# Independent Auditor's Report

**To the Members of Mastek Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying standalone financial statements of **Mastek Limited** (the 'Company'), which comprise the Standalone Balance Sheet as at 31 March 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements ('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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit (including Other Comprehensive Loss), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

4. Key audit matters are those matters that, in our professional 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.

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

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Revenue from contracts with customers (Refer notes 2d(xii) and 19 to the accompanying standalone financial statements)**<br><br>Revenue is recognised basis the terms of each contract with customers wherein certain commercial arrangements involve complexity and significant judgements relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation and the appropriateness of basis used to measure revenue recognised over the time period is applied in selecting the accounting basis in each case.<br><br>We identified revenue of the Group as a key audit matter in the audit of standalone financial statements of current year because of the significant judgement/ estimates used in accounting of revenue contracts. | Our audit procedures relating to revenue recognition included, but were not limited to the following:<br>• Evaluated the design and operating effectiveness of internal financial controls relating to the revenue recognition of the Group.<br>• Selected samples from all streams of contracts and performed detailed analysis on recognition of revenue as per the requirement of Ind AS 115, 'Revenue from Contracts with Customers' which involved testing of inputs to revenue recognition including estimates used.<br>• Evaluated appropriateness and adequacy of disclosures made in the standalone financial statements with respect to revenue in accordance with the requirements of applicable financial reporting framework. |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Valuation of put option liability**<br>As described in note 41 to the accompanying standalone financial statements, the Holding Company has written a put option over the equity instrument of a subsidiary, where the holders (non-controlling interests) of that instrument have the right to put their instrument back to the Holding Company at its fair value on specified dates. The amount that may become payable at each reporting date under the option upon its exercise is recognised at present value as a written put option financial liability with a corresponding debit to investment as deemed investment in the subsidiary company.<br>Management has appointed an independent valuation expert to value the put option liability at each reporting period. The processes and methodologies used for assessing and determining the value involves use of assumptions and is based on complex management's judgement and estimates.<br>Considering put option liability is significant to the standalone financial statements and auditing management judgement and estimates as stated above involves high degree of subjectivity and require significant auditor judgement, valuation of put option liability is considered as a key audit matter for the current year audit. | Our audit procedures in relation to valuation of put option liability included but were not limited to the following:<br>• Evaluated appropriateness of the Group's accounting policy in respect of recognition and measurement of put option liability in accordance with Ind AS 109, 'Financial Instruments'.<br>• Obtained the understanding of the process of identification, recognition, and measurement of derivative financial instruments. Evaluated the design and implementation of internal financial controls implemented in such process and tested their operating effectiveness during the year.<br>• Obtained the management's external valuation specialist's report on determination of fair value of put option liability and assessed the professional competence and objectivity of the management's expert.<br>• Involved auditor's experts to assess the valuation assumptions used and methodology considered by the management's expert to calculate the put option liability and the mathematical accuracy of these calculations.<br>• Assessed the reasonability of the assumptions and estimates made by the management considered in the valuation of the put option liability basis our understanding of the business and external market conditions to the extent relevant.<br>• Evaluated the appropriateness and adequacy of disclosures given in the standalone financial statements, including disclosure of significant assumptions and judgements used by management, in accordance with applicable financial reporting framework. |

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

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we 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 when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act 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 Loss, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that

give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the standalone financial statements, the Board of Directors are 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 intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

10. 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism 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 Act we are also responsible for expressing our opinion on whether the Company has adequate Internal Financial Controls with reference to standalone financial statements in place and the operating effectiveness of such controls;

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

    - Conclude on the appropriateness of Board of Directors' 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

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

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

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

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. As required by the Companies (Auditor's Report) Order, 2020 (the 'Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the **Annexure - I**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. Further to our comments in Annexure – I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) The standalone financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 with reference to standalone financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in **Annexure - II** wherein we have expressed an unmodified opinion; and

    g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company does not have any pending litigation which would impact its financial position as at 31 March 2023;

    ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;

    iv.

    a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 44(i) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entity (the 'intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (the 'Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

    b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 44(ii) to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entity (the 'Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The interim dividend declared and paid by the Company during the year ended 31 March 2023 and until the date of this audit report is in compliance with section 123 of the Act.

The final dividend paid by the Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 10 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 01 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

**Adi P. Sethna**
Partner
Membership No.: 108840
UDIN: 23108840BGYAVK9072

Place: Mumbai
Date: 19 April 2023

# Annexure – I

**Referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Mastek Limited on the standalone financial statements for the year ended 31 March 2023**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment ('PPE'), right of use assets ('ROU assets') and investment property.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its PPE, ROU assets and investment property under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain PPE, ROU assets and investment property were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (including investment property) held by the Company (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in notes 3 (a) and 3 (d) to the standalone financial statements are held in the name of the Company. For title deeds of immovable properties in the nature of building situated at Chennai with net carrying values of ₹ 829 lakhs as at 31 March 2023, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders.

(d) The Company has not revalued its PPE (including ROU assets) or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in note 13 to the standalone financial statements, the Company has a working capital limit in excess of ₹ 5 Crores, sanctioned by banks on the basis of security of current assets. Pursuant to the terms of the sanction letters, till the time such limit remains unutilised/ undrawn the Company is not required to file any quarterly return or statement with such banks.

(iii)

(a) The company has provided guarantee to subsidiary and other entity as per details given below:

| Particulars | Guarantee (₹ in lakhs) |
|---|---|
| Aggregate amount during the year | |
| - Subsidiary | 24,651 |
| - Other entity | NIl |
| Balance outstanding as at balance sheet date | |
| - Subsidiary | 24,651 |
| - Other entity | NIl |

Further, the Company has not provided any loans or advances in the nature of loans of security to subsidiaries or any other entity during the year.

(b) In our opinion, and according to the information and explanations given to us, the investments made and guarantee provided are prima facie, not prejudicial to the interest of the Company. The Company has not given any security or granted any loans or advances in the nature of loans during the year.

(c) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans granted, guarantees and security provided by it.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section

148 of the Act, in respect of Company's business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

| Name of the statute | Nature of dues | Gross Amount (₹ In lakhs) | Amount paid under Protest (₹ In lakhs) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|
| The Maharashtra Value Added Tax Act, 2002 | VAT liability including interest | 895 | 91 | FY 2006-07<br>FY 2009-10<br>FY 2012-13<br>FY 2013-14 | Joint Commissioner of Sales Tax (Appeals), Mumbai |
| The Maharashtra Value Added Tax Act, 2002 | VAT liability including interest | 24 | 1 | FY 2015-16 | Deputy Commissioner of Sales Tax, Mumbai |
| The Central Sales Tax Act, 2002 | CST liability including interest | 22 | 4 | FY 2009-10<br>FY 2012-13<br>FY 2013-14 | Joint Commissioner of Sales Tax (Appeals), Mumbai |
| Income-tax Act, 1961 | Income tax | 174 | - | FY 2012-13<br>FY 2017-18 | CIT (A) |
| Income-tax Act, 1961 | Income tax | 77 | - | FY 2014-15 | Assessing Officer |

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of account.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has made private placement of its equity shares, pursuant to Demerger Co-operation Agreement ('DCA') and Shareholders Agreement dated 08 February 2020 referred to in note 41 to the accompanying standalone financial statements. Considering that, the private placement made was in the form of non-cash consideration pursuant to the DCA. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the Rules framed thereunder to the extent applicable.

(xi) a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard ('Ind AS') 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv)

(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii)There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

**Adi P. Sethna**
Partner
Membership No.: 108840
UDIN: 23108840BGYAVK9072

Place: Mumbai
Date: 19 April 2023

# Annexure – II

**To the Independent Auditor's Report of even date to the members of Mastek Limited on the standalone financial statements for the year ended 31 March 2023**

## Independent Auditor's Report on the Internal Financial Controls with reference to the standalone financial statements under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (the 'Act')

1. In conjunction with our audit of the standalone financial statements of **Mastek Limited** (the 'Company') as at and for the year ended 31 March 2023, we have audited the Internal Financial Controls with reference to standalone financial statements of the Company as at that date.

## Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the Internal Financial Controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls with reference to standalone financial statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls with reference to standalone financial statements.

## Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's Internal Financial Controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal Financial Controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

## Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

7. Because of the inherent limitations of Internal Financial Controls with reference to standalone financial

statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the Internal Financial Controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

8. In our opinion, the Company has, in all material respects, adequate Internal Financial Controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2023, based on the Internal Financial Controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

**Adi P. Sethna**
Partner
Membership No.: 108840
UDIN: 23108840BGYAVK9072

Place: Mumbai
Date: 19 April 2023

# Standalone Balance Sheet

as at March 31, 2023

(₹ in lakhs)

| Particulars | Note | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3(a)(i) | 3,266 | 2,879 |
| Capital work-in-progress | 3(c) | 433 | 428 |
| Investment property | 3(d) | - | 414 |
| Other intangible assets | 3(a)(ii) | 11 | 184 |
| Right-of-use assets | 3(b) | 22 | 52 |
| Financial assets | | | |
| Investment in subsidiaries | 3(e) | 67,383 | 46,565 |
| Investments | 4(a) | 53 | 1,077 |
| Other financial assets | 4(b) | 843 | 1,134 |
| Deferred tax assets, net | 28(c) | 3,661 | 3,284 |
| Other non-current assets | 5 | 128 | 124 |
| **Total non-current assets** | | **75,800** | **56,141** |
| **Current assets** | | | |
| Financial assets | | | |
| Investments | 6(a) | - | 1,489 |
| Trade receivables | 6(b) | 3,757 | 5,652 |
| Cash and cash equivalents | 6(c)(i) | 692 | 1,570 |
| Bank balances other than cash and cash equivalents | 6(c)(ii) | 54 | 3,336 |
| Other financial assets | 6(d) | 1,136 | 1,119 |
| Contract asset | 7 | - | 396 |
| Other current assets | 8 | 2,028 | 1,751 |
| **Total current assets** | | **7,667** | **15,313** |
| **Total assets** | | **83,467** | **71,454** |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Equity share capital | 9 | 1,526 | 1,501 |
| Other equity | 10 | 72,747 | 58,678 |
| **Total equity** | | **74,273** | **60,179** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 11(a) | 193 | 184 |
| Lease liabilities | 11(b) | 23 | 23 |
| Other financial liabilities | 11(c) | 223 | 1,393 |
| Provisions | 12 | 1,102 | 838 |
| **Total non-current liabilities** | | **1,541** | **2,438** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 13 | 78 | 79 |
| Lease liabilities | 14 | 0 | 35 |
| Trade payables | 15 | | |
| total outstanding dues of micro enterprises and small enterprises; and | | - | - |
| total outstanding dues of creditors other than micro enterprises and small enterprises | | 2,436 | 3,065 |
| Other financial liabilities | 16 | 1,671 | 3,159 |
| Other current liabilities | 17 | 595 | 577 |
| Contract liabilities | | 251 | 121 |
| Provisions | 18 | 1,020 | 1,037 |
| Current tax liability, net | | 1,602 | 764 |
| **Total current liabilities** | | **7,653** | **8,837** |
| **Total liabilities** | | **9,194** | **11,275** |
| **Total equity and liabilities** | | **83,467** | **71,454** |

The accompanying notes forms an integral part of the standalone financial statements

