b>3,130</b>	<b>2,857</b>

### (B) Defined benefit plans - Gratuity

#### i) Actuarial assumptions

Discount rate (per annum)	7.30%	7.75%
Rate of increase in Salary	7.00%	7.00%
Expected average remaining working lives of employees (years)	27.67	27.65
Expected return on plan assets	7.50%	7.50%
Attrition rate	0 - 22%	0 - 22%

#### ii) Changes in the present value of defined benefit obligation

Present value of obligation at the beginning of the year	2,074	1,853
Interest cost	149	132
Current service cost	280	263
Benefits paid	(161)	(127)
Actuarial (gain)/ loss on obligations	93	(47)
<b>Present value of obligation at the end of the year</b>	<b>2,435</b>	<b>2,074</b>

	As at March 31, 2019	As at March 31, 2018
<b>iii) Change in fair value of assets</b>		
Fair value of plan assets - opening	2,028	1,995
Expected return on plan assets	153	151
Remeasurement due to; actual return on planned assets less expected interest on planned assets	(36)	3
Employer's contribution	(118)	(121)
<b>Fair value of plan assets - closing</b>	<b>2,027</b>	<b>2,028</b>

#### iv) Expense recognized in the Statement of Profit and Loss

Current service cost	280	263
Interest cost	(5)	(19)
<b>Total expenses recognized in the Statement of Profit and Loss</b>	<b>275</b>	<b>244</b>

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
<b>v) (Income) / expense recognized as OCI in the Statement of Profit and Loss</b>		
Remeasurements during the year due to:		
Changes in financial assumptions	69	(41)
Changes in demographic assumptions	-	23
Experience adjustments	23	(29)
Actual return on plan assets less expected return on plan assets	37	(3)
Adjustment to recognize the effect of asset ceiling	-	1
	<b>129</b>	<b>(49)</b>
<b>vi) Assets and liabilities recognized in the Balance Sheet:</b>		
Present value of funded obligation as at the end of the year	2,435	2,074
Fair value of plan assets	(2,027)	(2,027)
<b>Net liability / ( asset ) recognized in Balance Sheet</b>	<b>408</b>	<b>47</b>
<b>vii) Expected contribution to the fund in the next year</b>	210	210
<b>viii) A quantitative sensitivity analysis for significant assumption is as shown below:</b>		
Impact on defined benefit obligation		
Discount rate		
0.5% increase	-3.12%	-3.06%
0.5% decrease	3.30%	3.23%
Rate of increase in salary		
0.5% increase	3.29%	3.24%
0.5% decrease	-3.14%	-3.09%
<b>ix) Maturity profile of defined benefit obligation</b>		
Year		
Apr 2018- Mar 2019		297
Apr 2019- Mar 2020	332	262
Apr 2020- Mar 2021	292	247
Apr 2021- Mar 2022	281	237
Apr 2022- Mar 2023	274	227
Apr 2023- Mar 2024	260	215
Apr 2024 onwards	2,892	2,342
<b>(C) Defined benefit plans - leave encashment</b>		
<b>i) Assets and liabilities recognized in the Balance Sheet:</b>		
Opening Balance	3,010	2,781
Charged during the year (Refer note 34)	708	802
Amount paid during the year	(621)	(573)
<b>Net liability recognised in Balance Sheet</b>	<b>3,097</b>	<b>3,010</b>
Included in non-current provision (Refer note 24)	2,339	2,145
Included in current provision (Refer note 30)	758	865

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

## 42 Employee Stock Option Scheme

### A Employee stock option scheme of the company

#### (a) Nature and extent of employee stock option scheme that existed during the year:

##### Plan I

The company introduced the employee stock option scheme as a part of the scheme of arrangement, approved by the Hon'ble High Court of Gujarat and Hon'ble High Court of Bombay. On the date of demerger all employees of Mastek who were having options of Mastek Limited were granted equal number of options of the Company.

The Company introduced the scheme for granting up to 80,00,000 stock options to the employees, each option representing one equity share of the Company. The exercise price is to be determined by the Nomination and Remuneration Committee ("Committee") and such price may be the face value of the share from time to time or may be the market price or any other price as may be decided by the Committee and will be governed by the Securities and Exchange Board of India (SEBI) (Share based employee benefits) Regulations, 2014. The first vesting of the stock options shall happen only on completion of one year from the date of grant and the options are exercisable within seven years from the date of vesting.

The Company has granted employee stock options to its employees and also to employees of its direct and indirect subsidiaries. As per the demerger scheme of Mastek employees of Mastek Limited who are having options of Mastek on date of demerger were granted equal number of options of the Company. These options are mostly granted at the market price on the date of grant. As per the SEBI guidelines, the excess of market price of the underlying equity shares as of the date of the grant of the options over the exercise price of the option were recognised and amortised on a straight line basis over the vesting period in the previous GAAP. On the date of transition to Ind-AS i.e. 1 April, 2016, the Company carried out a fair valuation of all the unvested options as on that date and debited Retained earnings by INR 214 lakhs and INR 30 lakhs on account of options relating to employees of Mastek Limited and the Company respectively with a credit to the employee stock option outstanding account considering the same as equivalent to cost of employee stock option granted by Mastek Limited to employees of Majesco Group as per the said scheme of demerger since the management of the Company does not expect a separate recovery of the same amount from Mastek Limited or recovery from the Company by Mastek Limited. Accordingly no further adjustments for fair value have been made in respect of these options.

For the year ended March 31, 2019 and March 31, 2018 the fair value of the options both vested and unvested options granted to the employees of the group was determined and the incremental amount of INR 203 lakhs and INR 144 lakhs respectively were charged to the employee benefit expense with a corresponding credit to Employee stock options outstanding account.

For the year ended March 31, 2019 and March 31, 2018 similar amount relating to employees of its subsidiaries and step down subsidiaries amounting to INR 329 lakhs and INR 450 lakhs net of recoveries respectively was debited to the Statements of Profit and Loss with the corresponding credit to Employee stock options outstanding account.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	WAEP (INR)	Number	WAEP (INR)
Options outstanding at beginning of the year	2,252,012	193	2,398,300	190
<b>Add:</b>				
Options granted during the year	54,000	218	347,000	206
<b>Less:</b>				
Options exercised during the year	223,045	143	315,512	122
Options lapsed during the year	11,377	120	70,651	160
Options cancelled during the year	128,084	370	107,125	390
Options outstanding at the end of the year	<b>1,943,506</b>	<b>188</b>	<b>2,252,012</b>	<b>193</b>
Options exercisable at the end of the year	1,513,502		1,355,487	

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

The fair value of each option is estimated on the date of grant using the Black Scholes model. The following tables list the inputs used on the date of grant for the years ended:

	As at March 31, 2019	As at March 31, 2018
Dividend yield (%)	0%	0%
Risk free interest rate (%)	7.20%	6.98%
Expected life of share options (years)	5 years	6 years
Expected volatility (%)	34.00%	48.59%
Weighted average share price (INR) (Round off)	507	378
<b>(b) Stock options exercised during the year :</b>		
Number of options exercised during the year	223,045	315,512
Weighted average share price at the date of exercise (INR)	143	122

**(c) For stock options outstanding at the end of the year, the range of exercise prices and weighted average remaining contractual life (vesting period + exercise period)**

Particulars	Options Outstanding	Weighted Average Exercise Price (INR)	Weighted Average remaining Contractual Life (years)
<b>As at March 31, 2019</b>			
Range of exercise price (INR)			
5-100	725,160	53	4.30
101-200	448,318	118	4.62
Above 200	770,028	357	6.57
<b>As at March 31, 2018</b>			
Range of exercise price (INR)			
5-100	786,343	57	5.17
101-200	582,174	121	5.39
Above 200	883,495	361	7.34

**(d) Information on stock options granted during the year :**

	As at March 31, 2019	As at March 31, 2018
Number of options granted during the year	54,000	347,000
Option pricing model used	Black-Scholes option-pricing model	
Weighted average share price (INR)	507	378
Exercise price (INR)	218	206
Expected volatility (%)	34.00%	48.59%
Option life (vesting period + exercise period)	upto 5 years	upto 6 years
Dividend yield (%)	0%	0%
Risk free interest rate (%)	7.20%	6.98%

## B Employee stock option scheme of the subsidiary, Majesco, USA

**(a) Nature and extent of employee share-based payment plans that existed during the year:**

### Majesco 2015 Equity Incentive Plan

In June 2015, Majesco adopted the Majesco 2015 Equity Incentive Plan (the "2015 Plan"). Options and stock awards for the purchase of upto 38,77,263 shares may be granted by the Board of Directors to our employees, consultants and directors at an exercise or grant price determined by the Board of Directors on the date of grant. Options may be granted as incentive or nonqualified stock options with a term of not more than ten years. The 2015 Plan allows the Board of Directors to grant restricted or unrestricted stock awards or awards denominated in stock equivalent units or any combination of the foregoing and may be paid in common stock or other securities, in cash, or in a combination of common stock or other securities and cash. On March 31, 2018, an aggregate of 20,81,983 shares were available for grant under the 2015 Plan.

In June 2015, Majesco adopted the Majesco 2015 Equity Incentive Plan (the "2015 Plan"). On May 9, 2018, the Board of Directors of Majesco approved an increase of 20,00,000 shares in the amount of shares available for issuance under the 2015 Plan thereby increasing the number of shares available under such plan from 38,77,263 shares to 58,77,263 shares.

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

Majesco uses the Black-Scholes-Merton option-pricing model ("Black-Scholes") to measure fair value of the share-based awards. The Black-Scholes model requires us to make significant judgments regarding the assumptions used within the model, the most significant of which are the expected stock price volatility, the expected life of the option award, the risk-free interest rate of return and dividends during the expected term.

For the year ended March 31, 2019 and March 31, 2018 the fair value of the options both vested and unvested granted to the employees of the Company, amounting to INR 1,722 lakhs and INR 1,064 lakhs respectively was charged to the Statements of Profit and Loss with a corresponding credit to Employee stock options outstanding account.

**(b) The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	WAEP (INR)	Number	WAEP (INR)
Options outstanding at beginning of year	3,278,143	343	2,868,642	346
Add:				
Options granted during the year	370,890	492	715,000	327
Less:				
Options exercised during the year	107,681	351	51,249	322
Options cancelled during the year	282,085	367	254,250	351
Options outstanding at the end of year	3,259,267	384	3,278,143	343
Option exercisable at the end of year	1,729,358		1,200,212	

**(c) Stock options exercised during the year :**

	As at March 31, 2019	As at March 31, 2018
Number of options exercised during the year	107,681	51,249
Weighted average share price at the date of exercise (INR)	351	322

**(d) For stock options outstanding at the end of the year, the range of exercise prices and weighted average remaining contractual life**

	Options Outstanding	Weighted Average Exercise Price (INR)	Weighted Average remaining Contractual Life (years)
<b>As at March 31, 2019</b>			
Range of exercise price (INR)			
Rs 335- 435	2,792,561	522	7.9
Rs 504 -540	466,709	587	8.4
<b>As at March 31, 2018</b>			
Range of exercise price (INR)			
Rs 312- 404	3,122,327	336	7.9
Rs 490 -501	155,816	498	3.9

**(e) Information on stock options granted during the year :**

	As at March 31, 2019	As at March 31, 2018
Number of options granted during the year	370,890	715,000
Option pricing model used	Black-Scholes option-pricing model	
Weighted average share price (INR)	273	144
Exercise price (INR)	Rs 365- 534	Rs 316- 367
Expected volatility (%)	41% - 50%	41% - 50%
Option life (vesting period + exercise period)	3-5 Years	3-5 Years
Dividend yield (%)	0%	0%
Risk free interest rate (%)	2.51%	0.46%

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

## 43 Leases

### (i) Operating leases where Company is a lessee:

The Group leases certain office premises under operating leases. Many of these leases include a renewal option on a periodic basis at the company's option, with the renewal periods extending in the range of 2 - 5 years. Rental expense for operating leases amounted to INR 1,293 lakhs and INR 1,258 lakhs for the financial years ended March 31, 2019 and March 31, 2018 respectively. The schedule for future minimum rental payments over the lease term in respect of operating leases is set out below.