As per our report of even date attached

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

**Adi P. Sethna**
Partner
Membership No.: 108840

Place: Mumbai
Date: April 19, 2023

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

**Ashank Desai**
Chairman
DIN: 00017767

**Rajeev Grover**
Director
DIN: 00058165

**Arun Agarwal**
Global Chief Financial officer
Place: Mumbai
Date: April 19, 2023

**Dinesh Kalani**
Vice President - Group Company Secretary

# Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in lakhs)

| Particulars | Note | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from operations | 19 | 31,339 | 25,670 |
| Other income | 20 | 7,337 | 7,354 |
| **Total income (1)** | | **38,676** | **33,024** |
| **EXPENSES** | | | |
| Employee benefits expenses | 21 | 21,259 | 18,806 |
| Finance costs | 22 | 44 | 54 |
| Depreciation and amortisation expenses | 23 | 1,303 | 1,242 |
| Other expenses | 24 | 5,369 | 3,480 |
| **Total expenses (2)** | | **27,975** | **23,582** |
| **Profit before exceptional items and tax (3 = 1-2)** | | **10,701** | **9,442** |
| Exceptional items- gain (net) (4) | 25 | 5,864 | 145 |
| **Profit before tax (5 = 3+4)** | | **16,565** | **9,587** |
| **Tax expense / (credit)** | | | |
| Current tax | 28 | 3,669 | 2,489 |
| Deferred tax | | (318) | (613) |
| **Total tax expense (net) (6)** | | **3,351** | **1,876** |
| **Profit after tax for the year (7 = 5-6)** | | **13,214** | **7,711** |
| **Other comprehensive income (OCI)** | | | |
| **Items that will not be reclassified to profit and loss in subsequent periods:** | | | |
| Defined benefit plan actuarial gains | | 93 | 111 |
| Income tax relating to items that will not be reclassified to profit or loss | 28 | (28) | (21) |
| **Items that will be reclassified to profit and loss in subsequent periods:** | | | |
| Net change in fair value of forward contracts designated as cash flow hedges- (loss)/ gain | | (28) | 1,733 |
| Net change in fair value of financial instruments- (loss) | | (261) | (1,062) |
| Income tax relating to items that will be reclassified to profit or loss - credit / (expense) | 28 | 85 | (207) |
| **Total Other Comprehensive (Loss)/ Income for the year (8)** | | **(139)** | **554** |
| **Total Comprehensive Income for the year (7+8)** | | **13,075** | **8,265** |
| **Earnings per share (in ₹)** | 26 | | |
| (Equity shares of face value ₹ 5 each) | | | |
| Basic | | 43.85 | 27.83 |
| Diluted | | 43.07 | 27.13 |

The accompanying notes forms an integral part of the standalone financial statements

As per our report of even date attached

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

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

**Ashank Desai**
Chairman
DIN: 00017767

**Rajeev Grover**
Director
DIN: 00058165

**Adi P. Sethna**
Partner
Membership No.: 108840

**Arun Agarwal**
Global Chief Financial officer
Place: Mumbai
Date: April 19, 2023

**Dinesh Kalani**
Vice President - Group Company Secretary

Place: Mumbai
Date: April 19, 2023

# Standalone Statement of Cash Flows

for the year ended March 31, 2023

(₹ in lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| **Cash flows from operating activities** | | |
| **Profit for the year** | 13,214 | 7,711 |
| **Adjustments for :** | | |
| Interest income | (80) | (302) |
| Guarantee commission | (198) | (191) |
| Employee stock compensation expenses | 141 | 193 |
| Finance costs | 44 | 54 |
| Depreciation and amortisation | 1,303 | 1,242 |
| Provision for doubtful debts including Bad debts written off, net | 345 | 53 |
| Net (gain) on foreign currency translation | (1) | (25) |
| Tax expense | 3,351 | 1,876 |
| Exceptional item (Refer note 25) | (5,864) | (145) |
| Dividend from subsidiary | (5,714) | (4,721) |
| Profit on sale of property, plant and equipment, net | (12) | (8) |
| Profit on sale of current investments and gain on investment measured at FVTPL | (396) | (1,637) |
| Rental income | (234) | (287) |
| **Operating profit before working capital changes** | **5,899** | **3,813** |
| Decrease/ (Increase) in trade receivables | 1,946 | (1,204) |
| (Increase) in advances and other assets | (186) | (149) |
| (Decrease)/ Increase in trade payables, other liabilities and provisions | (673) | 322 |
| Cash generated from operating activities before taxes | 6,986 | 2,782 |
| Income taxes paid, net of refunds | (1,579) | (1,259) |
| **Net cash generated from operating activities** | **5,407** | **1,523** |
| **Cash flows from investing activities** | | |
| Proceeds from sale of property, plant and equipment and investment property | 4,445 | 8 |
| Taxes on proceeds from sale of property, plant and equipment and investment property | (750) | - |
| Purchase of property, plant and equipment and intangible assets | (1,768) | (1,199) |
| Interest received | 141 | 353 |
| Purchase consideration paid for acquisition of subsidiaries, net of cash and cash equivalents | (14,865) | (16,596) |
| Dividend from subsidiary | 5,714 | 4,721 |
| Rental income | 277 | 406 |
| Guarantee commission received | 209 | 139 |
| Liquidation of short term bank deposits | 3,285 | 1,050 |
| Purchase of current investments | (13,934) | (22,412) |
| Proceeds from sale of current investments | 16,581 | 36,068 |
| Taxes on proceeds from sale of current investments | (69) | (380) |
| **Net cash(used in) / generated from investing activities** | **(734)** | **2,158** |

# Standalone Statement of Cash Flows

for the year ended March 31, 2023

(₹ in lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| **Cash flows from financing activities** | | |
| Proceeds from issue of shares under the employee stock option schemes | 244 | 173 |
| Proceeds from borrowings | 94 | 196 |
| Repayments of borrowings | (86) | (67) |
| Dividends paid including dividend distribution tax and unclaimed dividends | (5,741) | (4,753) |
| Payment of lease liabilities | (38) | (38) |
| Interest paid on lease and other finance charges | (24) | (15) |
| **Net cash used in financing activities** | **(5,551)** | **(4,504)** |
| Net (Decrease) in cash and cash equivalents during the year | (878) | (823) |
| Cash and cash equivalents at the beginning of the year | 1,570 | 2,393 |
| **Cash and cash equivalents at the end of the year [Refer note 6 (c)(i)]** | **692** | **1,570** |

The accompanying notes forms an integral part of the standalone financial statements

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Statement of Cash Flow

As per our report of even date attached

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

**Adi P. Sethna**
Partner
Membership No.: 108840

Place: Mumbai
Date: April 19, 2023

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

**Ashank Desai**
Chairman
DIN: 00017767

**Rajeev Grover**
Director
DIN: 00058165

**Arun Agarwal**
Global Chief Financial officer
Place: Mumbai
Date: April 19, 2023

**Dinesh Kalani**
Vice President - Group Company Secretary

# Standalone Statement of Changes In Equity

for the year ended March 31, 2023

| (a) Equity share capital (Refer note 9) | (₹ in lakhs) |
|---|---|
| Balance as at April 1, 2022 | 1,501 |
| Add: Shares issued on exercise of stock options and restricted shares | 9 |
| Add : Issue of share pursuant to acquisition of non controlling interest in Mastek Enterprise Solutions Private Limited (Formerly known as Trans American Information Systems Private Limited) (Refer note 41) | 16 |
| **Balance as at March 31, 2023** | **1,526** |
| | |
| Balance as at April 1, 2021 | 1,262 |
| Add: Shares issued on exercise of stock options and restricted shares | 14 |
| Add: Issue of share capital on account of acquisition of control of the business of Evolutionary Systems Private Limited ("ESPL") (Refer note 41) | 212 |
| Add : Issue of share pursuant to acquisition of non controlling interest in Mastek Enterprise Solutions Private Limited (Formerly known as Trans American Information Systems Private Limited) (Refer note 41) | 13 |
| **Balance as at March 31, 2022** | **1,501** |

(b) (₹ in lakhs)

| Particulars | Reserve and Surplus | | | | | | OCI | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Capital redemption reserve | Securities premium | Share options outstanding account | General Reserve | Retained earnings | Other reserves | Remeasurement of defined benefit plans | Effective portion of cash flow hedge | Fair value of changes in other financial instruments | Total other equity |
| **Balance as at April 1, 2022** | 1,539 | 32,951 | 1,144 | - | 21,577 | - | 336 | 943 | 188 | 58,678 |
| Issue of equity share on exercise of employee share option | - | 235 | - | - | - | - | - | - | - | 235 |
| Employee share-based compensation | - | - | 563 | - | - | - | - | - | - | 563 |
| Transferred to securities premium on exercise of shares under the employee stock option | - | 327 | (327) | - | - | - | - | - | - | - |
| Profit for the year | - | - | - | - | 13,214 | - | - | - | - | 13,214 |
| Cash dividends | - | - | - | - | (5,741) | - | - | - | - | (5,741) |
| ESOP adjustments * | - | - | (22) | 22 | - | - | - | - | - | - |
| Other comprehensive income (net of taxes) | - | - | - | - | - | - | 65 | (16) | (188) | (139) |
| Issue of share pursuant to acquisition of non controlling interest in Mastek Enterprise Solutions Private Limited (Formerly known as Trans American Information Systems Private Limited) (Refer note 41) | - | 5,937 | - | - | - | | - | - | - | 5,937 |
| **Balance as at March 31, 2023** | 1,539 | 39,450 | 1,358 | 22 | 29,050 | - | 401 | 927 | - | 72,747 |

(b)

(₹ in lakhs)

| Particulars | Reserve and Surplus | | | | | | OCI | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Capital redemption reserve | Securities premium | Share options outstanding account | General Reserve | Retained earnings | Other reserves | Remeasurement of defined benefit plans | Effective portion of cash flow hedge | Fair value of changes in other financial instruments | Total other equity |
| **Balance as at April 1, 2021** | 1,539 | 4,788 | 1,763 | - | 18,530 | 19,169 | 246 | (273) | 940 | 46,702 |
| Issue of share on exercise of employee share option | - | 159 | - | - | - | - | - | - | - | 159 |
| Employee share-based compensation | - | - | 393 | - | - | - | - | - | - | 393 |
| Transferred to securities premium on exercise of shares under the employee stock option | - | 923 | (923) | - | - | - | - | - | - | - |
| Profit for the year | - | - | - | - | 7,711 | - | - | - | - | 7,711 |
| Cash dividends | - | - | - | - | (4,753) | - | - | - | - | (4,753) |
| ESOP adjustments * | - | - | (89) | - | 89 | - | - | - | - | - |
| OCI (net of taxes) | - | - | - | - | - | - | 90 | 1,216 | (752) | 554 |
| Issue of share capital on account of acquisition of control of the business of ESPL (Refer note 41) | - | 18,957 | - | - | - | (19,169) | - | - | - | (212) |
| Issue of share pursuant to acquisition of non controlling interest in Mastek Enterprise Solutions Private Limited (Formerly known as Trans American Information Systems Private Limited) (Refer note 41) | - | 8,124 | - | - | - | | - | - | - | 8,124 |
| **Balance as at March 31, 2022** | 1,539 | 32,951 | 1,144 | - | 21,577 | - | 336 | 943 | 188 | 58,678 |

*ESOP adjustment reflects vested stock options lapsed during the year.

The accompanying notes forms an integral part of the standalone financial statements

As per our report of even date attached

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

**Adi P. Sethna**
Partner
Membership No.: 108840

Place: Mumbai
Date: April 19, 2023

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

**Ashank Desai**
Chairman
DIN: 00017767

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Director
DIN: 00058165

**Arun Agarwal**
Global Chief Financial officer
Place: Mumbai
Date: April 19, 2023

**Dinesh Kalani**
Vice President - Group Company Secretary

# Summary of Significant Accounting Policies and Other Explanatory Information
As at and for the year ended March 31, 2023

## 1 Company overview

Mastek Limited (the 'Company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company's registered office is located at 804/805, President House, Opp. C N Vidyalaya, Near Ambawadi Circle, Ahmedabad - 380 006, Gujarat, India. The Company is a provider of vertically-focused enterprise technology solutions.

The portfolio of the Company's offering includes business and technology services comprising of Application Development, Application Maintenance, Business Intelligence and Data Warehousing, Testing & Assurance and Legacy Modernisation. The Company carries out its operations in India and has its software development centres in India at Mumbai, Pune, Chennai and Mahape.

## 2 Basis of preparation and presentation

### a. Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, and the presentation and disclosure requirement of Division II of Schedule III to the Act and the guidelines issued by the Securities and Exchange Board of India to the extent applicable. The Company's registered office is located at 804/805, President House, Opp. C N Vidyalaya, Near Ambawadi Circle, Ahmedabad - 380 006, Gujarat, India.

The Company has not given any loan or advance in the nature of loan to its subsidiary or other entity during the year ended 31 March 2023 and 31 March 2022. Therefore, disclosure under Regulation 53(1)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable.

The revision to standalone financial statements is permitted by Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per the provisions of the Act.

These standalone financial statements of the Company ("standalone financial statements") as at and for the year ended March 31, 2023 were approved and authorised by the Company's board of directors on April 19, 2023.

All amounts included in the financial statements are reported in Indian rupees (in lakhs) except share and per share data, unless otherwise stated and "0" denotes amounts less than fifty thousands rupees.

These standalone financial statements are separate financial statements of the Company under Ind AS 27 "Separate Financial Statements" ('Ind AS 27').

### b. Basis of preparation

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

i. Derivative financial instruments;

ii. Certain financial assets and liabilities measured at fair value; refer accounting policy on financial instrument

iii. Share based payment transactions;

iv. Defined benefit and other long-term employee benefits; and

v. Contingent consideration

All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle which does not exceed 12 months.

### c. Use of estimate and judgement

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements is included in the following notes:

(i) **Revenue recognition:** The Company applies the percentage of completion method in accounting for its fixed price contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

(ii) **Income taxes:** Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

(iii) **Defined benefit plans and compensated absences:** The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iv) **Property, plant and equipment:** Property, plant and equipment represents a significant proportion of the asset base of the Company. The change in respect of periodic depreciation is derived after determining an estimate of an assets expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(v) **Expected credit losses on financial assets:** On application of Ind AS 109, the impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's credit-worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

(vi) **Deferred taxes:** Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(vii) **Provisions:** Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding defined benefit obligation and compensated expenses) are not discounted to its present value and are determined based on best estimate required to settle obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

(viii) **Share-based payments:** At the grant date, fair value of options granted to employees is recognised as employee benefit expense, with corresponding increase in equity, over the period that the employee become unconditionally entitled to the option. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "share option outstanding account". The amount recognised as expense is adjusted to reflect the impact of the revision in estimates based on number of options that are expected to vest, in the standalone statement of profit and loss with a corresponding adjustment to equity.

(ix) **Leases:** Ind AS 116 "Leases" requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(x) **Evaluation of indicators for impairment of assets** - The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

(xi) **Contingent liabilities** - At each balance sheet date, basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

(xii) **Restructuring provision** - Severance liabilities as a result of reduction in work force are recognised when they are determined to be probable and estimable and create a constructive obligation about the execution of plan. On an ongoing basis, management assesses the profitability of a business and possibly may decide to restructure the operations of such businesses. Significant assumptions are used in determining the amount of the estimated liability for restructuring.

(xiii) Any provision/reversal of the contract asset is done on the basis of specific identification method. As per management estimate billing is done within one year from the end of the financial year.

Estimates and judgements are continuously evaluated. These are based on historical experience and other factors including expectation of future events that may have financial impact on the company and that are believed to be reasonable under the circumstances.

## d. Summary of significant accounting policies

### (i) Functional and presentation currency

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The standalone financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

### (ii) Foreign currency transactions and balances

Foreign currency transactions of the Company are accounted at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities are translated at each reporting date based on the rate prevailing on such date. Gains and losses resulting from the settlement of foreign currency monetary items and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the standalone statement of profit and loss. Non-monetary assets and liabilities are continued to be carried at rates of initial recognition.

### (iii) Financial instruments

**A. Initial recognition and measurement**

The Company recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets (except trade receivables) and financial liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not measured at fair value through profit or loss are added to the fair value on initial recognition. Regular purchase and sale of financial assets are recognised on the trade date. Further, trade receivables are measured at transaction price on initial recognition.

**B. Subsequent measurement**

*1. Non-derivative financial instruments*

**a. Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

b. **Financial assets at fair value through Other Comprehensive Income (FVOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. **Financial assets at Fair Value Through Profit or Loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

d. **Financial liabilities**

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

e. **Derivative instruments**

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

These derivative instruments are designated as cash flow hedges.

The hedge accounting is discontinued when the hedging instrument are expired or sold, terminated or no longer qualifies for hedge accounting. The cumulative gain or loss on the hedging instruments recognised in hedging reserve till the period hedge was effective remains in cash flow hedging reserve until the forecasted transaction occur. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to profit or loss upon the occurrence of related forecasted transactions.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the standalone statement of profit and loss.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

For accounting policy related to fair value hierarchy refer note 32.

C. **Derecognition of financial instruments**

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

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

D. **Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

E. **Investment in subsidiary companies**

Investment in subsidiaries is carried at cost in the separate financial statements.

### (iv) Current versus non-current classification

1. An asset is considered as current when it is:

a. Expected to be realised or intended to be sold or consumed in the normal operating cycle, or

b. Held primarily for the purpose of trading, or

c. Expected to be realised within twelve months after the reporting period, or

d. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

2. All other assets are classified as non-current.

3. Liability is considered as current when it is:

a. Expected to be settled in the normal operating cycle, or

b. Held primarily for the purpose of trading, or

c. Due to be settled within twelve months after the reporting period, or

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

4. All other liabilities are classified as non-current.

5. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

6. 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 Schedule III to the Act. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

### (v) Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost, less accumulated depreciation, amortisation and impairment loss, if any. Costs directly attributable to acquisition are capitalised until the PPE are ready for use, as intended by management. The cost of PPE acquired in a business combination is recorded at fair value on the date of acquisition. The fair value is taken as per the report of independent valuer. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the standalone statement of profit and loss when the asset is derecognised.

The Company depreciates PPE over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

| Category | Useful Life |
|---|---|
| Building | 25 - 30 years |
| Computers | 2 - 4 years |
| Plant and equipment | 2 - 5 years |
| Furniture and fixtures | 5 years |
| Office equipment | 5 years |
| Vehicles | 5 years |
| Leasehold improvement | 5-15 years i.e. life of the asset or the primary period of lease whichever is less |
| Leasehold land | Lease term ranging from 95-99 years |

In case of certain PPE, the Company uses useful life different from those specified in Schedule II of the Act which is duly supported by technical evaluation. The management believe that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation methods, useful lives and residual values are reviewed at each reporting date. Depreciation on addition/disposals is calculated pro-rata from the date of such additions/disposals.

Capital work-in-progress includes PPE under construction and not ready for intended use as on the balance sheet date.

### (vi) Intangible assets

Intangible assets acquired separately are measured at cost of acquisition. Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The amortisation of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated. The estimated useful life of amortisable intangibles are reviewed and where appropriate are adjusted, annually.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset on the date of disposal and are recognised in the standalone statement of profit and loss when the asset is derecognised.

Amortisation on addition to intangible assets or on disposal of intangible assets is calculated pro-rata from the month of such addition or

# Summary of Significant Accounting Policies and Other Explanatory Information

As at and for the year ended March 31, 2023

up to the month of such disposal as the case may be.

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

| Category | Useful Life |
|---|---|
| Computer Software | 1 - 5 years |

Depreciation on addition/disposals is calculated pro-rata from the date of such additions/disposals.

## (vii) Leases

The Company has applied Ind AS 116 with effect from April 1, 2019 using the modified retrospective approach and therefore the comparative information was not restated and continued to be reported under Ind AS 17.

As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### *i. Right of use assets*

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, which are in accordance with the lives mentioned under (v) above.

### *ii. Lease liabilities*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### *iii. Short-term leases and leases of low-value assets*

The Company applies the short-term lease recognition exemption to its short-term leases of PPE (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of laptops, lease-lines and office furniture and equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

as expense on a straight-line basis over the lease term.

*As a lessor:*

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## (viii) Impairment of assets

### a. Non financial assets

Non financial assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the standalone statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the standalone statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

### b. Financial assets

The Company recognise loss allowances using the expected credit loss (ECL) model for financial assets. Loss allowances for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For contract assets management is following Specific Identification Method given under Ind AS 109. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

## (ix) Employee benefits

### A. Long term employee benefits

### *(a) Defined contribution plan*

The Company has defined contribution plans for post employment benefits in the form of provident fund, employees' state insurance, labour welfare fund and superannuation fund in India which are administered through Government of India and/or Life Insurance Corporation of India (LIC). Under the defined contribution plans, the Company has no further obligation beyond making the contributions. Such contributions are charged to the standalone statement of profit and loss as incurred.

### *(b) Defined Benefit Plan*

The Company has defined benefit plans for post employment benefits in the form of gratuity for its employees in India. The gratuity scheme of the Company is administered through Life Insurance Corporation of India (LIC). Liability/asset for defined benefit plans is recognised 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 which is the net of the present value of defined obligation and the fair value of plan assets. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method.

Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The discount

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

rate used is with reference to the market yields on government bonds for a term approximating with the term of the related obligation. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income. Remeasurements comprising of actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

### *(c) Other long-term employee benefits*

The employees of the Company are also entitled for other long-term benefit in the form of compensated absences as per the policy of the Company. Employees are entitled to accumulate leave balance up to the upper limit as per the Company's policies which can be carried forward perpetually. Leave encashment for employees gets triggered on an annual basis, if the accumulated leave balance exceeds the upper limit of leave. Further, at the time of retirement, death while in employment or on termination of employment leave encashment vests equivalent to salary payable for number of days of accumulated leave balance. Liability for such benefits is provided on the basis of actuarial valuations, as at the balance sheet date, carried out by an independent actuary using the projected unit credit method.

### B. Short-term employee benefits

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

### C. Termination benefits

Termination benefits, including those in the nature of voluntary retirement benefits or those arising from restructuring, are recognised in the standalone statement of profit and loss when the Company has a present obligation as a result of past event, when a reliable estimate can be made of the amount of the obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

### (x) Share based payments

The Company determines the compensation cost based on the fair value method in accordance with Ind AS 102 Share Based Payment. The Company grants options to its employees which will be vested in a graded manner and are to be exercised within a specified period. The compensation cost is amortised on a graded basis over the vesting period. The share based compensation expense is determined based on the Company's estimate of equity instrument that will eventually vest.

The amounts recognised in “”share options outstanding account”” are transferred to share capital and securities premium upon exercise of stock options by employees.  Where employee stock options lapse after vesting, an amount equivalent to the cumulative cost for the lapsed option is transferred from ‘Shares option outstanding account’ to general reserve.

### xi) Provisions, Contingent Liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset, only when such reimbursement is virtually certain.

Contingent asset is not recognised in the Consolidated Financial Statement. However, it

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

is recognised only when an inflow of economic benefits is probable.

### (xii) Revenue recognition

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

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

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

**Multiple element arrangements-**

In contracts with multiple performance obligations, Company accounts for individual performance obligations separately if they are distinct and allocate the transaction price to each performance obligation based on its relative standalone selling price out of total consideration of the contract. Standalone selling price is determined utilising observable prices to the extent available. If the standalone selling price for a performance obligation is not directly observable, Company uses expected cost plus margin approach.