#### a) Future minimum lease payments under non - cancellable operating leases:

	As at March 31, 2019	As at March 31, 2018
Within one year	2,065	1,396
After one year but not more than five years	1,890	2,136
More than five years	83	254
<b>Total minimum lease payments</b>	<b>4,038</b>	<b>3,786</b>
<b>(b) Operating lease rentals recognized in the statement of profit and loss (Refer note 37)</b>	<b>1,293</b>	<b>1,258</b>

#### c) Description of significant operating lease arrangements:

The Group has given refundable interest free security deposits under the lease agreements. All agreements contain provision for renewal at the option of either parties. The agreement provides restriction on sub lease.

### (ii) Capital lease obligations

Total minimum finance lease payments outstanding :		
Within one year	-	137
After one year but not more than five years	-	-
Total minimum lease payments	-	137
Less: Interest not due	-	(4)
Present value of net minimum leases payments	-	133
Disclosed under:		
Non-current borrowings (Refer note 22)	-	13
Other current liabilities (Refer note 28)	-	120
	-	133

## 44 Related Party Disclosures

### (A) Key Management Personnel

Ketan Mehta ( Retired w.e.f. October 31, 2018)	Chief Executive Officer
Adam Elster (Appointed w.e.f. October 1, 2018)	Chief Executive Officer
Radhakrishnan Sundar	Executive Director
Farid Kazani	Managing Director & Group CFO
Lori Stanley	General Counsel, North America
Edward Ossie	Chief Operating Officer
Kunal Karan	Chief Financial Officer
Nishant Shirke ( Resigned w.e.f. April 17, 2018)	Company Secretary
Varika Rastogi (Appointed w.e.f. May 14, 2018)	Company Secretary



# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

## (B) Disclosure of transactions with key management personnel during the year:

	Year ended March 31, 2019	Year ended March 31, 2018
Remuneration paid/payable:		
Ketan Mehta (Retired w.e.f. October 31, 2018)	146	229
Adam Elster (Appointed w.e.f. October 1, 2018)	187	-
Radhakrishnan Sundar	24	27
Farid Kazani	135	162
Lori Stanley	149	138
Edward Ossie	242	222
Kunal Karan	44	39
Nishant Shirke (Resigned w.e.f. April 17, 2018)	1	16
Varika Rastogi (Appointed w.e.f. May 14, 2018)	21	-

## Other benefits to key management personnel

For the year ended March 31, 2019	Provident Fund	National Pension Scheme	Gratuity	Leave encashment	Superannuation	Share based benefit *
Farid Kazani	5	5	2	4	7	39
Radhakrishnan Sundar	3	-	-	-	-	-
Kunal Karan	2	1	1	1	2	-
Nishant Shirke	-	-	-	1	-	-
Varika Rastogi	1	-	-	-	-	-
Ketan Mehta	-	-	-	-	-	107
Adam Elster	-	-	-	-	-	263
Lori Stanley	-	-	-	-	-	12
Edward Ossie	-	-	-	6	-	47

For the year ended March 31, 2018	Provident Fund	National Pension Scheme	Gratuity	Leave encashment	Superannuation	Share based benefit*
Farid Kazani	5	4	1	3	7	48
Radhakrishnan Sundar	3	-	-	-	-	-
Kunal Karan	2	1	-	1	3	8
Nishant Shirke	-	-	-	-	-	2
Ketan Mehta	-	-	-	-	-	68
Lori Stanley	-	-	-	-	-	11
Edward Ossie	-	-	-	6	-	43

\* Shared based benefit is calculated based on the perquisite value for Indian KMP's, whereas for foreign national KMP's, it is based on cost booked into Company

## (C) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

## 45 Contingent liabilities and commitments

	As at March 31, 2019	As at March 31, 2018
(i) Outstanding guarantees and counter guarantees to banks in respect of the bank guarantee given in favour of STPI Authorities in India	27	31
(ii) B-17 Bond furnished to Customs Department in India	1,350	777
(iii) Performance guarantees given by Majesco Software and Solutions India Private Ltd., a step down subsidiary of the Company on behalf of the following fellow subsidiaries :		
(a) Majesco Canada Ltd.	7,978	7,840
(b) Majesco (Thailand) Co. Ltd	1,877	1,795
(iv) The Company does not expect any cash outflows or any reimbursements in respect of the above contingent liabilities.		
<b>Capital and other commitments</b>		
(i) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for	64	13

## 46 Segment reporting

The Company's operations predominantly relate to providing software solutions in the insurance industries delivered to customers globally. The organisational and reporting structure of the Group is based on Strategic Business Units (SBU) concept. The SBU's are primarily geographical segments. SBU's are the operating segments for which separate financial information is available and for which operating results are evaluated regularly by management in deciding how to allocate resources and in assessing performance. These SBU's provide end-to-end information technology solutions on time and material contracts or fixed bid contracts, entered into with customers. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith.

The Group's primary reportable segments consist of the following SBUs, which are based on the risks and returns in different geographies and the location of the customers: North America Operations, Europe Operations, and Others. 'Others' include operations of the Group in other parts of the world including India.

The following table sets forth revenues by country based on the billing address of the customer:

	Year ended March 31, 2019		Year ended March 31, 2018	
	Amount (INR)	%	Amount (INR)	%
<b>Segment Revenue</b>				
North America	84,676	85.70%	70,689	87.70%
Europe	6,866	6.95%	4,288	5.32%
Others	7,268	7.36%	5,627	6.98%
<b>Total</b>	<b>98,810</b>	<b>100.00%</b>	<b>80,604</b>	<b>100.00%</b>
<b>Segment Results</b>				
North America	13,956	96.68%	6,695	86.03%
Europe	681	4.72%	500	6.43%
Others	(202)	-1.40%	587	7.54%
<b>Total</b>	<b>14,435</b>	<b>100.00%</b>	<b>7,782</b>	<b>100.00%</b>
Unallocable	6,878		7,307	
Finance cost	361		489	
Other income	(2,810)		(1,092)	
<b>Profit before exceptional items</b>	<b>10,006</b>		<b>1,078</b>	
Exceptional items - loss / (gain)	(274)		(1,053)	
<b>Profit before tax</b>	<b>10,280</b>		<b>2,131</b>	

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

The following table sets forth the Group's property and equipment, net by geographic region:

	As at March 31, 2019		As at March 31, 2018	
	Amount (INR)	%	Amount (INR)	%
<b>Segment Assets</b>				
North America	57,433	77.58%	49,685	87.99%
Europe	11,853	16.01%	3,135	5.55%
Others	4,741	6.40%	3,649	6.46%
Segmental Assets	74,027		56,469	
Unallocated Corporate Assets	37,123		37,076	
<b>Total Assets</b>	<b>111,150</b>	<b>100.00%</b>	<b>93,545</b>	<b>100.00%</b>
<b>Segmental Liabilities</b>				
North America	26,343	90.92%	27,972	91.98%
Europe	1,211	4.18%	1,252	4.12%
Others	1,420	4.90%	1,187	3.90%
Segmental Assets	28,974		30,411	
Unallocated Corporate Assets	1,659		940	
<b>Total Liabilities</b>	<b>30,633</b>	<b>100.00%</b>	<b>31,351</b>	<b>100.00%</b>

We provide a significant volume of services to many customers. Therefore, a loss of a significant customer could materially reduce our revenues. The Group had one customer for the financial year ended March 31, 2019, and no customer for the financial year ended March 31, 2018 that accounted for 10% or more of total revenue. The Group had one customer as of March 31, 2019 and one customer as of March 31, 2018 that accounted for 10% or more of total accounts receivables and unbilled accounts receivable. Presented in the table below is information about our major customer:

Particulars	As at March 31, 2019	% of total revenue	As at March 31, 2018	% of total receivables
Customer A				
Revenue	12,092	12.2%	7,138	8.9%
Accounts receivables and unbilled accounts receivable	6,575	26.4%	3,415	17.7%

- 47** The Company has accounted net foreign exchange loss from transactions and translations under "Other expenses" in accordance with the Guidance Note on Schedule III to the Companies Act, 2013 issued by the Institute of Chartered Accountants of India. Further, 'Income from operations' includes net realised foreign exchange gain arising from currency hedges relating to certain firm commitments and forecasted sales transactions. The table below shows the impact of the net foreign exchange gain on the Groups profit for the year.

	As at March 31, 2019	As at March 31, 2018
Net foreign exchange (gain) / loss	(216)	52
Net realised foreign exchange gain arising from hedging accounted under Income from operations - Information technology services	483	(185)

## 48 Derivative financial instruments

The Company, in accordance with its risk management policies and procedures, 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 two years.

The following "sell" foreign exchange forward contracts are outstanding:

Foreign currency (FC)	As at March 31, 2019			As at March 31, 2018		
	No. of Contracts	Amount of Forward contracts (FC in lakhs)	Amount of Forward contracts (INR in lakhs)	No. of Contracts	Amount of Forward contracts (FC in lakhs)	Amount of Forward contracts (INR in lakhs)
GBP	-	-	-	17	12	1,019
USD	114	311	22,677	74	198	13,424

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
Mark-to-market losses		
Mark-to-market (gain)/loss reported in hedging reserve account (Refer note 21)	(221)	(5)
Mark-to-market (gain)/loss (net)	(221)	(5)
Classified as non current financial assets - others (Refer note 9)	302	30
Classified as current financial assets - others (Refer note 17)	91	127
Classified as other non current financial liabilities (Refer note 23)	15	11
Classified as other current financial liabilities (Refer note 28)	94	83

## Unhedged foreign currency balance

Particulars	Currency	March 31, 2019		March 31, 2018	
		Foreign currency in lakhs	INR in lakhs	Foreign currency in lakhs	INR in lakhs
I. Assets		-	-	-	-
II. Liabilities					
Payables (trade & others)	USD	1	91	1	85
	SGD	-	-	-	4
	AUD	-	-	-	1
	MYR	-	-	-	1
Other Financial Liabilities	USD	-	-	-	-
Total Liabilities		-	91	1	91
Unhedged payables				1	91

## 49 Fair values of financial assets and financial liabilities

The Group's financial instruments consist primarily of cash and cash equivalents, short term investments in time deposits, restricted cash, derivative financial instruments, accounts receivables, unbilled accounts receivable, accounts payable, contingent consideration liability and accrued liabilities. The carrying amount of cash and cash equivalents, short term investments in time deposits, restricted cash, accounts receivables, unbilled accounts receivable, accounts payable and accrued liabilities as of the reporting date approximates their fair market value due to the relatively short period of time of original maturity tenure of these instruments. Classification of the financial assets and financial liabilities is given below:

Fair Value and Carrying Amount	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>FINANCIAL ASSETS- CURRENT</b>						
Investments	-	-	50	-	-	50
Loans	-	-	332	-	-	371
Other financial assets	-	302	331	-	30	35
<b>FINANCIAL ASSETS- NON CURRENT</b>						
Investments	8,662	-	-	30,880	-	-
Loans	-	-	-	-	-	9
Other financial assets	-	91	14,658	-	127	6,464
Trade receivables	-	-	11,960	-	-	12,832
Cash and cash equivalents	-	-	10,986	-	-	5,976
Bank balances other than cash and cash equivalents	-	-	20,665	-	-	3,001
<b>FINANCIAL LIABILITIES- NON CURRENT</b>						
Borrowings	-	-	76	-	-	3,414
Other financial liabilities	-	15	2,001	-	11	-
<b>FINANCIAL LIABILITIES- CURRENT</b>						
Borrowings	-	-	287	-	-	3,429
Trade payables	-	-	1,651	-	-	1,596
Other financial liabilities	-	94	12,878	-	83	10,042

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

## 50 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- 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 fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

	As at March 31, 2019	As at March 31, 2018
<b>Level 1 (Quoted price in active markets)</b>		
Investments in mutual funds FVTPL	8,662	30,880
<b>Assets</b>		
<b>Level 2</b>		
Derivative financial instruments (included in the following line items in the consolidated Balance sheet		
Other financial assets	393	157
Other financial liabilities	109	94
<b>Liabilities</b>		
<b>Level 3</b>		
Contingent consideration	-	543
<b>Total</b>		
The following table presents the change in level 3 instruments:		
Opening balance	543	499
Additions	-	-
Total gain / (loss) recognized in Statement of operations	(584)	51
Translation gain / (loss)	41	(7)
<b>Closing balance</b>	<b>-</b>	<b>543</b>

Contingent consideration pertaining to the acquisition of the consulting business of Agile Technologies, LLC, a New Jersey limited liability company ("Agile"), as of December 31, 2015 has been classified under level 3 as the fair valuation of such contingent consideration has been done using one or more of the significant inputs which are not based on observable market data. The fair value of the contingent consideration was estimated using a discounted cash flow technique with significant inputs that are not observable in the market. The significant inputs not supported by market activity included the Group's probability assessments of expected future cash flows related to its acquisition of the consulting business of Agile during the earn-out period, appropriately discounted considering the uncertainties associated with the obligation, and calculated in accordance with the terms of the asset purchase agreement (the "Agile Agreement"), dated December 12, 2014, as amended on January 26, 2016. The total (loss)/ gain attributable to contingent consideration payable for the acquisition of the Agile business were INR 51 lakhs and INR 109 lakhs for the fiscal years ended March 31, 2018 and March 31, 2017. The Group paid INR 699 lakhs to Agile as earn-out consideration in the fiscal year ended March 31, 2018. The Group paid INR 773 lakhs to Agile as earn-out consideration in the fiscal year ended March 31, 2017.

As on March 31, 2019, no amount is payable on this account.

The fair value of Derivative financial instruments is determined based on observable market inputs and valuation models. The Derivative financial instruments are valued based on valuations received from the relevant counter-party (i.e., bank). The fair value of the foreign exchange forward contract and foreign exchange par forward contract has been determined as the difference between the forward rate on the reporting date and the forward rate on the original transaction, multiplied by the transaction's notional amount (with currency matching).

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

## 51 Financial risk management objectives and policies

The group is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The group's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The group does not engage in trading of financial assets for speculative purposes.

### (A) Market risk

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. We are exposed to market risk primarily due to fluctuations in foreign currency exchange rates and interest rates, each as described more fully below. We do not hold or issue derivative financial instruments for trading or speculative purposes.

#### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

#### Interest rate sensitivity

Our exposure to market risk for changes in interest rates relates primarily to our cash and cash equivalents and investments. We do not use derivative financial instruments to hedge interest rate exposure. Our cash and cash equivalents and investments as of March 31, 2019 were INR 10,986 lakhs and INR 8,662 lakhs respectively, as of March 31 2018 were INR 5,976 lakhs and INR 30,880 lakhs respectively. We invest primarily in highly liquid, money market funds and bank fixed deposits. Because of the short-term nature of the majority of the interest-bearing securities we hold, we believe that a 10% fluctuation in the interest rates applicable to our cash and cash equivalents and investments would not have a material effect on our financial condition or results of operations.

#### (ii) Foreign currency risk

As bulk of the income and a significant part of the expenses of the group are earned/incurred in foreign currency any fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss, other comprehensive income and equity.

Considering the countries and economic environment in which the group operates its operations are subject to risks arising from fluctuations in the rates of US dollar, Great Britain pound, Singapore dollar against the Indian rupee which is the functional currency of the group.

The group as per its risk management policy uses derivative instruments primarily to hedge foreign exchange.

The foreign exchange rate sensitivity is calculated by aggregate of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift to all the currencies by 10% against the functional currency i.e., the Rupee.

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# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

The following table sets forth information relating to foreign exchange exposure as at March 31, 2019

Particulars	USD	GBP	Mal Ringit	Euro	Others*
Net Financial Assets	51,565	2,831	2,035	1,535	1,212
Net Financial Liabilities	29,626	862	794	254	(1,439)

The following table sets forth information relating to foreign exchange exposure as at March 31, 2018

Particulars	USD	GBP	Mal Ringit	Others*
Net Financial Assets	18747	2881	1620	731
Net Financial Liabilities	17001	364	170	65

10% appreciation / depreciation of the respective foreign currencies with respect to the functional currency would result in (decrease) / increase in the Group's profit before tax by approximately INR 2,908 lakhs for the year ended March 31, 2019 and approximately INR 638 lakhs for the year ended March 31, 2018.

\* Others include currencies such as Canadian dollar, Malaysian Ringetts, Mexican peso, Thai Baht.

## (B) Credit risk

Financial instruments that potentially subject the Group to concentrations of credit risk consist of cash and cash equivalents, time deposits, derivative financial instruments and accounts receivables. The Group maintains its cash and cash equivalents, time deposits, derivative financial instruments with banks having good reputation, good past track record, and who meet the minimum threshold requirements under the counterparty risk assessment process, and reviews their credit-worthiness on a periodic basis. Accounts receivables of the Group are typically unsecured. As there is no independent credit rating of the customer available with the Group, Management reviews the creditworthiness of customers based on their financial position, past experience and other factors. The Group entities perform ongoing credit evaluations of their customers' financial condition and monitor the creditworthiness of their customers to which they grant credit terms in the normal course of business. Refer to note 46 on 'Segment information' for details relating to customers with revenue that accounted for 10% or more of total revenue and their outstanding total accounts receivables and unbilled accounts receivable as of March 31, 2019 and March 31, 2018.

## (C) Liquidity risk

Our cash and cash equivalent and short term investments position was INR 19,648 lakhs at March 31, 2019 and INR 36,856 lakhs at March 31, 2018. Net cash generated from/(used) by operating activities was for financial year INR 4,979 lakhs 2018-19 and INR (2,276) lakhs for financial year 2017-18.

We had accounts receivable of INR 11,960 lakhs at March 31, 2019 and INR 12,832 lakhs at March 31, 2018. We had revenues in excess of billings of INR 12,936 lakhs at March 31, 2019, and INR 6,401 lakhs at March 31, 2018. Accounts payable and accrued expenses, and current portions of borrowings amounted to INR 5,029 lakhs at March 31, 2019, and 6,100 at March 31, 2018. The average days sales outstanding for financial year 2018-19 and financial year 2017-18 were 86 days and 81 days, respectively. The increase to 6 days was primarily due to one customer. The days sales outstanding have been calculated by taking into consideration the combined balances of accounts receivable and unbilled amounts receivable.

Net cash used in investing activities amounted to INR 2,078 lakhs for financial year 2018-19 compared to INR 23,143 lakhs for financial year 2017-18. Net cash used for investing activities for financial year 2018-19 included the purchase of plant, property & equipment and intangible assets aggregating to INR 3,427 lakhs, other than investments in mutual funds and fixed deposits and acquisition of new subsidiary.

Purchase/(Sale) of investments in mutual funds was INR (24,394) lakhs (net) for financial year 2018-19 and INR 28,446 lakhs for financial year 2017-18, respectively. Restricted cash/investments was INR 7,224 lakhs for financial year 2018-19 compared to INR 8,814 lakhs for financial year 2017-18.

Net cash generated by financing activities was INR 1,730 lakhs for financial year 2018-19, compared to net cash generated from financing activities of INR 23,235 lakhs for financial year 2017-18. The cash generated during the year was on account of the proceeds (net) from issue of shares of INR 8,536 lakhs and borrowings were expand to the extent of INR 6,482 lakhs

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

in addition interest and other finance charges of INR 324 was incurred during the year. During the previous year, the cash generated from financing activities was on account of the proceeds (net) from issue of shares of INR 23,188 lakhs and borrowings by INR 1,767 lakhs reduced by payment of Dividend INR 283 lakhs and repayment of loans by INR 1065 lakhs. We operate in multiple geographical regions of the world through our various subsidiaries. We typically fund the cash requirements for our operations through license, services, and support agreements. As of March 31, 2019, we had approximately INR 40,313 (PY 39,857) lakhs of cash, cash equivalents, other bank balances and marketable securities of which approximately INR 27,566 (PY 5,350) lakhs is held by our foreign subsidiaries.

As a growing company, we have on-going capital expenditure needs based on our short term and long term business plans. Although our requirements for capital expenses vary from time to time, for the next twelve months, we anticipate incurring capital expenditures of 1000 to 1500 for new business development activities and infrastructure enhancements.

The tables below provide details regarding the contractual maturities of significant non derivatives financial liabilities as at March 31, 2019:

	Between 1 months to 12 months	Between 1 to 5 years
<b>Non Derivatives</b>		
Borrowings	287	76
Trade payables	1,651	-
Other financial liabilities	12,971	2,016
<b>Total</b>	<b>14,909</b>	<b>2,092</b>

We believe that our current cash balances and anticipated cash flows from operations will be sufficient to meet our normal operating needs for at least the next twelve months. These projections include anticipated sales to new customers and upsell/cross sell to existing customers, the exact timing of which cannot be predicted with absolute certainty and can be influenced by factors outside our control. Our ability to fund our working capital needs and address planned capital expenditures will depend on our ability to generate cash in the future and plans to use the existing funds.

Our future liquidity and capital resource requirements will depend on many factors, including, but not limited to, the following trends and uncertainties we face and those described in Risk Factors detailed above.

Our ability to generate cash is subject to general economic, financial, competitive and other factors beyond our control.

Our need to invest resources in product development in order to continue to enhance our current products, develop new products, attract and retain customers and keep pace with competitive product introductions and technological developments.

We experience competition in our industry and continuing technological changes. Insurance companies typically are slow in making decisions and have numerous bureaucratic and institutional obstacles, which can make our efforts to attain new customers difficult. We compete on the basis of insurance knowledge, products, services, price, technological advances and system functionality and performance.

We do not expect a need for a change in the mix or relative cost of our sources of capital.

## 52 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

For the financial year ended March 31, 2019, the Board of Director at their meeting held on May 31, 2019 have recommended a dividend of 30% (INR 1.5/- per equity share of INR 5/- each), subject to the approval of the shareholder in the issuing Annual General Meeting of the company.

During the previous year, the Board of Director had declared a special dividend of 20% (INR 1/- per equity share of INR 5/- each) which was approved by shareholders at Annual General Meeting of the company held on August 03, 2018.



# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

The Board of Directors of the Company in the meeting held on August 3, 2017 approved the payment of Special Dividend @ INR 1/- per share (face value INR 5/- per share), to eligible shareholders. Accordingly the Company has appropriated 235 on account of Special Dividend and 48 being tax thereon, during the previous financial year.

		As at March 31, 2019	As at March 31, 2018
Total equity	(i)	67,701	54,329
Total debt	(ii)	381	9,189
Overall financing	(iii) = (i) + (ii)	68,082	63,518
Gearing ratio	(ii)/ (iii)	0.01	0.14

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019, March 31, 2018. The details of capital raises during the previous year is given in note 20(b) [also refer note 61].

## 53 Acquisition of Cover-All Technologies Inc. , USA

On December 14, 2014, Majesco USA a subsidiary of Majesco Limited ("the Company" or Majesco) entered into a definitive agreement plan of merger with Cover-All Technologies Inc. ("Cover-All") pursuant to which Cover-All will merge with and into Majesco USA, with Majesco USA surviving the merger in a 100% stock for stock transaction pursuant to which Cover-All's stock holders will receive 16.50% of the outstanding shares in the combined company. During the time, Cover-All common stock was listed on the NYSE MKT in the USA.

The shareholders of Cover-All approved the merger at the meeting of shareholders held on June 22, 2015. Majesco USA consummated the merger on June 26, 2015 and its common stock got listed on NYSE MKT and began trading on June 29, 2015.

For the purpose of these consolidated financial statements Majesco has accounted for the acquisition of Cover-All using the pooling of interest method wherein the assets, liabilities and reserves of Cover-All are recorded at their existing carrying amounts, after making adjustments for significant differences in the account policies followed by Cover-All and Majesco to align the accounting policy of the company.

## 54 Acquisition of Mastek Asia Pacific Pte. Limited

On October 31, 2015, Majesco SDN BHD, a company incorporated under the laws of Malaysia ("Majesco Malaysia") a step down subsidiary of Majesco Limited ("the Company" or Majesco) entered into a share purchase agreement with Mastek Limited (Mastek), pursuant to which Majesco Malaysia agreed to purchase from Mastek all of the issued and outstanding shares of Mastek Asia Pacific Pte. Limited, a company incorporated under the laws of Singapore for a total cash purchase consideration of 3,81,800 Singapore Dollars (INR 180.39 lakhs). The acquisition was completed on November 1, 2015.

## 55 Acquisition of business of Agile Technologies, LLC

During the year ended March 31, 2015, Majesco USA, a subsidiary of Majesco Limited had acquired the insurance industry focused IT consulting business of Agile Technologies, LLC ("Agile") with effect from January 01, 2015. On acquisition, goodwill of \$ 3.89 million (INR 2,577 lakhs) was recognized in the books in that year.

In addition, the terms of purchase provides for payment of contingent consideration to the selling shareholders, payable over three years and calculated based on achievement of specific targets, The contingent consideration is payable in cash and cannot exceed \$ 4.20 million (INR 2,625 lakhs). A sum of \$1.01 million, (INR 665 lakhs) was paid in 2015-16.

During the financial year 2016-17 an amendment to the initial agreement was executed and converted 50% of the remaining contingent consideration into deferred consideration and capitalized additional \$ 1.17 million (INR 773 lakhs) as goodwill.

During the financial year 2017-18 an amount of \$ 1.1 million (INR 699 lakhs) was paid and charged to expense. Balance contingent consideration was provided for at fair value.

During the financial year 2018-19, contingent consideration of INR 584 lakhs which was provided in earlier years has been reversed as it was determined to be not payable. This has been classified as income under exceptional items. (Refer note 38).

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

## 56 Acquisition of business of Exaxe Holdings Limited

On November 27, 2018 (the effective date), Majesco, USA, subsidiary of the Company entered into a share purchase agreement (SPA) for the acquisition of all the issued share capital of Exaxe Holdings Limited, Ireland (Exaxe). On the effective date, Majesco, USA, consummated the purchase of 90% of the issued share capital of Exaxe. As per the SPA, the remaining 10% of the issued share capital will be transferred on August 1, 2019. The economic transfer date of the business is October 1, 2018.

Accordingly, Exaxe became direct subsidiary of Majesco, USA and step-down subsidiary of the Company.

Majesco, USA, has made an upfront payment of approximately INR 5,367 lakhs, and will make deferred payment of approximately INR 2,897 lakhs (which include approximately INR 405 lakhs to be paid to designated employees of Exaxe) over the next three years. For the remaining 10%, Majesco, USA, will pay approximately INR 557 lakhs on Aug 1, 2019.

For the purpose of preparing the consolidated financial statements of the company, Majesco, USA, has obtained an independent fair valuation of the assets taken over and in the process recognised a Goodwill of approximately of INR 1,236 lakhs. The expenses related to the acquisition, INR 310 lakhs has been shown as an exceptional item in the financial statements for the year ended March 31, 2019.

## 57 New Zealand Branch

On March 23, 2016, the US subsidiary has incorporated a branch in New Zealand. No revenue was generated from the branch for the year ended March 31, 2019 & March 31, 2018 respectively

## 58 Mexico Branch

On June 22, 2016, the US subsidiary has incorporated a branch in Mexico. Impact of its operations and balances are included in consolidated financial statements

## 59 Rights issue of shares by Majesco USA

On December 6, 2018, Majesco, USA, subsidiary of the Company, filed a registration statement with SEC on Form S-1, as amended, with respect to its proposed rights offering. On February 25, 2019, Majesco USA, completed the right offering pursuant to which they received approximately \$ 43.5 million (INR 31,013 lakhs). The gross proceeds from sale of 61,23,463 of the common stock to shareholders who exercised their subscription rights (including both basic and over-subscription) in the right offering the Company also exercised the rights, and paid approximately \$ 32.5 million (INR 23,202 lakhs) and was allotted 45,81,109 number of shares. Net receipt of the Group in the Rights offering was approximately \$ 11.0 million (INR 7,740 lakhs), net of issue expenses.

**60** On January 24, 2018, Majesco Software and Solutions Inc. ("MSSI"), a subsidiary of Majesco, received a summons with notice filed in the Supreme Court of the State of New York by a customer, Alamance Services Inc. ("Alamance"), alleging a purported breach of services and license agreement by MSSI. In the summons, Alamance sought compensatory damages (including lost profits) of an amount of at least \$10 million, pre-and post-judgment interest and costs and fees. On March 12, 2019, MSSI and Alamance signed a Settlement Agreement and Release, settling such action. Pursuant to the terms of the Settlement Agreement, MSSI paid Alamance U.S. a cash settlement amount following which the parties filed a Stipulation of Discontinuance dismissing the action with prejudice. Most of the amount paid by MSSI will be covered by its insurance policy. The net amount is included under Consultancy and sub-contracting charges.

## 61 Closure of Majesco (Thailand) Co Ltd.

Pursuing the management decision to discontinue business operations in Thailand, during the quarter ended December 31, 2018, the process of closing down the step down subsidiary company in Thailand namely Majesco (Thailand) Co. Ltd. was initiated. The process of closing down was completed on January 29, 2019.

## 62 Cover-All Merger

The Company's overseas stepdown subsidiary, Cover-All Systems Inc., USA got merged with another overseas stepdown subsidiary, Majesco Software and Solutions Inc., USA, with effect from January 1, 2019, surviving entity being Majesco Software and Solutions Inc., USA. Both these entities were wholly owned subsidiaries of the Company's subsidiary Majesco, USA. The merger has no financial impact in the consolidated financial statements of the Company.

## 63 Sale of India Insurance Business

During the year, the Company has entered into an agreement with its step down subsidiary, Majesco Software and Solutions India Private Ltd. to sell its India Insurance Product and Services business as a going concern on a slump basis for a lumpsum consideration of INR 2,437 lakhs, on the basis of a valuation report obtained from an independent valuer, subject to certain adjustments at or after closing, w.e.f. April 1, 2019. This has been approved by the Board of Directors of both the companies and the shareholders of the Company. As the transaction is within the Group, there is no separate accounting treatment or disclosure requirements at the consolidated level.

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

## 64 Minority Interest (Non Controlling interests)

As at March 31, 2019, the Company held 70.28% (previous year 69.75%) of the shares of its subsidiary "Majesco, USA". Accordingly minority interest has been computed and shown separately in the consolidated financial statements of the company.

Majesco, USA had adopted the Majesco 2015 Equity Incentive Plan during the financial year 15-16, under which option may be granted to the employees, consultants and directors. As of March 31, 2019, 17,29,358 (previous year 12,00,212) options were exercisable.

Majesco USA has also issued warrants to purchase its shares to the lenders of Cover- All (subsidiary of the Company) and advisor to Majesco. As at March 31, 2019, 25,000 (previous year 25,000) excisable warrants were outstanding.

Majesco USA has also issued right share during the financial year , out of 61,23,463 shares 15,42,354 shares has been allotted to minority shareholders.

## 65 Disaggregate revenue information

Particulars	March 31, 2019	March 31, 2018
<b>Revenue by offerings</b>		
License fees	2,983	1,673
Professional Services	37,472	42,328
Cloud Implementation	28,509	16,738
Cloud Subscription	11,601	7,247
Support & Maintenance	18,244	12,618
<b>Total</b>	<b>98,811</b>	<b>80,604</b>
<b>Revenues by contract type</b>		
Fixed Price contracts	69,677	51,578
Time and Materials	29,133	29,026
<b>Total</b>	<b>98,810</b>	<b>80,604</b>

## 66 Disclosures mandated by Schedule III of Companies Act, 2013 by way of additional information

Net Assets	March 31, 2019		March 31, 2018	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
<b>Parent Entity</b>				
Majesco Limited	80%	54,057	96%	51,990
<b>Subsidiary</b>				
<b>Indian</b>				
Majesco Software And Solutions India Private Ltd.	14%	9,600	9%	4,653
<b>Foreign</b>				
Majesco	58%	39,308	19%	10,520
Majesco Software and Solutions Inc.	34%	22,972	31%	16,620
Majesco Canada Ltd.	0%	(17)	0%	(19)
Majesco (UK) Ltd.	3%	1,726	3%	1,590
Majesco Sdn Bhd.	2%	1,502	4%	2,136
Majesco (Thailand) Co. Ltd.	0%	-	-1%	(698)
Majesco Asia Pacific Pte Ltd.	0%	130	0%	114
Exaxe Holdings Limited	2%	1,028	0%	-
Exaxe Limited	2%	1,492	0%	-
	115%	77,741	64%	34,916
<b>Non-controlling interest</b>				
Intercompany elimination and consolidation adjustments	-76%	(51,281)	-45%	(24,712)
<b>Total</b>	<b>100%</b>	<b>67,701</b>	<b>100%</b>	<b>54,329</b>