**IT support and maintenance-**

Contracts related to maintenance and support services are either fixed price or time and material. In these contracts, the performance obligations are satisfied, and revenues are recognised, over time as the services are provided. Revenue from maintenance contracts is recognised ratably over the period of the contract because the Company transfers the control evenly by providing standard services.

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

Any modification or change in existing performance obligations is assessed whether the services is added to the existing contracts or not. The distinct services are accounted for as a new contract and services which are not distinct are accounted for on a cumulative catch-up basis.

Trade Receivable is primarily comprised of billed and unbilled receivables (i.e. only the passage of time is required before payment is due) for which the Company has an unconditional right to consideration, net of an allowance for doubtful accounts. A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets are presented separately in the standalone financial statements and primarily relate to unbilled amounts on fixed-price contracts utilising the cost to cost method i.e. percentage of completion method (POCM) of revenue recognition. Contract liabilities consist of advance payments and billings in excess of revenues recognised.

The difference between opening and closing balance of the contract assets and liabilities results from the timing differences between the performances obligation and customer payment.

# Summary of Significant Accounting Policies and Other Explanatory Information

As at and for the year ended March 31, 2023

Cost to fulfil the contracts- Recurring operating costs for contracts with customers are recognised as incurred. Revenue recognition excludes any government taxes but includes reimbursement of out of pocket expenses.

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

Other operating revenue includes revenue arising from Company's ancillary revenue-generating activities. Revenue from these activities are recorded only when Group is reasonably certain of such income.

### (xiii) Income tax

Tax expense for the year comprises of current tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the taxation authorities on the taxable profits after considering tax allowances and exemptions and using applicable tax rates and laws. Deferred tax is recognised on timing differences between the accounting base and the taxable base for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

Deferred income tax asset (including asset for Minimum Alternative Tax (MAT) credit) is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in standalone financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset is recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognised for all taxable temporary differences.

Current tax and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the asset and liability on a net basis.

### (xiv) Other income

Other income comprises interest income on bank deposits, dividend income and gains / (losses) on disposal of investments except investments fair value through OCI property plant and equipment, investment property etc. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

### (xv) Finance / Borrowing costs

Finance costs comprise interest cost on borrowings, losses arising on re-measurement of financial assets at FVTPL, losses on translation or settlement of foreign currency borrowings and changes in fair value and losses on settlement of related derivative instruments. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the standalone statement of profit and loss using the effective interest method.

### (xvi) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity Shareholders of the Company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity Shareholders of the Company and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

### (xvii) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short term highly liquid investments with original maturities of three months or less, excluding bank overdraft.

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

### (xviii) Investment Property

Property that is held either for long term rental yield or for capital appreciation or both, but not for sale in ordinary course of the business, use in the production or supply of goods or services or for administrative purposes is classified as investment property. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment loss, if any. Depreciation is provided in the same manner as PPE.

Any gain or loss on disposal of an investment property is recognised in standalone statement of profit and loss.

### (xix) Investment in Subsidiaries

Investments in subsidiaries are recognised at cost as per Ind AS 27 – 'Separate Financial Statements'. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105-' Non-current Assets Held for Sale and Discontinued Operations', when they are classified as held for sale. Provision for impairment in carrying value is evaluated and recognised in a manner similar to impairment mentioned in (vii) above.

### (xx) Put option

The Company has written a put option over the equity instrument of a subsidiary, where the holders (non-controlling interests) of that instrument have the right to put their instrument back to the Company at its fair value on specified dates. The amount that may become payable at each reporting date under the option on exercise is recognised at present value as a written put option financial liability with a corresponding charge directly to investment.

### (xxi) Financial guarantee contract

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

### (xxii) Equity shares

Equity shares are classified as equity. 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.

### (xxiii) Exceptional items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to assist users in understanding the financial performance achieved and in making projections of future financial performance, the nature and amount of such material items are disclosed separately as exceptional items.

### (xxiv) Events after the reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Where the events are indicative of conditions that arose after the reporting period, the amounts are not adjusted, but are disclosed if those non-adjusting events are material.

### (xxv) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedge is recognised in other comprehensive income and accumulated under cash flow hedge reserve. The Company classifies its forward contract that hedge foreign currency risk associated as cash flow hedge and measures them at fair value. The gain or loss relating to the ineffective portion is recognised immediately in the standalone statement of profit and loss and is included in the 'other expense / other income' line item. Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion (as described above) are reclassified to the standalone statement of profit and loss in

# Summary of Significant Accounting Policies and Other Explanatory Information

As at and for the year ended March 31, 2023

the periods when the hedged item affects the standalone statement of profit and loss, in the same line as the recognised hedged item. When the hedging instrument expires or is sold or terminated or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss at that time remains in equity until the forecast transaction occurs and when the forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity are immediately reclassified to standalone statement of profit and loss within other income.

### Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

### Ind AS 1 - Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

### Ind AS 12 - Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

### Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

e. **Details of investments in subsidiary companies in accordance with Ind AS 27**

| Name of subsidiary | Principal place of business and country of incorporation | % ownership interest held as at 31 March 2023 | % ownership interest held as at 31 March 2022 |
|---|---|---|---|
| Mastek Enterprise Solutions Private Limited (formerly known as Trans American Information Systems Private Limited) | India | 90% | 80% |
| Mastek (UK) Limited | UK | 100% | 100% |
| Mastek Inc. | USA | 100% | 100% |
| Trans American Information Systems Inc | USA | 100% | 100% |
| Mastek Digital Inc. | Canada | 100% | 100% |
| Mastek Arabia - FZ LLC | Dubai | 100% | 100% |
| Evolutionary Systems Consultancy LLC* | Abu Dhabi | 49% | 49% |
| Mastek Systems Pty Ltd (Formerly known as Evolutionary Systems Pty Ltd) | Australia | 100% | 100% |
| Evolutionary Systems Bahrain SPC | Bahrain | 100% | 100% |
| Evolutionary Systems Egypt LLC | Egypt | 100% | 100% |
| Evosys Kuwait WLLC* | Kuwait | 49% | 49% |
| Evosys Consultancy Services Malaysia | Malaysia | 100% | 100% |
| Newbury Cloud, Inc | USA | 100% | 100% |
| Evolutionary Systems BV | Netherlands | 100% | 100% |
| Evolutionary Systems Qatar WLL* | Qatar | 49% | 49% |
| Evolutionary Systems Saudi LLC | Saudi | 100% | 100% |
| Evolutionary Systems (Singapore) PTE. LTD. | Singapore | 100% | 100% |
| Evolutionary Systems Company Limited (UK) | UK | 100% | 100% |
| Evolutionary Systems Corp. | USA | 100% | 100% |
| Evolutionary Systems Canada Limited | Canada | 100% | 100% |
| Meta Soft Tech Systems Private Limited | India | 100% | NA |
| Metasoftech Solutions LLC | USA | 100% | NA |

* Represents legal ownership as per the local laws of respective country. However, Company through its subsidiaries, is holding 100% of the beneficial interest in these entities.

# Summary of Significant Accounting Policies and Other Explanatory Information

As at and for the year ended March 31, 2023

(₹ in lakhs)

## For current year ended March 31, 2023

### 3(a)(i) Property, plant and equipment

| Particulars | Gross Value (at cost) | | | | Depreciation/ Amortisation | | | | Net Value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2022 | Additions | Disposal | As at March 31, 2023 | As at April 1, 2022 | For the year | Disposal | As at March 31, 2023 | As at March 31, 2023 | As at March 31, 2022 |
| a. Own assets : | | | | | | | | | | |
| Buildings (Refer note (iii)) | 3,601 | - | - | 3,601 | 1,895 | 130 | - | 2,025 | 1,576 | 1,706 |
| Computers | 2,601 | 338 | (256) | 2,683 | 2,047 | 518 | (256) | 2,309 | 374 | 554 |
| Plant and equipment | 2,150 | 216 | (10) | 2,356 | 2,084 | 63 | (10) | 2,137 | 219 | 66 |
| Furniture and fixtures | 4,295 | 107 | (26) | 4,376 | 4,231 | 59 | (26) | 4,264 | 112 | 64 |
| Vehicles | 594 | 95 | (37) | 652 | 337 | 96 | (37) | 396 | 256 | 257 |
| Office equipment | 1,628 | 71 | (28) | 1,671 | 1,467 | 114 | (28) | 1,553 | 118 | 161 |
| **Total ( A )** | **14,869** | **827** | **(357)** | **15,339** | **12,061** | **980** | **(357)** | **12,684** | **2,655** | **2,808** |
| b. Leased assets : | | | | | | | | | | |
| Leasehold land | 386 | - | - | 386 | 319 | 4 | - | 323 | 63 | 67 |
| Leasehold improvements | 328 | 595 | - | 923 | 325 | 51 | - | 376 | 547 | 3 |
| Vehicles | 41 | - | (17) | 24 | 40 | - | (17) | 23 | 1 | 1 |
| **Total ( B )** | **755** | **595** | **(17)** | **1,333** | **684** | **55** | **(17)** | **722** | **611** | **71** |
| **Total ( A + B )** | **15,624** | **1,422** | **(374)** | **16,672** | **12,745** | **1,035** | **(374)** | **13,406** | **3,266** | **2,879** |

### 3(a)(ii) Other intangible assets

| Particulars | Gross Value (at cost) | | | | Amortisation | | | | Net Value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2022 | Additions | Disposal | As at March 31, 2023 | As at April 1, 2022 | For the year | Disposal | As at March 31, 2023 | As at March 31, 2023 | As at March 31, 2022 |
| Computer software | 1,228 | 47 | - | 1,275 | 1,044 | 220 | - | 1,264 | 11 | 184 |
| **Total** | **1,228** | **47** | **-** | **1,275** | **1,044** | **220** | **-** | **1,264** | **11** | **184** |

### 3(b) Right-of-use assets

| Particulars | Gross Value (at cost) | | | | Depreciation | | | | Net Value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2022 | Additions | Disposal | As at March 31, 2023 | As at April 1, 2022 | For the year | Disposal | As at March 31, 2023 | As at March 31, 2023 | As at March 31, 2022 |
| Building | 142 | - | - | 142 | 90 | 30 | - | 120 | 22 | 52 |
| **Total** | **142** | **-** | **-** | **142** | **90** | **30** | **-** | **120** | **22** | **52** |

## For previous year ended March 31, 2022

### 3(a)(i) Property, plant and equipment

| Particulars | Gross Value (at cost) | | | | Depreciation/ Amortisation | | | | Net Value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2021 | Additions | Disposal | As at March 31, 2022 | As at April 1, 2021 | For the year | Disposal | As at March 31, 2022 | As at March 31, 2022 | As at March 31, 2021 |
| a. Own assets : | | | | | | | | | | |
| Buildings (Refer note (iii)) | 3,601 | - | - | 3,601 | 1,765 | 130 | - | 1,895 | 1,706 | 1,836 |
| Computers | 2,033 | 654 | (86) | 2,601 | 1,823 | 310 | (86) | 2,047 | 554 | 210 |
| Plant and equipment | 2,154 | - | (4) | 2,150 | 2,022 | 66 | (4) | 2,084 | 66 | 132 |
| Furniture and fixtures | 4,332 | 0 | (37) | 4,295 | 4,183 | 85 | (37) | 4,231 | 64 | 149 |
| Vehicles | 395 | 199 | - | 594 | 255 | 82 | - | 337 | 257 | 140 |
| Office equipment | 1,637 | 7 | (16) | 1,628 | 1,352 | 131 | (16) | 1,467 | 161 | 285 |
| **Total ( A )** | **14,152** | **860** | **(143)** | **14,869** | **11,400** | **804** | **(143)** | **12,061** | **2,808** | **2,752** |
| b. Leased assets : | | | | | | | | | | |
| Leasehold land | 386 | - | - | 386 | 315 | 4 | - | 319 | 67 | 71 |
| Leasehold improvements | 328 | - | - | 328 | 324 | 1 | - | 325 | 3 | 4 |
| Vehicles | 58 | - | (17) | 41 | 57 | - | (17) | 40 | 1 | 1 |
| **Total ( B )** | **772** | **-** | **(17)** | **755** | **696** | **5** | **(17)** | **684** | **71** | **76** |
| **Total ( A + B )** | **14,924** | **860** | **(160)** | **15,624** | **12,096** | **809** | **(160)** | **12,745** | **2,879** | **2,828** |

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

## 3(a)(ii) Other intangible assets

| Particulars | Gross Value (at cost) | | | | Amortisation | | | | Net Value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2021 | Additions | Disposal | As at March 31, 2022 | As at April 1, 2021 | For the year | Disposal | As at March 31, 2022 | As at March 31, 2022 | As at March 31, 2021 |
| Computer software | 877 | 351 | - | 1,228 | 677 | 367 | - | 1,044 | 184 | 200 |
| **Total** | **877** | **351** | **-** | **1,228** | **677** | **367** | **-** | **1,044** | **184** | **200** |

## 3(b) Right-of-use assets

| Particulars | Gross Value (at cost) | | | | Depreciation | | | | Net Value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2021 | Additions | Disposal | As at March 31, 2022 | As at April 1, 2021 | For the year | Disposal | As at March 31, 2022 | As at March 31, 2022 | As at March 31, 2021 |
| Building | 142 | - | - | 142 | 60 | 30 | - | 90 | 52 | 82 |
| **Total** | **142** | **-** | **-** | **142** | **60** | **30** | **-** | **90** | **52** | **82** |

Notes:

(i) Refer note 11 and 13 for information on vehicles provided as collateral or security for borrowings or finance facilities availed by the Company.

(ii) Refer note 38 for capital commitments.

(iii) For the year ended March 31, 2023 and year ended March 31, 2022, Building (Own assets) includes Chennai property mortgaged as security for loan availed by subsidiary. The net carrying value of the property is ₹ 829 lakhs (March 31, 2022: ₹ 883 lakhs)

(iv) All the title deeds of the immovable properties are held in the name of the Company

## Non-current assets

## 3(c). Capital work-in-progress (CWIP)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Capital work-in-progress | 433 | 428 |
| | **433** | **428** |
| Balance as at the beginning of the year | 428 | 154 |
| Addition during the year | 309 | 320 |
| Less: Capitalised during the year | (304) | (46) |
| **Balances at the end of the year** | **433** | **428** |

### CWIP ageing schedule

### As at March 31, 2023

| | Particulars | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| i | Projects in progress | 309 | 42 | - | - | 351 |
| ii | Projects temporarily suspended* | - | - | - | 82 | 82 |
| | **Total** | **309** | **42** | **-** | **82** | **433** |

### As at March 31, 2022

| | Particulars | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| i | Projects in progress | 320 | 18 | 8 | - | 346 |
| ii | Projects temporarily suspended* | - | - | - | 82 | 82 |
| | **Total** | **320** | **18** | **8** | **82** | **428** |

*Represents approval cost incurred for obtaining permission for construction of additional area at the Company's Mahape, MIDC Mumbai property, which will be utilised on need basis in the future.

There is no capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2023 and 31 March 2022.

# Summary of Significant Accounting Policies and Other Explanatory Information

As at and for the year ended March 31, 2023

(₹ in lakhs)

## 3(d) Investment properties

| Particulars | | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| (A) | Investment properties (at cost less accumulated depreciation) (Refer note (i) below) | | |
| | Gross block | | |
| | Opening | 1,136 | 1,136 |
| | Additions | - | - |
| | Disposal | (1,134) | - |
| | Closing | 2 | **1,136** |
| | **Accumulated depreciation** | | |
| | Opening | 722 | 686 |
| | Depreciation for the year | 18 | 36 |
| | Disposal | (738) | - |
| | **Closing** | 2 | **722** |
| | **Net block** | - | **414** |
| (B) | Fair value of investment properties by an independent valuer (Refer note (ii) below) | | |
| (i) | Fair value of investment properties | - | 5,161 |
| (ii) | Valuation method used by the independent valuer (Refer note (iii) below) | - | Sale Comparison Method |
| | The amounts recognised in the standalone statement of profit and loss account for: | | |
| (i) | rental income from investment properties | 227 | 287 |
| (ii) | direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the period; and | - | 44 |
| (iii) | direct operating expenses (including repairs and maintenance) arising from investment properties that did not generate rental income during the period. | - | - |
| | Depreciation Method used | SLM | SLM |
| | Useful lives or depreciation rates used | 28 years | 28 years |

Notes:

i) Valuation for Prabhadevi, Mumbai property is not carried out since the rental and carrying value are not significant and the same is not mortgaged as security. The said property is let out for generating rental income.

ii) For the previous year ended March 31, 2022, Investment properties included Pune property mortgaged as security for loan availed by subsidiary. The valuation was based on valuations performed by Muzoomdar Associates Private Limited, an accredited independent valuer. Muzoomdar Associates Private Limited, is a specialist in valuing these types of investment properties and is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. A valuation approach in accordance with the Indian Accounting Standards was applied. The aforementioned property was sold in September 29, 2022.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Description of valuation techniques used and key inputs to valuation on investment properties:

| Investment property | Valuation technique | Significant unobservable Inputs | Range |
|---|---|---|---|
| B1/B2, 2nd Floor, Kumar Cerebrum, Kalyani Nagar, Pune | Sale Comparison Method | Market rate in this building per sq. ft. of built up area | ₹ 10,000 to ₹ 11,500 (₹ 11,000) |

The direct comparison approach involves a comparison of the subject property to similar properties that have actually sold in arms - length transactions or are offered for sale. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. Statute and case laws define a market value standard for assessment. In assessment litigation, under the "rules of evidence" a bona fide sale of the subject property is usually considered the best evidence of market value. In the absence of a sale of the subject, sales prices of comparable properties are usually considered the best evidence of market value. Consequently, the comparative sale approach is the preferred approach when sales data are available. The comparative sale approach models the behaviour of the market by comparing the properties being appraised with similar properties that have recently been sold (comparable properties) or for which offers to purchase have been made. Comparable properties are selected for similarity to the subject property by way of attributes, such as the age, size, quality of construction, building features, condition, design, gentry, etc. Their sale prices are then adjusted for their difference from the subject. Finally a market value for the subject is estimated from the adjusted sales price of the comparable properties. The economic principles of supply and demand provide a framework for understanding how the market works. The interaction of supply and demand factors determines property value.

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

## 3(e). Investment in Subsidiaries at cost (unquoted)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Mastek (UK) Limited | | |
| 200,000 (March 31, 2022 - 200,000) equity shares of £ 1 each, fully paid up | 216 | 216 |
| | | |
| Mastek Enterprise Solutions Private Limited (MESPL) (formerly known as Trans American Information System Private Limited) | | |
| 34,520 (March 31, 2022 - 34,520) equity shares of ₹1 each, fully paid up | 1,187 | 1,187 |
| 100,000 (March 31, 2022 - 50,000) equity shares of ₹1 each, fully paid up (on account of buyout of 2/3 MESPL Cumulative Convertible Preference Shares (CCPS) | 36,269 | 18,174 |
| Deemed equity in MESPL {(42,35,294 (March 31, 2022 - 42,35,294) fully paid up equity shares of ₹ 5 each of the Company (share issued against the part discharge of consideration for acquisition) and Fair valuation of put option liability as at date of transaction consummation} (Refer note 41) | 26,988 | 26,988 |
| Meta Soft Tech Systems Private Limited (Refer note 41) | 2,723 | - |
| | **67,383** | **46,565** |
| Aggregate carrying value of quoted investments | - | - |
| Aggregate carrying value of unquoted investments | **67,383** | **46,565** |
| Aggregate amount of impairment in value of investments | - | - |

## 4 Financial assets

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **a) Investments** | | |
| (A) Investment in mutual funds at FVOCI (unquoted): | | |
| HDFC Short Term Debt Fund - Regular Plan - Growth | - | 402 |
| (Nil units, March 31, 2022 - 1,563,507 units) | | |
| IDFC Low Duration Fund - Growth | | |
| (Nil units, March 31, 2022 - 1,987,665 units) | - | 623 |
| | - | **1,025** |
| (B) Investment in bonds at amortised cost (unquoted): | | |
| 8.5% - Bond with State Bank of India | 53 | 52 |
| | **53** | **52** |
| **Aggregate carrying value of quoted investments** | - | - |
| **Aggregate carrying value of unquoted investments (A + B)** | **53** | **1,077** |
| **Aggregate amount of impairment in value of investments** | - | - |
| **b) Other financial assets - Non current** | | |
| Advances to employees | 2 | 3 |
| Foreign exchange forward contract | 629 | 792 |
| Margin money deposit* | 33 | 33 |
| Security deposits | 85 | 87 |
| Guarantee commission receivable | 94 | 219 |
| | **843** | **1,134** |

*Note: Margin money is towards bid bonds and performance guarantee

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

## 5 Other non-current assets

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Capital advances | - | 14 |
| Advances other than capital advance | | |
| Prepaid expenses | 32 | 14 |
| Security deposits | 96 | 96 |
| | **128** | **124** |

## Current assets

## 6 Financial assets

### a) Investments

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Units | Amount | Units | Amount |
| **(i) Investment in mutual funds** | | | | |
| **Investment in mutual funds at FVTPL (unquoted):** | | | | |
| Kotak Savings Fund - Growth | - | - | 2,93,604 | 102 |
| Kotak Corporate Bond Fund Standard Growth (Regular Plan) | - | - | 19,81,675 | 844 |
| HDFC Corporate Bond Fund - Regular Plan - Growth | - | - | 18,59,914 | 486 |
| **Total (A)** | | **-** | | **1,432** |
| **(ii) Investment in bonds at amortised cost (unquoted) :** | | | | |
| 10.90% bond with Punjab & Sind Bank | | - | | 57 |
| **Total (B)** | | **-** | | **57** |
| Aggregate amount of quoted investments | | - | | - |
| Aggregate carrying value of unquoted investments in mutual funds (A) | | - | | 1,432 |
| Aggregate carrying value of unquoted Investment in bonds at cost (B) | | - | | 57 |
| Aggregate amount of impairment in value of investments | | - | | - |
| **Grand Total** | | **-** | | **1,489** |

Refer note 33 for information on market risk.