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

Share in Total OCI Name of the entity	March 31, 2019		March 31, 2018	
	As % consolidated profit or loss	Amount	As % consolidated profit or loss	Amount
<b>Parent Entity</b>				
Majesco Limited	22%	1,216	358%	1,444
<b>Subsidiary</b>				
<b>Indian</b>				
Majesco Software And Solutions India Private Ltd.	90%	4,881	873%	3,520
<b>Foreign</b>				
Majesco	-88%	(4,740)	-2204%	(8,883)
Majesco Software and Solutions Inc.	114%	6,147	109%	439
Cover-All Systems Inc.	0%	-	966%	3,892
Majesco Canada Ltd.	0%	(1)	0%	1
Majesco (UK) Ltd.	2%	135	80%	321
Majesco Sdn Bhd.	-12%	(634)	59%	237
Majesco (Thailand) Co. Ltd.	16%	892	-22%	(89)
Majesco Asia Pacific Pte Ltd.	0%	15	3%	11
Exaxe Holdings Limited	-11%	(590)	0%	-
Exaxe Limited	11%	611	0%	-
	124%	6,715	-137%	(551)
<b>Non-controlling interest</b>	-33%	(1,773)	44%	179
Intercompany elimination and consolidation adjustments	-14%	(745)	-10%	(40)
<b>Total</b>	100%	5,413	100%	1,033

Share In profit/(loss) Name of the entity	March 31, 2019		March 31, 2018	
	As % consolidated profit or loss	Amount	As % consolidated profit or loss	Amount
<b>Parent Entity</b>				
Majesco Limited	23%	1,217	228%	1,434
<b>Subsidiary</b>				
<b>Indian</b>				
Majesco Software And Solutions India Private Ltd.	89%	4,814	555%	3,488
<b>Foreign</b>				
Majesco	-81%	(4,372)	-1421%	(8,935)
Majesco Software and Solutions Inc.	95%	5,150	674%	4,237
Cover-All Systems Inc.	0%	-	0%	-
Majesco Canada Ltd.	0%	(1)	1%	6
Majesco (UK) Ltd.	3%	166	21%	134
Majesco Sdn Bhd.	-12%	(650)	-4%	(25)
Majesco (Thailand) Co. Ltd.	16%	876	-4%	(23)
Majesco Asia Pacific Pte Ltd.	0%	14	0%	3
Exaxe Holdings Limited	0%	-	0%	-
Exaxe Limited	13%	705	0%	-
	124%	6,702	-177%	(1,115)
<b>Non-controlling interest</b>	-33%	(1,770)	55%	349
Intercompany elimination and consolidation adjustments	-14%	(745)	-6%	(40)
<b>Total</b>	100%	5,404	100%	629

# Notes to the Audited Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in INR lakhs, unless otherwise stated)

Share in OCI Name of the entity	March 31, 2019		March 31, 2018	
	As % consolidated profit or loss	Amount	As % consolidated profit or loss	Amount
<b>Parent Entity</b>				
Majesco Limited	-12%	(1)	2%	10
<b>Subsidiary</b>				
<b>Indian</b>				
Majesco Software And Solutions India Private Ltd.	758%	67	8%	32
<b>Foreign</b>				
Majesco	-4186%	(368)	13%	52
Majesco Software and Solutions Inc.	11324%	997	23%	94
Cover-All Systems Inc.	0%	-	0%	-
Majesco Canada Ltd.	0%	-	-1%	(5)
Majesco (UK) Ltd.	-359%	(32)	46%	187
Majesco Sdn Bhd.	189%	17	65%	262
Majesco (Thailand) Co. Ltd.	182%	16	-16%	(66)
Majesco Asia Pacific Pte Ltd.	17%	1	2%	8
Exaxe Holdings Limited	-6702%	(590)	0%	-
Exaxe Limited	-1073%	(94)	0%	-
	150%	13	140%	564
<b>Non-controlling interest</b>	-39%	(3)	-42%	(171)
Intercompany elimination and consolidation adjustments	0%	-	0%	-
<b>Total</b>	100%	9	100%	403

**67** Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

The accompanying notes are an integral part of the consolidated financial statements.

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

**Farid Kazani**

Managing Director & Group CFO  
DIN- 06914620

**Jyotin Mehta**

Non-Executive and Independent Director  
DIN - 00033518

Place : Navi Mumbai

Date : May 15, 2019

**Venkatesh N. Chakravarty**

Non-Executive Chairman and Independent Director  
DIN- 01102892

**Kunal Karan**

Chief Financial Officer

**Varika Rastogi**

Company Secretary  
M. No - F7864

**As per our report of even date attached**

**For Varma & Varma**

Chartered Accountants  
FRN: 004532S

**Cherian K Baby**

Partner

M No: 16043

Place : Navi Mumbai

Date : May 15, 2019

## KEY STATISTICS (CONSOLIDATED)

	(₹ in lakhs)		
Particulars	2018-19	2017-18	2016-17
Total revenue	1,01,620	81,696	83,577
Operating (EBIDT)	12,328	3,352	3,330
Operating Profit Margin (%)	12.13%	4.10%	3.98%
Net Profit	7,174	280	673
EPS (Rs/share) - Basic	19.14	2.60	2.18
EPS (Rs/share) - Diluted	18.36	2.47	2.05
Growth in Revenue	24.38%	-2.25%	9.08%
Net Profit Margin	7.05%	0.34%	0.81%
Effective Depreciation rate	11%	15%	16%
Interest Cover (Times)	0.04	0.41	0.51
Return on Net Worth	2.99	1.16%	1.73%
Debt/Equity	0.04	0.17	0.29
Current Ratio	2.99	2.71	1.86
Debtors Turnover (No. of days)	86	81	79
Depreciation/Average Gross Block	0.11	0.15	0.16
Divident Payout	-	283	NA
Divident Yield			
Operating Cash Flows	4,979	(2,276)	8,752
Capital Expenditure in Fixed Assets	3,427	1,289	2,467
Current Investments and Cash and Bank Balances	40,313	39,857	17,565
Current Investments and Cash and Bank Balances as % of total assets	7.79%	43%	27%

# NOTICE

## MAJESCO LIMITED

**Registered Office:** MNDC, MBP-P-136, Mahape,  
Navi Mumbai – 400 710

**Corporate Identification Number (CIN):** L72300MH2013PLC244874

**Website:** www.majesco.com

**Phone:** +91-22-61501800; **Fax:** +91-22-27781320

**NOTICE** is hereby given that 6<sup>th</sup> Annual General Meeting (“AGM”) of the members of **Majesco Limited** is scheduled to be held on Tuesday, August 6, 2019 at 11:00 A. M. (IST) at Hotel “Country Inn and Suites By Radisson”, Plot No. X-4/5-B, TTC Industrial Area, MIDC, Mahape, Shilphata Road, Navi Mumbai – 400 701, to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company (Standalone and Consolidated) for the financial year 2018-19 together with Reports of the Board of Directors and Auditors thereon.
2. To declare final dividend of ₹ 1.50/- per equity share for the financial year 2018-19.
3. To appoint a Director in place of Mr. Radhakrishnan Sundar (DIN: 00533952), who retires by rotation and being eligible, offers himself for re-appointment as a Director.
4. To appoint M/s. MSKA & Associates, Chartered Accountants, as Statutory Auditors and in this regard to consider and, if thought fit, to pass following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 139(8), 141 and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactments thereof for the time being in force] read with the Companies (Audit and Auditors) Rules, 2014, M/s. MSKA & Associates, Chartered Accountants (ICAI Firm Registration No: 105047W), be and are hereby appointed as Statutory Auditors of the Company, to fill the casual vacancy caused by the resignation of M/s. Varma & Varma, Chartered Accountants (ICAI Firm Registration Number: 004532S), to hold the office from July 4, 2019, until the conclusion of this 6<sup>th</sup> Annual General Meeting of the Company.

**RESOLVED FURTHER THAT** pursuant to the provision of Sections 139(1), 141 and other applicable provisions if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactments thereof for the time being in force] read with the Companies (Audit and Auditors) Rules, 2014, M/s. MSKA & Associates, Chartered Accountants (ICAI Firm Registration No: 105047W) be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a period of five consecutive years from the conclusion of this 6<sup>th</sup> Annual General Meeting till the conclusion of 11<sup>th</sup> Annual General Meeting of the Company, for conducting Statutory Audit and quarterly limited review from the financial year 2019-20 till (and including) the financial year 2023-24, at a remuneration of ₹ 12,85,000/- towards statutory audit and

₹ 4,50,000/- towards quarterly limited review for financial year 2019-20 aggregating to ₹ 17,35,000/- plus applicable taxes along with out-of-pocket expenses and for such remuneration and expenses thereafter as may be mutually agreed between the Company and the said Statutory Auditors.”

### SPECIAL BUSINESS

#### 5. Appointment of Mr. Jyotin Mehta as an Independent Director of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to provisions of Sections 149, 152, 160, 161 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Jyotin Mehta (DIN: 00033518), who was appointed as an Additional Director and also as an Independent Director of the Company by the Board of Directors of the Company with effect from November 5, 2018 and who holds the said office up to the date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years from November 5, 2018 to November 4, 2023.”

#### 6. Appointment of Mr. Ashank Desai as a Non-Executive Director of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to provisions of Sections 149, 152, 160, 161 and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Ashank Desai (DIN: 00017767), who was appointed as an Additional Non-Executive Director of the Company by the Board of Directors of the Company with effect from May 31, 2019 and who holds the said office up to the date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.”

## 7. Alteration of Objects Clause of the Memorandum of Association of the Company

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to provisions of Sections 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and the rules made thereunder and subject to such other requisite approvals/ permissions, if any, in this regard from relevant statutory authorities and such modifications as may be prescribed by such authorities and agreed to by the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded for alteration of Objects Clause of Memorandum of Association of the Company in following manner:

Existing Clause III be divided into two parts that is (A) Main Objects to be pursued by the Company; and (B) Matters which are necessary for furtherance of the Main Objects, and be substituted by the following Clause III:

### **“(A) The Main objects to be pursued by the Company are:**

1. *To carry on the business of manufacturers, distributors, importers, exporters, assemblers, installations, maintainers, repairers of and dealer in computers and computers peripherals and storage media being tape, drives, printers, video terminals, consoles, floppy disk drives hard disk drives, on line data entry systems, modems, acoustic, couplers, computer and tele-communication data network equipment and punches, voice recognition/ input/ output peripherals, microprocessors chips, mother board, circuit cards and printed circuit boards, floppy diskettes, hard disks, magnetic tapes, cards, continuous stationery paper, tape, cathode ray tubes, computers and peripherals cabinets and any other computer memory or peripherals equipment or storage media currently in use or to be invented/ developed/ utilized at any time in the future and also to purchase, develop, sell, export or otherwise deal in goods, products, articles or things and computer software and hardware including electronic equipments, programmes, systems, data and other facilities relating to computer operations and data processing equipment and business of Information Technology enabled services and all other related activities.*
2. *To undertake and carry on the business of leasing of immovable and movable properties of all kinds and description and right, title and interest therein, equipment leasing and leasing of all kinds of goods required for consumption or for commercial, industrial or business use or for any purpose whatsoever, to purchase or otherwise acquire, erect, maintain or reconstruct any buildings, offices, workshops and other things found necessary or convenient for the purpose of the company, to manage, land, building and other property both movable and immovable whether belonging to the company or not, and to collect rents and incomes and to supply to tenants, users and occupiers attendants, servants, waiting rooms, reading rooms and other conveniences and other services as may be necessary.*
3. *To invest moneys of the Company (including the moneys not immediately required) in subsidiaries in such manner as may be determined from time to time and to invest,*