### b. Trade receivables

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Unsecured | | |
| Considered Good - Unsecured | 3,757 | 5,652 |
| Trade receivable - credit impaired | 553 | 290 |
| Less: Allowance for bad and doubtful debts | (553) | (290) |
| | **3,757** | **5,652** |

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

## Ageing Schedule as at 31 March, 2023

| Particulars | Outstanding for following periods from due date of transactions | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Current but not due | Less than 6 Months | 6 Months to 1 year | 1-2 Years | 2-3 Years | More than 3 Year | |
| i. Undisputed Trade Receivables - Considered Good | 183 | 3,329 | 12 | - | - | - | 3,524 |
| ii. Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| iii. Undisputed Trade receivable - credit impaired | - | 280 | 54 | - | 13 | 34 | 381 |
| iv. Disputed Trade receivables - considered good | - | - | - | - | - | 70 | 70 |
| v. Disputed Trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| vi. Disputed Trade receivables - credit impaired | - | - | - | - | 17 | 155 | 172 |
| **Total** | **183** | **3,609** | **66** | **-** | **30** | **259** | **4,147** |
| Add: Unbilled trade receivables (undisputed) | | | | | | | 163 |
| Less: Allowance for doubtful trade receivables | | | | | | | (553) |
| | | | | | | | **3,757** |

## Ageing Schedule as at 31 March, 2022

| Particulars | Outstanding for following periods from due date of transactions | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Current but not due | Less than 6 Months | 6 Months to 1 year | 1-2 Years | 2-3 Years | More than 3 Year | |
| i. Undisputed Trade Receivables - Considered Good | 253 | 5,190 | 77 | - | - | - | 5,520 |
| ii. Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| iii. Undisputed Trade receivable - credit impaired | - | - | 22 | 42 | 48 | 7 | 119 |
| iv. Disputed Trade receivables - considered good | - | - | - | - | 36 | 34 | 70 |
| v. Disputed Trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| vi. Disputed Trade receivables - credit impaired | - | - | - | 4 | 6 | 161 | 171 |
| **Total** | **253** | **5,190** | **99** | **46** | **90** | **202** | **5,880** |
| Add: Unbilled trade receivables (undisputed) | | | | | | | 62 |
| Less: Allowance for doubtful trade receivables | | | | | | | (290) |
| | | | | | | | **5,652** |

Notes:

(i) Company has a history of collecting all receivables in the age group of less than 6 months. Management has evaluated allowance for bad and doubtful debts on receivables having age of more than 6 months, which have significant increase in credit risk or are credit impaired. Accordingly, all trade receivables outstanding for more than 6 months have been fully provided, except immaterial balances considered recoverable on specific basis.

(ii) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firm or private companies respectively in which director is partner, a director or a member. Trade receivables are non-interest bearing.

(iii) Refer note 33 for information on credit risk and market risk.

(iv) Refer note 13 for information on assets provided as collateral or security for borrowings or finance facilities availed by the Company.

(v) Refer note 29 for outstanding with related parties.

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

### c. Cash and cash equivalents and other bank balances

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **c. (i). Cash and cash equivalents** | | |
| Cash on hand | 1 | 1 |
| Bank balances | | |
| In current accounts | 691 | 1,569 |
| | **692** | **1,570** |
| **c. (ii). Bank balances, other than cash and cash equivalents** | | |
| Bank balances in unclaimed dividend account | 51 | 48 |
| Bank balance in deposit accounts | 3 | 3,288 |
| **Total** | **54** | **3,336** |

Notes:

(i) Refer note 33 for information on credit risk and market risk.

(ii) There are no repatriation restrictions with regards to cash and cash equivalents.

### d. Other financial assets - Current

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Advances to employees | 56 | 2 |
| Interest accrued on bank deposits | 2 | 116 |
| Margin money deposit* | 2 | 2 |
| Foreign exchange forward contract | 678 | 543 |
| Guarantee Commission receivable | 134 | 206 |
| Rent receivables | 2 | 6 |
| Security deposits | 22 | 35 |
| Other receivable from subsidiaries, net (Refer note 29) | 240 | 209 |
| **Total** | **1,136** | **1,119** |

*Margin money is towards bid bonds and performance guarantee

Notes:

(i) Refer note 33 for information on credit risk and market risk.

(ii) Refer note 13 for information on assets provided as collateral or security for borrowings or finance facilities availed by the Company.

## 7 Contract assets

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Contract assets | - | 396 |
| | - | **396** |

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Unsecured and considered good | - | 396 |
| Unsecured and considered doubtful | - | - |
| | - | **396** |

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

## 8 Other current assets

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Advances other than capital advance | | |
| Prepaid expenses | 380 | 341 |
| Input tax credit | 833 | 714 |
| Advances to suppliers | 630 | 410 |
| Interest on Income tax refunds | 185 | 185 |
| Others | - | 101 |
| | **2,028** | **1,751** |

Note:

i) Others during the year is Nil (March 31,2022 ₹ 101 lakhs mainly consists of accrued rent for Pune property).

## 9 Equity share capital

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Authorised:** | | |
| 40,000,000 (March 31, 2022: 40,000,000) equity shares of ₹ 5 each | 2,000 | 2,000 |
| 2,000,000 (March 31, 2022: 2,000,000) preference shares of ₹ 100 each | 2,000 | 2,000 |
| | **4,000** | **4,000** |
| | | |
| Issued, subscribed and fully paid up : | | |
| 30,524,827 (March 31, 2022 : 30,018,021) equity shares of ₹ 5 each fully paid | 1,526 | 1,501 |
| | **1,526** | **1,501** |

### a) Reconciliation of the number of equity shares outstanding at the beginning and end of the year are as given below:

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount |
| Equity shares | | | | |
| Balance as at the beginning of the year | 30,018,021 | 1,501 | 25,232,889 | 1,262 |
| Add: On account of exercise of employee stock option plans | 186,054 | 9 | 295,083 | 14 |
| Add: Issue of share capital on account of acquisition of control of the business of Evolutionary Systems Private Limited (Refer note 41) | - | - | 4,235,294 | 212 |
| Add : Issue of share pursuant to acquisition of non controlling interest in Mastek Enterprise Solutions Private Limited (Formerly known as Trans American Information Systems Private Limited) (Refer note 41) | 320,752 | 16 | 254,755 | 13 |
| **Balance as at the end of the year** | **30,524,827** | **1,526** | **30,018,021** | **1,501** |

### (b) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a face value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of fully paid up equity shares held by the shareholders.

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

### (c) Details of shares held by Promoters in the Company

| Shares held by promoters at the end of the year | As at March 31, 2023 | | As at March 31, 2022 | | % change during the year(*#) |
|---|---|---|---|---|---|
| | No. of shares | % of holding | No. of shares | % of holding | |
| Ashank Desai | 3,384,167 | 11.1% | 3,363,328 | 11.2% | 0.6% |
| Ketan Mehta | 2,274,100 | 7.5% | 2,274,100 | 7.6% | 0.0% |
| Girija Ram | 1,753,280 | 5.7% | 1,753,280 | 5.8% | 0.0% |
| Radhakrishnan Sundar | 1,340,800 | 4.4% | 1,340,800 | 4.5% | 0.0% |

* Change during the year is determined based on number of shares acquired / sold during the year. The % of holding has undergone change mainly due to additional shares issued during the year.

# % change during the year ended March 31, 2022 - Ashank Desai 1.0% , Ketan Mehta 0.0%, Girija Ram 0.0% and Radhakrishnan Sundar 0.0%.

### (d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Shares held by promoters at the end of the year | As at March 31, 2023 | | As at March 31, 2022 | | % change during the year* |
|---|---|---|---|---|---|
| | No. of shares | % of holding | No. of shares | % of holding | |
| Ashank Desai | 3,384,167 | 11.1% | 3,363,328 | 11.2% | 0.6% |
| Ketan Mehta | 2,274,100 | 7.5% | 2,274,100 | 7.6% | 0.0% |
| Girija Ram | 1,753,280 | 5.7% | 1,753,280 | 5.8% | 0.0% |
| Umang Tejkaran Nahata | 1,655,840 | 5.4% | 1,611,668 | 5.4% | 2.7% |
| Smallcap World Fund, INC | 2,403,500 | 7.9% | - | - | 100.0% |

### (e) Shares reserved for issue under options

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Number of shares to be issued under the employee stock option plans (Refer note 35) | 5,09,883 | 7,13,804 |
| | **5,09,883** | **7,13,804** |

### Year of conversion of convertible securities

| Particulars | Year of conversion | Number of events of conversion during the year |
|---|---|---|
| Plan VI | 2026-27 | 1 |
| | 2025-26 | 1 |
| | 2024-25 | 2 |
| | 2023-24 | 4 |
| Plan VII | 2031-32 | 4 |
| | 2030-31 | 6 |
| | 2029-30 | 8 |
| | 2028-29 | 10 |
| | 2027-28 | 8 |
| | 2026-27 | 7 |
| | 2025-26 | 6 |
| | 2024-25 | 4 |
| | 2023-24 | 5 |

Includes both vested as well as unvested options and year of conversion represents last date of exercise under ESOP scheme. However, vested options can be exercised on or before the last exercise date for each tranche.

### (f) Shares issued for consideration other than cash (during last 5 years)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Number of shares issued for acquisition (Refer note 41) | 4,810,801 | 4,490,049 |
| | **4,810,801** | **4,490,049** |

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

**(g) Aggregate no. of shares allotted as fully paid up by way of bonus share issued or buy back**

The Company has neither issued bonus shares nor there has been any buy back of shares during five years immediately preceding March 31, 2023

## 10 Other equity

| Particulars | | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| a) | **Capital redemption reserve** | 1,539 | 1,539 |
| | Non-distributable reserve into which amounts are transferred following the redemption or purchase of a Company's own shares. | | |
| b) | **Securities premium** | 39,450 | 32,951 |
| | Amount received (on issue of shares) in excess of the face value has been classified as securities premium. | | |
| c) | **Share options outstanding account** | 1,358 | 1,144 |
| | The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to securities premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to general reserve. | | |
| d) | **General reserve** | 22 | - |
| | This represents appropriation of profit by the Company | | |
| e) | **Retained earnings** | 29,050 | 21,577 |
| | Retained earnings comprises of the prior year's undistributed earning after taxes increased/ (decreased) by undistributed profits for the year | | |
| f) | **Other item of OCI** | 1,328 | 1,467 |
| | Other items of OCI consist of FVOCI financial assets and financial liabilities and remeasurement of defined benefit assets and liabilities. | | |
| | | **72,747** | **58,678** |

### Distributions made and proposed

The Board of Directors at its meeting held on January 17, 2023 had declared an interim dividend of 140% (₹ 7 per equity share of par value of ₹ 5 each). This has resulted in cash outflow of ₹ 2,129 lakhs. Further, the Board of Directors at its meeting held on April 19, 2023 have recommended a final dividend of 240% (₹ 12 per equity share of par value of ₹ 5 each), which is subject to approval by the shareholders at their ensuing Annual General Meeting. Proposed dividend on equity shares is not recognised as a liability as at March 31, 2023. Dividend declared by the Company is based on profit available for distribution.

## Non-current Liabilities

## 11 Financial Liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| a. **Borrowings** | | |
| Secured | | |
| Vehicle loans from bank [Refer note (i) below] | 193 | 184 |
| | **193** | **184** |

Notes:

(i) Loans from financial institution are secured by hypothecation of assets (Vehicles) purchased there against. The Company has not defaulted on any loans payable. Monthly payment of equated monthly instalments beginning from the month subsequent to taking the loan along with interest at 7.10% - 9.35% per annum is payable till Mar 2028.

(ii) Refer note 33 for liquidity risk and market risk.

(iii) Cash flow changes in liabilities arising from financing activities

(iv) There was no default in repayment of borrowings and interest during current and previous year.

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

### Cash flows arising from financing activities

| Particulars | Lease liabilities | Borrowings |
|---|---|---|
| **As at April 1, 2021** | 89 | 134 |
| Non cash movement: additions to lease liabilities | 7 | - |
| Cash flows (net) | (38) | 129 |
| **As at March 31, 2022** | 58 | 263 |
| Non cash movement: additions to lease liabilities | 3 | |
| Cash flows (net) | (38) | 8 |
| **As at March 31, 2023** | **23** | **271** |

### b. Lease liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Lease liabilities (Refer note 36) | 23 | 23 |
| | **23** | **23** |

Note:

(i) Refer note 33 for liquidity risk and market risk.

### c. Other financial liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Security and other deposits | 5 | 162 |
| Put Option Liabilities - Derivative (Refer note 32.1 and 41) | - | 874 |
| Guarantee Liability payable | 218 | 357 |
| | **223** | **1,393** |

Note:

(i) Refer note 33 for liquidity risk and market risk.

## 12 Provisions

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Provision for employee benefits | | |
| Provision for gratuity (Refer note 27(a)) | 1,102 | 838 |
| | **1,102** | **838** |

### Current liabilities

### Financial liabilities

## 13 Borrowings

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Secured:** | | |
| Current maturities of vehicle loans from bank (Secured) (Refer note 11 (a)) | 78 | 79 |
| | **78** | **79** |

Notes:

(i) The Company has, during the year ended March 31, 2023, availed/renewed certain working capital facility from banks against which the security has been created on current asset specified by the bankers. The Company has not utilised the facility and hence, no amount is outstanding against the same as at March 31, 2023 (March 31, 2022 - ₹ Nil). The said working capital facility remains unutilised/ undrawn, thus the Company is not required to file any quarterly return or statement with such banks.

(ii) Refer note 33 for liquidity risk and market risk.

# Summary of Significant Accounting Policies and Other Explanatory Information

As at and for the year ended March 31, 2023

(₹ in lakhs)

## 14 Lease liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Lease liabilities (Refer note 36) | 0 | 35 |
| | **0** | **35** |

Note:

(i) Refer note 33 for liquidity risk and market risk.

## 15 Trade payables

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises (Refer note 37) | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note 29) | 266 | 47 |
| Accrued expenses | 2,170 | 3,018 |
| | **2,436** | **3,065** |

Trade payables are generally non interest bearing and are normally settled in line with applicable industry norm

### Ageing Schedule as at March 31, 2023

| Particulars | Outstanding for following periods from date of transaction | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| i. Total outstanding dues of MSME | - | - | - | - | - |
| ii. Total outstanding dues of creditors other than MSME | 240 | - | - | 26 | 266 |
| iii. Disputed dues of MSME | - | - | - | - | - |
| iv. Disputed dues of creditors other than MSME | - | - | - | - | - |
| **Total** | **240** | **-** | **-** | **26** | **266** |
| Accrued expenses (undisputed and related to creditors other than MSME) | | | | | **2,170** |
| **Grand Total** | | | | | **2,436** |

### Ageing Schedule as at March 31, 2022

| Particulars | Outstanding for following periods from date of transaction | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| i. Total outstanding dues of MSME | - | - | - | - | - |
| ii. Total outstanding dues of creditors other than MSME | 11 | - | - | 36 | 47 |
| iii. Disputed dues of MSME | - | - | - | - | - |
| iv. Disputed dues of creditors other than MSME | - | - | - | - | - |
| **Total** | **11** | **-** | **-** | **36** | **47** |
| Accrued expenses (undisputed and related to creditors other than MSME) | | | | | **3,018** |
| **Grand Total** | | | | | **3,065** |

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

## 16 Other financial liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Unclaimed dividends (Refer note (i) below) | 51 | 52 |
| Security and other deposits | - | 8 |
| Capital creditors | 62 | 376 |
| Other payables | | |
| Employee benefits payable | 1,419 | 2,525 |
| Guarantee Liability payable | 139 | 198 |
| | **1,671** | **3,159** |

Notes:

(i) There is no amount due for payment to Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2023. (March 31, 2022 - ₹ Nil)

(ii) Refer note 33 for liquidity risk and market risk.

## 17 Other current liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Other advances | | |
| Deferred rent | - | 27 |
| Others | | |
| Statutory dues | 595 | 550 |
| | **595** | **577** |

## 18 Provisions

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Provision for employee benefits | | |
| Provision for leave entitlement* | 913 | 786 |
| Other Provision | | |
| Provision for cost overrun on contracts** | 107 | 251 |
| | **1,020** | **1,037** |

*Disclosure for movement in provision for leave entitlement

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Opening provision at the beginning of the year | 786 | 664 |
| Created during the year (Refer note 27(b)) | 244 | 216 |
| Paid during the year | (117) | (94) |
| **Closing provision at the end of the year** | **913** | **786** |

**Provision for cost overrun on contracts

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Balance as at beginning of the year | 251 | 255 |
| Add: Provision reversed during the year | (144) | (4) |
| **Balance as at end of the year** | **107** | **251** |

It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above, pending occurrence of the default event or resolution of respective proceedings.

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

The provision for leave entitlement is presented as current since the Company does not have an unconditional right to defer settlement for this obligation. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

## 19 Revenue from operations

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Sale of services | | |
| Information technology services | 31,339 | 25,670 |
| | **31,339** | **25,670** |

The table below presents disaggregated revenues from contracts with customers by customer location for each of the Company's business segments. Company believes this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| **Revenue by geography** | | |
| UK | 25,865 | 22,365 |
| North America | 878 | 1,021 |
| Middle East | 47 | 61 |
| Others | 4,549 | 2,223 |
| | **31,339** | **25,670** |

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| **Timing of revenue recognition** | | |
| Transferred at a point in time | 541 | 688 |
| Transferred over a period of time | 30,798 | 24,982 |
| | **31,339** | **25,670** |

Notes:

i) The above figures have been extracted from MIS generated report, to compute Time & Material and Fix Bid Revenue.

### Remaining performance obligation

As of March 31, 2023 the aggregate amount of transaction price allocated to remaining performance obligations, was ₹ 251 lakhs,(March 31, 2022 ₹ 285 lakhs) of which approximately 100% (March 31, 2022: 100%) is expected to be recognised as revenues within 3 years.

Changes in contract assets are as follows:

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| **Balance at the beginning of the year** | 396 | 263 |
| Invoices raised that were included in the contract assets balance at the beginning of the year | (392) | (98) |
| (Decrease)/ increase due to revenue reversed/ recognised during the year, excluding amounts billed during the year | (4) | 231 |
| **Balance at the end of the year** | - | **396** |

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

Changes in contract liabilities are as follows:

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| **Balance at the beginning of the year** | 121 | 398 |
| Revenue recognised that was included in the contract liabilities balance at the beginning of the year | (34) | (311) |
| Increase due to invoicing during the year, excluding amounts recognised as revenue during the year | 164 | 34 |
| **Balance at the end of the year** | **251** | **121** |

## 20 Other income

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Interest income | | |
| - On bank deposits | 30 | 238 |
| - On income tax refunds | - | 10 |
| - On guarantee given | 38 | 61 |
| - On others | 12 | 3 |
| Profit on sale of current investments and gain on investment measured at FVTPL | 396 | 1,637 |
| Rental income* | 234 | 287 |
| Profit on sale of property, plant and equipment (net) | 12 | 8 |
| Net gain on foreign currency transactions and translation | 83 | 52 |
| Dividend income from Mastek UK Limited, subsidiary (Refer note 29) | 5,714 | 4,721 |
| Guarantee commission (Refer note 29) | 198 | 191 |
| Other non-operating income | 620 | 146 |
| | **7,337** | **7,354** |

* Rent income is net of provision of ₹ Nil (March 31, 2022: ₹ 130 lakhs)

## 21 Employee benefits expenses

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Salaries and wages | 19,223 | 17,383 |
| Contribution to provident and other funds (Refer note 27) | 1,131 | 926 |
| Employee stock compensation expenses | 141 | 193 |
| Staff welfare expense | 764 | 304 |
| | **21,259** | **18,806** |

## 22 Finance costs

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Interest on vehicle loans | 21 | 15 |
| Interest on lease liabilities (Refer note 36(ii)) | 4 | 7 |
| Bank charges | 13 | 20 |
| Interest on security deposit | 6 | 12 |
| | **44** | **54** |

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

## 23 Depreciation and amortisation expenses

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Property, plant and equipment (Refer note 3(a)(i)) | 1,035 | 809 |
| Right-of-use assets (Refer note 36 and 3 (b)) | 30 | 30 |
| Investment property (Refer note 3(d)) | 18 | 36 |
| Intangible assets (Refer note 3(a)(ii)) | 220 | 367 |
| | **1,303** | **1,242** |

## 24 Other expenses

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Recruitment and training expenses | 470 | 485 |
| Travelling and conveyance | 403 | 230 |
| Communication charges | 113 | 131 |
| Electricity | 129 | 109 |
| Consultancy and sub-contracting charges | 395 | 336 |
| Audit fees (Refer note 40) | 67 | 47 |
| Repairs | | |
| Buildings | 182 | 187 |
| Others | 481 | 547 |
| Insurance | 202 | 160 |
| Printing and stationery | 12 | 9 |
| Purchase of software license | 152 | 130 |
| Professional fees | 1,756 | 702 |
| Rent (Refer note 36 (iii)) | 57 | 50 |
| Advertisement and publicity | 74 | 61 |
| Provision for doubtful debts including Bad debts written off, net | 345 | 53 |
| Hire charges | 25 | 18 |
| Donation | 128 | 102 |
| Expenditure towards corporate social responsibility (CSR) activities (Refer note 42) | 112 | 80 |
| Miscellaneous expenses | 266 | 43 |
| | **5,369** | **3,480** |

## 25 Exceptional items - gain

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| a. Net profit on sale of investment property | 4,277 | - |
| b. Gain on changes in fair value of put option liability (Refer note (i) below) | 874 | 145 |
| c. Reversal of settlement provision relating to revenue contract | 713 | |
| | **5,864** | **145** |

Note:

(i) Revaluation impact of put option under written on CCPS of Mastek Enterprise Solutions Private Limited (Formerly known as Trans American Information Systems Private Limited) for the year ended March 31, 2023 ₹ 874 lakhs (March 31, 2022: ₹ 145 lakhs)

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

## 26 Earnings Per Share (EPS)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| The components of basic and diluted earnings per share are as follows: | | |
| (a) Net profit attributable to equity shareholders | 13,214 | 7,711 |
| (b) Weighted average number of outstanding equity shares | | |
| Considered for basic EPS (in numbers) | 30,136,006 | 27,706,663 |
| Add : Effect of dilutive potential equity shares arising from outstanding stock options (in numbers) | 544,548 | 722,080 |
| Considered for diluted EPS (in numbers) | 30,680,554 | 28,428,743 |
| (c) Nominal value of each share (in ₹) | 5 | 5 |
| (d) Earnings per share (in ₹) | | |
| Basic | 43.85 | 27.83 |
| Diluted | 43.07 | 27.13 |

## 27 Employee benefit plans

(a) Amount recognised in the standalone statement of profit and loss in respect of gratuity cost (defined benefit plan-partially funded) is as follows:

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| **Gratuity cost** | | |
| Service cost | 308 | 266 |
| Net interest on net defined liability | 49 | 35 |
| **Net gratuity cost (Refer note 21)** | **357** | **301** |
| **Actuarial gain recognised in OCI** | 93 | 111 |
| **Amount shown as liability in the standalone balance sheet (Refer note 12)** | | |
| Non current | 1,102 | 838 |
| Current | - | - |
| **Total** | **1,102** | **838** |

### Demographic assumptions used:

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Discount rate | 7.40% | 6.70% |
| Salary escalation | 10% | 10% |
| Retirement age | 60 Years | 60 Years |
| Mortality Rate | Indian Assured Lives Mortality (2012-14) | Indian Assured Lives Mortality (2012-14) |

### Leaving services

| Age (Years) | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| 21-30 | 21% | 21% |
| 31-40 | 15% | 15% |
| 41-50 | 17% | 17% |
| 51-59 | 10% | 10% |

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

The weighted average duration of the defined benefit obligation of the Company as at March 31,2023 is 6.04 years (March 31,2022 6.22 years).