*acquire, subscribe, purchase, hold, sell, mortgage, pledge, endorse, discount, assign, divest or otherwise deal in any securities, hybrid securities, commercial papers, Government securities/ bonds, fixed deposits, units of mutual funds or instruments of any kind or description for strategic purposes or otherwise, whether in India or abroad.*

### **(B) Matters which are necessary for furtherance of objects specified in Clause (III) (A) are:**

1. *To enter into agreement, contract for, undertake or otherwise arrange for receiving, mailing or forwarding any circulars, notices, brochures, reports, materials, articles and things belonging to any other company or firm, institution or person or persons, by means of delivery by hand or otherwise.*
2. *To negotiate loans, to draw, accept endorse, discounts, buy, sell and deal in bills of exchange, promissory notes, bonds, debentures, coupons and other negotiable instruments and securities.*
3. *To receive money, securities and valuable of all kinds on as may be expedient.*
4. *To give any guarantee or indemnity for the payment of money or the performance of any obligations undertakings.*
5. *To borrow or raise money and secure and discharge any debt or obligation binding on the company in such manner as may be thought fit, and in particular by the mortgages of the undertaking and all or any of the immovable or movable property (present or future) and the uncalled capital of the company, or by the creation and issue, on such terms as may be thought expedient, of debentures or debenture-stock, perpetual or otherwise, or other securities of any description.*
6. *To employ experts to investigate and examine into the condition, management, prospects, value, character and circumstances of any business, concerns and undertakings and generally of any assets, property or rights.*
7. *To give guarantees and carry on transact every kind of guarantee and counter-guarantee business and in particular to guarantee the payment of any principal moneys, interest or other moneys secured by or payable under any debentures, bonds, debenture-stock, mortgages, charges, contracts, obligations and securities and the payment of dividends on and the repayment of the capital of stocks and shares.*
8. *To purchase, take on lease or in exchange, hire or otherwise howsoever acquire may immovable or movable property, patents or licenses rights and privileges which the company may think necessary or convenient for the purpose of its business and in particular any land, tenements, buildings and casements and to sell, lease or otherwise dispose or grant right over any immovable property belonging to the company.*
9. *To develop and turn to account any land acquired by the company or in which it is interested and in by laying on and preparing the same for building purposes, constructing, altering, pulling down decorating, maintaining, fitting up and improving buildings and by planting, paving, draining, farming cultivating and letting building on lease and by advancing money to and entering into contracts and arrangements of all kinds with builders and others.*



10. To undertake and execute and trusts and also to undertake and execute the offices of executor of will of any deceased persons, trustees for debentures holders or debenture-stock holders of any company and of receiver, treasurer, to appoint trustees, to hold securities on behalf and to protect the interests of the company.
11. To obtain any provisional order or act of the government for enabling the company to carry any of its objects into effect or for effecting any modification of the company's constitution.
12. To open current or other accounts with any banks, pay money into and draw money from such accounts.
13. To amalgamate, enter into partnership or make any arrangement for sharing profits, union of interests, co-operation, joint venture or reciprocal concession, or for limiting competition, with any individual, person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorised to carry on or engage in or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the company.
14. To enter into any arrangements with any Government or authorities that may seem conducive to the attainment of the company's objects or any of them and to obtain from any such government or authority, any rights privileges, licenses and concessions which the company may consider necessary or desirable to obtain and to carry out, exercise, use or comply with any such arrangements, rights, privileges or concession.
15. To distribute any of the company's property among the members in specie subject to the provisions of the companies act in the event of winding up.
16. To form, promote, subsidize, organize and assist or aid in forming promoting, subsidizing, organizing or aiding companies, syndicates, or partnerships of all kinds, for the purpose of accepting and undertaking any property and liabilities of this company, or for advancing directly or indirectly the objects thereof, or for any other purpose which the company may think expedient.
17. To acquire, purchase, take over and/or amalgamate business of companies which under existing circumstances, from time to time may conveniently or advantageously be combined with the business of the company; to amalgamate with companies whose business are so acquired, purchased or taken over and/or to enter into agreement with the object of acquisition of such undertakings, and / or business.
18. To invest the surplus funds of the company from time to time in Government securities or in any other including bills of exchange, acceptance as may from time to time be determined by the Directors and from time to time to sell or vary all such investment and to execute all assignments, transfer, receipts and documents that may be necessary in that behalf.
19. To provide for the welfare of the employees or ex-employees of the company and wives, widows and families of the dependents of such persons by grant to money, pension, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident funds and other payments or institutions, trusts, and by providing or subscribing towards medical or other attendance and other assistance as the company may think fit and to subscribe to or contribute or otherwise assist to charitable, benevolent, national and or to other institutions or objects.
20. To procure the recognition of the company under laws or regulations of any other country and to do all acts necessary for carrying on any business or activity of the company in any foreign country.
21. To pay all costs, and expenses incurred or sustained in or about the promotion, incorporating and establishment of the company, or which the company shall consider to be preliminary out of the funds of the company.
22. To establish competition in respect of contributions or information suitable for insertion in any publications of the company, or otherwise for any of the purposes of the company, and to offer and grant prizes, rewards and premium of such character and on such terms as may be seem expedient.
23. To provide for and furnish or secure to any members or customers of the company or to any subscribers to or purchasers or possessors of any publication of the company or of the coupons or tickets, issued with any publications of the company any conveniences advantages, benefits or special privileges which may seem expedient and either gratuitously or otherwise.
24. To refer to or agree to refer my claims, demand, dispute or any other question by or against the company or in which the company is interested or concerned, and whether between the Company and the member or members or his or their representatives or between the company and third parties to arbitration and to observe and perform and to do all acts, matters and things to carry out or enforce the awards.
25. To apply for, promote, and obtain any statute, order, regulation or other authorization or enactment which may seem calculated directly or indirectly to benefit the company and to oppose any bills, proceedings or applications which may seem calculated directly or indirectly to prejudice the company's interests.
26. To sell, dispose of, or transfer the business, property and undertakings of the company, or any part thereof for any consideration which the company may seem fit to accept.
27. To receive money on deposit at interest or otherwise for fixed periods, and to lend money on any terms that may be thought fit and particularly to customers or other persons or corporations having dealings with company. The company shall not carry on any business of banking as defined by the Banking Regulation Act, 1949, or any statutory modifications thereof.
28. To take part in the formation, supervision or control of the business or operations of company or undertaking and to that purpose act as an issue house, registrars and share transfer agents, financial advisers or technical consultants or in any of the capacity and to appoint and remunerate any Directors, administrators or accountants or other experts / agents.
29. To carry on the business of promoting, building, operating, developing, leasing of software parks, infrastructure for

Information Technology, Information Technology enabled services and all other related activities.

30. To act as management consultants, and to provide advice, services, consultancy in various fields general administrative, commercial legal, economic, labour, industrial and public relations, scientific technical, direct, and indirect taxation and other levies, statistical, accountancy, quality control and data processing.
31. To acquire, lease or lend sophisticated machineries such as computers, tabulators equipments, addressing machines and other equipments and leasing or lending such equipments for providing services of these machines to various clients.
32. To carry on all or any of the business of printers, stationers, lithographers, type founders, stereotypers, photographic printers, photo-lithographers, chromelithographers, engravers, diesinkers, book-binders, designers, draughtsman, paper and ink manufacturers, book-sellers, publisher, advertising agent, engineers and dealers in manufacturers of any other articles or things or any of them or concerned therewith.
33. To carry on the business of purchase and sale of movable and immovable properties of all types, including land (agricultural and non-agricultural), building, house, flats, bungalows, shops offices, showrooms and godowns.
34. To acquire, lease or lend or provide on hire purchase basis plant and machinery for manufacturing enterprises and leasing or lending such plant and machinery for providing services to various clients.
35. To carry on business as general merchants and traders in goods and commodities, on ready or forward basis, commission agents, buying and selling agents, brokers, importers, exporters and to act as manufacturer's representatives.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to undertake all such acts, deeds, matters and things and to execute all such deeds, documents and writing as may be deemed necessary, proper, desirable and expedient in its absolute discretion, for the purpose of giving effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company or Officer(s) of the Company in order to give effect to this resolution."

By order of the Board of Directors  
For **Majesco Limited**

Place: Navi Mumbai  
Date: July 3, 2019

**Varika Rastogi**  
Company Secretary

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("AGM") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

**A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY EIGHT (48) HOURS BEFORE THE AGM. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/ LETTER OF AUTHORITY, AS APPLICABLE.**

2. Institutional/ Corporate members are required to send to the Company a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the AGM.
3. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business in the Notice is annexed hereto and forms part of this Notice.
4. In pursuance of Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, details in respect of the Directors seeking appointment/ re-appointment at the AGM, form part of this Notice.
5. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, August 1, 2019 to Tuesday, August 6, 2019 (both days inclusive), for the purpose of payment of final dividend for the financial year 2018-19 and AGM.
6. The dividend, as recommended by the Board of Directors, if declared at the AGM, will be paid within thirty days to those members whose name appear on the Company's Register of Members as at the end of July 31, 2019 and in respect of shares held in dematerialized form, to the beneficial owners of the shares as at the end of July 31, 2019.
7. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall use any of the electronic mode of payment facility approved by the Reserve Bank of India for the payment of dividend. Members holding shares in demat mode are requested to submit their Bank details viz. Bank Account Number, Name of the Bank, Branch details, MICR Code, IFS Code to the

Depository Participants with whom they are maintaining their demat account and Members holding shares in physical mode are requested to submit the said bank details to the Company's Registrar & Share Transfer Agent.

8. Members are requested to immediately notify any change in their address and e-mail IDs to the Registrar & Share Transfer Agent of the Company at the following address:

Karvy Fintech Private Limited  
(Unit: Majesco Limited)  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli Financial District,  
Nanakramguda, Hyderabad – 500 032  
Telephone: +91 40 6716 2222  
Fax: +91 40 2342 0814  
E-mail: einward.ris@karvy.com

9. Members/ Proxies/ Authorized Representatives are requested to bring duly filled Attendance Slip along with their copy of the Annual Report, for attending the AGM. Please note that copies of the Annual Report or Attendance Slips shall not be distributed at the AGM.
10. Notice of sixth AGM and Annual Report for 2018-19 will be made available on the Company's website <https://ir.majesco.com/financial-information/annual-reports/>.
11. The route map showing directions to reach the venue of the AGM is attached with this Notice.
12. The members may kindly note that no gifts or gift coupons or cash in lieu of gifts will be distributed at or in connection with the AGM.

### 13. Voting through Electronic Means

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Secretarial Standard on General Meetings (SS-2) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') will be provided by National Securities Depository Limited ('NSDL').

Mr. Abhishek Bhate, Company Secretary in Practice (ICSI Membership No. ACS 27747) (Certificate of Practice No. 10230), has been appointed as Scrutinizer to scrutinize the remote e-voting process and voting at the venue of AGM in a fair and transparent manner.

Facility of voting through Ballot Paper shall be made available at the AGM. Members attending the AGM, who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.

Members who have cast their vote by remote e-voting prior to the AGM shall not be entitled to cast their vote again at the AGM.

The remote e-voting period begins on Friday, August 2, 2019 at 9.00 a.m. (IST) and ends on Monday, August 5, 2019 at 5.00 p.m. (IST). The remote e-voting module shall be disabled for voting thereafter. The members of the Company, holding shares in physical form or in dematerialized form, as on the cut-off date being Wednesday, July 31, 2019 may cast their vote through remote e-voting or voting at the AGM.

A person who acquires shares of the Company and becomes member of the Company after dispatch of AGM Notice and holding shares as of the cut-off date i.e. Wednesday, July 31, 2019 may obtain the User ID and Password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

A person who is not a member as on the cut-off date should treat this Notice for information purposes only.

### 14. INSTRUCTIONS FOR E-VOTING

The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical		Your User ID is:
a)	For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b)	For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c)	For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

#### Details on Step 2 is given below:

#### How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

- I. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [abhishekbhate@gmail.com](mailto:abhishekbhate@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - II. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) to reset the password.
  - III. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
15. The voting rights of members shall be in proportion to the shares held by the members as on the cut-off date being Wednesday, July 31, 2019.
  16. The results of e-voting and ballot shall be declared not later than 48 hours of conclusion of AGM. The declared results along with Scrutinizer's Report shall be placed on the website of the Company at [www.majesco.com](http://www.majesco.com) and on the website of NSDL <https://www.evoting.nsd.com>. The results shall also be communicated to the Stock Exchanges on which shares of the Company are listed. Subject to receipt of requisite number of votes, resolutions set out in the notice will be deemed to be passed on the date of AGM.
  17. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

18. All documents as mentioned in the resolutions and/ or explanatory statement are available for inspection by the members at the registered office of the Company from 10.00 a.m. to 12.00 noon on all working day up to the date of AGM and will also be made available at the venue of the AGM.
19. Certificate issued by Statutory Auditors of the Company, as required under the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, is available for inspection by the members at the venue of the AGM and also at the registered office of the Company from 10.00 a.m. to 12.00 noon on all working days up to the date of AGM.
20. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in dematerialized form are, therefore, requested to submit their PAN to their depository participants. Members holding shares in physical form are required to furnish PAN to the Registrar & Share Transfer Agent.
- 21. Information about the Directors seeking appointment/re-appointment, as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)**

Name of the Director	Mr. Radhakrishnan Sundar	Mr. Jyotin Mehta	Mr. Ashank Desai
Director Identification Number (DIN)	00533952	00033518	00017767
Date of Birth	July 1, 1956	February 16, 1958	May 16, 1951
Category of Director	Executive Director	Independent Director	Non-Executive Director
Date of Appointment on Board	June 1, 2015	November 5, 2018	May 31, 2019
Brief Resume including Qualification	<p>Mr. Radhakrishnan Sundar is the Co-founder of Mastek Limited. He worked for two years with HCL Limited, before co-founding Mastek Limited. He served as Executive Director of Mastek Limited before being appointed as Executive Director of Majesco Limited on June 1, 2015 as per the Scheme of Arrangement approved by the Hon'ble High Court of Bombay and the Hon'ble High Court of Gujarat.</p> <p>Mr. Radhakrishnan Sundar holds B.E. in Electronics after which he completed PGDM from the Indian Institute of Management, Ahmedabad.</p>	<p>Mr. Jyotin Mehta holds a Bachelor's Degree in Commerce from University of Bombay and is a fellow member of the Institute of Chartered Accountants of India (All India Rank 3), the Institute of Company Secretaries of India and the Institute of Cost Accountants of India.</p> <p>Mr. Jyotin Mehta last served as Vice President and Chief of Internal Audit in Voltas Limited. In his career, Mr. Mehta has held senior management positions in TATA, ICICI and Shell group of Companies. Mr. Mehta is a visiting faculty at leading management schools in India, like Wellingkar Institute of Management. He is also an advisor in the domain of Governance, Risk Management and Compliance.</p>	<p>Mr. Ashank Desai, is an Information Technology (IT) Industrialist and has done B.E. from Mumbai University and in graduating year, held the second rank in the University. He holds M. Tech. Degree from the Indian Institute of Technology, Mumbai. He also holds Post Graduate Diploma in Business Management from IIM, Ahmedabad. He has worked with Godrej and Boyce before founding Mastek Limited. He is actively associated with several government bodies and trade associations.</p> <p>Mr. Desai is the Principal Founder and former Chairman of Mastek Limited and has more than four decades of rich and diverse experience in IT Industry. He also guides as a Trustee to Mastek Foundation, whose mission is to enable "Informed Giving and Responsible Receiving".</p>
Expertise in specific functional area	Mr. Sundar has extensive experience in software industry.	Mr. Mehta has a versatile experience of over 35 years in the areas of Corporate finance, Internal Audit, Corporate Governance, Risk and Controls, Company Law and Legal & Regulatory compliance and Customer Service.	Mr. Desai has wide experience in IT industry. Mr. Desai is widely recognized as an IT industry veteran and one of the most respected business personalities in India. He is one of the founder members & past Chairman of NASSCOM.

Name of the Director	Mr. Radhakrishnan Sundar	Mr. Jyotin Mehta	Mr. Ashank Desai
Other directorship held in listed companies	NIL	1. Linde India Limited 2. Monnet Ispat and Energy Limited	1. NRB Bearings Limited 2. Mastek Limited
Committee Membership in listed companies	<b>Majesco Limited -</b> a) Investors' Grievances and Stakeholders' Relationship Committee- Member b) Audit Committee- Member	<b>1. Majesco Limited -</b> Audit Committee – Chairman <b>2. Linde India Limited -</b> a) Audit Committee – Chairman, b) Stakeholders' Relationship Committee – Member c) Nomination & Remuneration Committee – Member d) Risk Committee - Member <b>3. Monnet Ispat and Energy Limited -</b> a) Audit Committee – Chairman b) Stakeholders' Relationship Committee – Member c) Nomination & Remuneration Committee - Member	<b>1. NRB Bearings Limited -</b> a) Stakeholders' Relationship Committee – Member b) Corporate Social Responsibility Committee - Member <b>2. Mastek Limited -</b> a) Audit Committee – Member b) Stakeholders' Relationship Committee – Member c) Nomination & Remuneration Committee – Member d) Corporate Social Responsibility Committee – Member e) Governance Committee – Chairman
No. of shares held in the Company as on March 31, 2019	13,76,968	NIL	30,99,552
Nos. of board meetings attended during the year 2018-19	7	5	Not Applicable
Relationships between Directors inter-se	None		
Remuneration Details	Please refer Board of Directors' Report		Nil

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(I) OF THE COMPANIES ACT, 2013

### Item No. 4

Management of Majesco Group has desired to work with a global accounting firm and in pursuit of this strategy, proposed to appoint BDO International as the common audit firm across Majesco group entities in all geographies. Considering this strategy, Majesco, USA, main operating subsidiary of the Company has appointed BDO USA, LLP, as its independent registered public accounting firm for the fiscal year ending March 31, 2020 replacing its existing auditors MSPC Certified Public Accountants and Advisors, P.C.

M/s. Varma & Varma, Chartered Accountants, existing Statutory Auditors, have resigned with effect from July 3, 2019, to pave the way for the Company to appoint a global accounting firm as statutory auditors.

M/s. Varma & Varma, Chartered Accountants have tendered their resignation as the Statutory Auditors of the Company post submission of the audit report on the financial statements of the Company for the financial year ended March 31, 2019 and approval of the Board of Directors' Report for financial year 2018-19, on May 15, 2019. Hence in the Board of Directors' Report dated May 15, 2019, only name of M/s. Varma & Varma, Chartered Accountants as Statutory Auditors has been mentioned.

Based on recommendations of the Audit Committee, the Board of Directors of the Company vide its circular resolution dated July 3, 2019, has appointed M/s. MSKA & Associates, Chartered Accountants (ICAI Firm registration number 105047W) (member firm of BDO International) with effect from July 4, 2019 to fill the casual vacancy caused due to resignation of M/s. Varma & Varma, Chartered Accountants.

M/s. MSKA & Associates, Chartered Accountants, have conveyed their consent to be appointed as the Statutory Auditors of the Company along with the confirmation that, their appointment, if approved by the shareholders, would be within the limits prescribed under the Companies Act, 2013.

In pursuance to the provisions of Section 139(8) of the Companies Act, 2013, the Company needs to approve the appointment of M/s. MSKA & Associates, Chartered Accountants, in the general meeting of the Company within three months from the date of recommendation by the Board. Hence, the Company seeks the approval of the members for item no. 4 of the Notice.

In terms of requirements of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended effective April 1, 2019, details of proposed remuneration and credentials of the Statutory Auditors are provided below:

- a) It is proposed to pay remuneration of ₹ 12,85,000/- towards statutory audit and ₹ 4,50,000/- towards quarterly limited review for financial year 2019-20 aggregating to ₹ 17,35,000/- plus applicable taxes along with out-of-pocket expenses and such remuneration and expenses thereafter as may be mutually agreed between the Company and the said Statutory Auditors. There is no material change in the fees payable to M/s. MSKA & Associates, Chartered

Accountants from the fees paid to outgoing Auditors M/s. Varma & Varma, Chartered Accountants.

- b) M/s. MSKA & Associates (member firm of BDO International) is a Chartered Accountancy Firm registered with Institute of Chartered Accountants of India with Firm Registration Number 105047W. The firm has presence in 9 cities in India viz Ahmedabad, Bengaluru, Chennai, Kolkata, Hyderabad, Mumbai, New Delhi – Gurgaon, Goa and Pune. The Firm provides range of services which include Audit & Assurance, Taxation, Accounting and Risk Advisory. The Firm's Audit & Assurance practice has significant experience in auditing listed and large multinational Companies.

None of the Directors, Key Managerial Personnel and their relatives are in any way, interested or concerned in this resolution.

Your Board of Directors recommend to pass the resolution for appointment of Statutory Auditors, as an Ordinary Resolution as set out at item no. 4 of the Notice.

### Item No. 5

Based on recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on November 5, 2018 has appointed Mr. Jyotin Mehta (DIN: 00033518) as an Additional Director designated as Independent Director of the Company to hold office for a period of continuous five years from November 5, 2018 to November 4, 2023, in accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013 ("the Act").

The appointment of Mr. Jyotin Mehta as an Independent Director, shall be effective upon approval by the members at this AGM.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Jyotin Mehta for the office of Director of the Company. Mr. Jyotin Mehta qualifies for being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Jyotin Mehta that he meets the criteria of independence as prescribed under Section 149(6) of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In the opinion of the Board, Mr. Jyotin Mehta fulfils the conditions for his appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations. Mr. Jyotin Mehta is independent of the management and possesses appropriate skills, experience and knowledge.

Details of Mr. Jyotin Mehta are provided in note number 21 to the Notice pursuant to provisions of the SEBI Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of letter of appointment of Mr. Jyotin Mehta setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

None of the Directors except Mr. Jyotin Mehta, Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution set out in item no. 5 of the Notice except to the extent of their shareholding in the Company

This statement may also be regarded as an appropriate disclosure under the SEBI Listing Regulations.

Your Board of Directors recommend to pass the resolution for appointment of Mr. Jyotin Mehta as an Independent Director, as an Ordinary Resolution as set out at item no. 5 of the Notice.

#### Item No. 6

Based on recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company has appointed Mr. Ashank Desai (DIN: 00017767) as an Additional Non-Executive Director of the Company w.e.f. May 31, 2019 in accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013 ("the Act") and relevant provisions of Articles of Association.

The appointment of Mr. Ashank Desai as a Non-Executive Director, shall be effective upon approval by the members of this AGM.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Ashank Desai for the office of Director of the Company.

Details of Mr. Ashank Desai are provided in note number 21 to the Notice pursuant to provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of letter of appointment of Mr. Ashank Desai setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

None of the Directors except Mr. Ashank Desai, Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution set out at item no. 6 of the Notice except to the extent of their shareholding in the Company.

This statement may also be regarded as an appropriate disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Board of Directors recommend to pass the resolution for appointment of Mr. Ashank Desai as a Non-Executive Director, as an Ordinary Resolution as set out at item no. 6 of the Notice.

#### Item No. 7

Pursuant to Memorandum of Association of the Company ("MOA"), Main Objects of the Company is essentially to carry on the business of computers and computer peripherals, storage media, computer software and hardware, to provide facilities relating to computer operations and data processing equipment and in general to undertake the business of IT consulting and software ("IT Business").

In addition to IT Business, the Company also derives income from leasing of immovable property and income from mutual funds & fixed deposits, which is permitted as an object that is incidental or ancillary to the Main Objects of the Company.

Considering above, it is proposed to amend the Objects Clause of MOA, to include the relevant incidental/ ancillary activities viz. leasing of immovable property and income from mutual funds/ fixed deposits, under Main Objects.

Pursuant to Section 13 of the Companies Act, 2013, approval of the Members of the Company by way of Special Resolution is required for alteration of Objects clause of MOA.

Copy of the MOA containing proposed amended clauses will be available on the website of the Company i.e. <https://ir.majesco.com/> and will be available for inspection by members at the registered office of the Company between 10:00 a.m. to 12:00 Noon on all working days from the date of dispatch of this Notice up to the date of the ensuing Annual General Meeting of the Company.

The Board recommends the resolution at item no. 7 for approval of the members as special resolution.

None of the Directors, Key Managerial Personnel and their relatives are in any way, interested or concerned in this resolution.

By order of the Board of Directors  
For **Majesco Limited**

Place: Navi Mumbai  
Date: July 3, 2019

**Varika Rastogi**  
Company Secretary



# MAJESCO LIMITED

**Registered Office:** MNDC, MBP-P-136, Mahape, Navi Mumbai – 400 710, Maharashtra, India  
**Corporate Identification Number (CIN):** L72300MH2013PLC244874 **Website:** www.majesco.com  
**Phone:** +91-22-61501800; **Fax:** +91-22-27781320

## 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 No/ Client ID: .....

DP ID: .....

I/We, being the member (s) of ..... shares of Majesco Limited, hereby appoint

Name: ..... Address: .....

E-mail ID: ..... Signature: ....., or failing him/ her

Name: ..... Address: .....

E-mail ID: ..... Signature: ....., or failing him/ her

Name: ..... Address: .....

E-mail ID: ..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 6<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, August 6, 2019 at 11:00 a.m. at Hotel “Country Inn and Suites By Radisson”, Plot No X- 4/5 - B, TTC Industrial Area, MIDC, Mahape, Shilphata Road, Navi Mumbai – 400 701, and at any adjournment thereof, in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Type of Resolution	Vote	
			For	Against
<b>Ordinary Business</b>				
1.	Adoption of Audited Financial Statements of the Company for the financial year 2018-19 together with Reports of the Board of Directors and Auditors thereon.	Ordinary		
2.	Declaration of final dividend of ₹ 1.50/- per equity share for the financial year 2018-19.	Ordinary		
3.	Re-appointment of Mr. Radhakrishnan Sundar, who retires by rotation.	Ordinary		
4.	Appointment of M/s. MSKA & Associates, Chartered Accountants as Statutory Auditors of the Company.	Ordinary		
<b>Special Business</b>				
5.	Appointment of Mr. Jyotin Mehta as an Independent Director of the Company.	Ordinary		
6.	Appointment of Mr. Ashank Desai as a Non-Executive Director of the Company.	Ordinary		
7.	Alteration of Objects Clause of the Memorandum of Association of the Company.	Special		

Signed this.....day of..... 2019

Signature of Member:

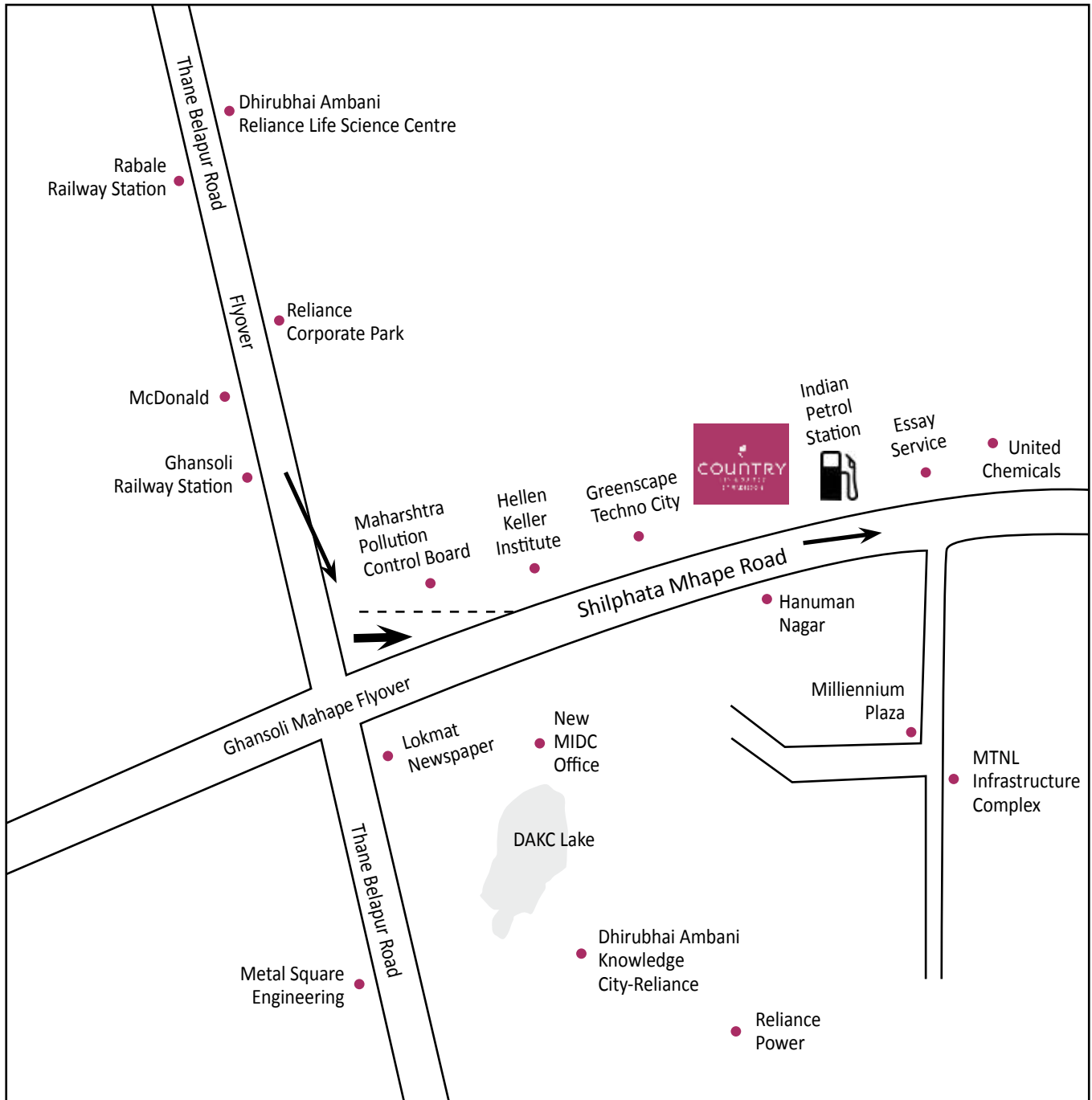
Signature of proxy holder(s)



Notes:

- 1) This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
- 2) It is optional to indicate your preference. If you leave the ‘for’ or ‘against’ column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/ she may deem appropriate.

## ROUTE MAP TO THE VENUE OF THE AGM



### Venue:

Hotel "Country Inn and Suites By Radisson",  
Plot No. X- 4/5 - B, TTC Industrial Area, MIDC,  
Mahape, Shilphata Road, Navi Mumbai – 400701

# India

## NAVI MUMBAI

**MAJESCO LIMITED**  
MNDC, MBP-P-136,  
Off Thane Belapur Road, Mahape,  
Navi Mumbai-400710  
Tel: +91 22 61501800  
Fax: +91 22 27781320

## NAVI MUMBAI

**MAJESCO SOFTWARE AND SOLUTIONS INDIA PRIVATE LIMITED**  
7th floor, building no. 11, Mindspace,  
SEZ, Plot no. 3 (Part) Trans Thane Creek  
Industrial Area, MIDC, Thane Belapur  
Road, Airoli, Navi Mumbai-400708  
Tel: +91 22 69000931  
Fax: +91 22 27781332

## PUNE

**MAJESCO SOFTWARE AND SOLUTIONS INDIA PRIVATE LIMITED**  
Nyati Tech Park, 4th floor, Digambar  
Nagar, Wadgaon Sheri,  
Pune - 411014 Maharashtra  
Tel: +91 20 6607 2000  
Fax: +91 20 6607 2003

# International

## USA

**MAJESCO**  
412 Mt. Kemble Avenue, Suite 110C,  
Morristown, NJ 07960

## USA

**MAJESCO**  
7500 College Blvd. Suite 725, Overland  
Park, Kansas 66210

## USA

**MAJESCO SOFTWARE AND SOLUTIONS INC.**  
412 Mt. Kemble Avenue, Suite 110C,  
Morristown, NJ 07960

## USA

**MAJESCO**  
Tampico 42, P.B., Local 3, Colonia  
Roma, Delegacion, Cuauhtemoc, C.p.  
06700, Ciudad de Mexico

## USA

**MAJESCO**  
300 Winding Brook Suite 5, Glastonbury,  
Connecticut 06033

## CANADA

**MAJESCO CANADA LIMITED**  
1 Dundas Street West,  
Suite 2500, Toronto,  
ON M5G 1Z3

## UK

**MAJESCO UK LIMITED**  
SoanePoint, 6-8 Market Place  
Reading, RG1 2EG, UK.

## SINGAPORE

**MAJESCO ASIA PACIFIC PTE LIMITED**  
#11-06, Sim Lim Tower, 10, Jalan Besar,  
Singapore, 208787

## MALAYSIA

**MAJESCO SDN BHD**  
2A-10-1, Block 2A, Level 10, Plaza  
Sentral, Jalan Stesen Sentral 5, KI  
Sentral 50470 Kuala Lumpur, Wilayah  
Persekutuan, Malaysia

## IRELAND

**EXAXE HOLDINGS LIMITED**  
70, Sir John  
Rogerson's Quay, Dublin 2,  
Ireland

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