The following table sets out the status of gratuity plan

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| **Obligation at the beginning of the year** | 2,343 | 2,232 |
| Current service cost | 308 | 266 |
| Interest cost | 146 | 132 |
| Actuarial (gain) - due to change in financial assumption | (109) | (52) |
| Actuarial loss / (gain) due to change in experience | 12 | (51) |
| Benefits paid | (225) | (184) |
| **Obligation at the end of the year** | **2,475** | **2,343** |
| **Change in plan assets (maintained by LIC)** | | |
| Plan assets at the beginning of the year, at fair value | 1,505 | 1,584 |
| Interest income on plan assets | 97 | 97 |
| Remeasurement on plan assets less interest on plan assets | (4) | 8 |
| Benefits paid | (225) | (184) |
| **Plan assets at the end of the year, at fair value** | **1,373** | **1,505** |

The experience adjustments, meaning difference between changes in plan assets and obligations expected on the basis of actuarial assumption and actual changes in those assets and obligations are as follows:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Experience adjustment on plan liabilities - gain | 97 | 103 |
| Experience adjustment on plan assets - (loss) / gain | (4) | 8 |

### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount Rate (50 bps) | (71) | 79 | (69) | 77 |
| Salary Growth (50 bps) | 77 | (69) | 75 | (67) |

The sensitivity analysis is based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of another since some of the assumptions may be co-related.

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

**Maturity profile of defined benefit obligation:**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| 1 year | 360 | 317 |
| 2 year | 321 | 335 |
| 3 year | 297 | 277 |
| 4 year | 301 | 257 |
| 5 year | 318 | 251 |
| 6 year | 258 | 262 |
| 7 year | 247 | 212 |
| 8 year | 289 | 209 |
| 9 year | 214 | 236 |
| 10 years and beyond | 1,637 | 1,488 |

i) The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. Expected contribution to the Fund in FY 2023-24 is ₹ 200 lakhs. (FY 2022-23 ₹ 200 lakhs)

ii) Plan assets are investment in unquoted insurer managed funds.

Plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of death/retirement/ termination age.

(b) The Obligation for compensated absence is recognised basis Company's leave policy and net charge to the standalone statement of profit and loss the year ended March 31, 2023 is ₹ 244 lakhs (March 31, 2022: ₹ 216 lakhs)

**Demographic assumptions used:**

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Discount rate | 7.40% | 6.70% |
| Salary escalation | 10% | 10% |

(c) The Company contributed ₹ 774 lakhs for the year ended March 31, 2023 (₹ 625 lakhs March 31, 2022) for the defined contribution plan, which includes contribution towards provided fund, employee state insurance commission and labour welfare fund.

## 28 Income taxes

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

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Current tax** | 3,669 | 2,489 |
| Deferred tax* | (318) | (613) |
| **Income tax expense recognised in the standalone statement of profit or loss** | **3,351** | **1,876** |
| **Income tax credit / (expense) recognised in OCI (net)** | **57** | **(228)** |

* Includes MAT credit entitlement of ₹ 611 lakhs (March 31, 2022 ₹ 318 lakhs).

** During the year ended March 31, 2021, the Company has recognised a provision towards the possible impact of an uncertain tax treatment based on the present status of the on-going proceedings of its Advance Pricing Arrangement with the tax authorities. Accordingly, ₹ 730 Lakhs was provided as an impact for prior years, which will be adjusted based on additional facts and / or ultimate outcome. Current tax expense for the year ended March 31, 2023 and March 31, 2022 includes impact for the same amounting to ₹ 836 lakhs and ₹ 776 lakhs respectively, recognised on a similar basis. The matter is under discussion between the revenue authorities of the respective countries and pending ultimate conclusion, the Company has recognized the provision on a best estimate basis. The accumulated provision as at March 31,2023 ₹ 2,759 lakhs (March 31, 2022 is ₹ 1923 lakhs).

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

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

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Profit before tax | 16,565 | 9,587 |
| Enacted income tax rate in India | 29.12% | 29.12% |
| Computed expected tax expense | 4,824 | 2,792 |
| **Effect of:** | | |
| Expenses/ (income) that are not deductible/ taxable in determining taxable profit | 21 | (18) |
| Long Term Capital Gain (LTCG)/ Short Term Capital Gain (STCG) Indexation carried forward losses adjusted | (409) | (336) |
| Dividend income subject to different tax rates | (1,664) | (1,375) |
| Tax provision related to Advance Pricing Arrangement | 836 | 776 |
| Revaluation of Put Option | (255) | - |
| Others | (2) | 37 |
| **Total income tax expense recognised in the standalone statement of profit and loss** | **3,351** | **1,876** |

**c) The movement in deferred income tax assets and (liabilities) for the year ended March 31, 2023 is as follows:**

| Particulars | Carrying value as at April 01, 2022 | Changes through profit or loss | Changes through OCI | Carrying value as at March 31, 2023 |
|---|---|---|---|---|
| Property, plant and equipment and other intangible assets | 620 | (293) | - | 327 |
| Provision for doubtful debts | 83 | 77 | - | 160 |
| Provision for compensated absence/gratuity | 472 | 143 | (28) | 587 |
| Net gain on fair value of mutual funds | (54) | - | 77 | 23 |
| Cash flow hedge | (389) | - | 8 | (381) |
| MAT Credit entitlement | 2,229 | 611 | - | 2,840 |
| Others | 323 | (218) | - | 105 |
| **Total** | **3,284** | **320** | **57** | **3,661** |

**The movement in deferred income tax assets and (liabilities) for the year ended March 31, 2022 is as follows:**

| Particulars | Carrying value as at April 01, 2021 | Changes through profit or loss | Changes through OCI | Carrying value as at March 31, 2022 |
|---|---|---|---|---|
| Property, plant and equipment and other intangible assets | 627 | (7) | - | 620 |
| Provision for doubtful debts | 91 | (8) | - | 83 |
| Provision for compensated absence/gratuity | 382 | 123 | (33) | 472 |
| Net gain on fair value of mutual funds | (519) | 156 | 309 | (54) |
| Cash flow hedge | 115 | - | (504) | (389) |
| MAT Credit entitlement | 1,912 | 317 | - | 2,229 |
| Others | 291 | 32 | - | 323 |
| **Total** | **2,899** | **613** | **(228)** | **3,284** |

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has legally enforceable right to set off the said balances and Company's intent is to settle on a net basis as to realise asset and liabilities simultaneously, and deferred tax assets and deferred tax liabilities relate to the income tax levied by same tax authorities.

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

## 29 Related Party disclosures, as per Ind AS 24

Relationships have been disclosed where transactions have taken place and relationships involving control:

| Name of Related Party | Nature of relationship | Country of Incorporation |
|---|---|---|
| Mastek (UK) Limited | Subsidiary | United Kingdom |
| Mastek Enterprise Solution Private Limited (formerly known as Trans American Information Systems Private Limited) | Subsidiary | India |
| Mastek Inc. (formerly known as Digility, Inc.) | Step-down Subsidiary | United States of America |
| Trans American Information Systems, Inc. | Step-down Subsidiary | United States of America |
| Mastek Digility, Inc. | Step-down Subsidiary | Canada |
| Evolutionary Systems Canada Limited | Step-down Subsidiary | Canada |
| Meta Soft Tech Systems Private Limited (w.e.f August 01,2022) | Subsidiary | India |
| Metasoftech Solutions LLC (w.e.f August 01,2022) | Step-down Subsidiary | United States of America |
| | | |
| **Acquired through Business Transfer Agreement (BTA) (Refer note 41 (i) for manner and date of acquisition)** | | |
| Mastek Arabia FZ LLC | Step-down Subsidiary | United Arab Emirates |
| Evolutionary Systems Consultancy LLC | Step-down Subsidiary | United Arab Emirates |
| Evolutionary Systems Egypt LLC | Step-down Subsidiary | Egypt |
| Evosys Kuwait WLL | Step-down Subsidiary | Kuwait |
| Evolutionary Systems Saudi LLC | Step-down Subsidiary | Kingdom of Saudi Arabia |
| Evolutionary Systems Bahrain WLL | Step-down Subsidiary | Bahrain |
| | | |
| **Acquired through Demerger Co-operation Agreement (DCA) (Refer note 41 (ii) for manner and date of acquisition)** | | |
| Evolutionary Systems Company Limited | Step-down Subsidiary | United Kingdom |
| Newbury Cloud, Inc. | Step-down Subsidiary | United States of America |
| Evolutionary Systems Corp. | Step-down Subsidiary | United States of America |
| Evosys Consultancy Services (Malaysia) Sdn Bhd | Step-down Subsidiary | Malaysia |
| Evolutionary Systems Qatar WLL | Step-down Subsidiary | Qatar |
| Mastek Systems Pty Ltd (Formerly known as Evolutionary Systems Pty Ltd) | Step-down Subsidiary | Australia |
| Evolutionary Systems BV | Step-down Subsidiary | Netherlands |
| Evolutionary Systems (Singapore) Pte. Ltd. | Step-down Subsidiary | Singapore |
| | | |
| **Key Management Personnel (KMP):** | Ashank Desai, Vice Chairman and Managing Director (till March 31,2023)* | |
| | Arun Agarwal, Global Chief Financial Officer (w.e.f May 31,2021) | |
| | Dinesh Kalani, Company Secretary | |
| | | |
| **Global Chief Executive Officer (CEO):** | Hiral Chandrana, Global Chief Executive Officer | |
| | | |
| **Directors:** | Ketan Mehta, Non Executive Director | |
| | Atul Kanagat, Non Executive Director (till Jan 17,2023) | |
| | Priti Rao, Non Executive Director | |
| | S. Sandilya, Non Executive Director (till March 3, 2023) | |
| | Rajeev Grover, Non Executive Director | |
| | Suresh Vaswani Non Executive Director (w.e.f Dec 11,2022) | |

* Non executive Director and Chairman w.e.f. April 01, 2023

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

Enterprise where KMP has control: Mastek Foundation

**Transactions with above related parties during the year were:-**

| Name of Related Party | Nature of relationship | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| Mastek (UK) Limited | Information Technology Services ^ | 24,865 | 22,365 |
| | Others | 49 | 73 |
| | Dividend received from subsidiary | 5,714 | 4,721 |
| | Reimbursable / Other expenses recoverable | 531 | 418 |
| | Guarantee commission ^ | 203 | 227 |
| Mastek, Inc. | Information Technology Services ^ | 447 | 563 |
| | Reimbursable / other expenses recoverable | 164 | 96 |
| | Reimbursable / other expenses Payable | 18 | - |
| | Guarantee given against loan availed by subsidiary* | 24,651 | - |
| Trans American Information Systems, Inc. | Information Technology Services ^ | 430 | 458 |
| | Others | 36 | 11 |
| | Reimbursable / other expenses recoverable | 19 | 1 |
| Mastek Digital Inc. | Reimbursable / other expenses recoverable | 4 | - |
| Mastek Enterprise Solution Private Limited (formerly known as Trans American Information Systems Private Limited) | Information Technology Services (excluding GST) | 2,472 | 557 |
| | Other Income | - | - |
| | Reimbursable / other expenses recoverable (excluding GST) | 412 | 13 |
| | Reimbursable / other expenses Payable (excluding GST) | 167 | - |
| | Guarantee given for facility availed by subsidiary ^ | - | 111 |
| | Guarantee commission ^ | 33 | 25 |
| | Consideration paid on behalf of subsidiary^^ | 18,095 | 45,162 |
| Mastek Arabia FZ LLC | Information Technology Services ^ | 7 | - |
| | Reimbursable / other expenses recoverable | 0 | - |
| Evolutionary Systems Consultancy LLC | Information Technology Services ^ | 59 | 61 |
| | Other expenses recoverable / (payable) | - | (6) |
| | Reimbursable / other expenses recoverable | 8 | - |
| Evosys Consultancy Services (Malaysia) Sdn Bhd | Information Technology Services ^ | 192 | 18 |
| | Reimbursable / other expenses recoverable | 3 | - |
| Evolutionary Systems (Singapore) Pte. Ltd. | Information Technology Services ^ | 54 | 42 |
| | Reimbursable / other expenses recoverable | 5 | - |
| Evolutionary Systems Corp. | Reimbursable / other expenses recoverable | 38 | - |
| Evolutionary Systems Company Limited-UK | Reimbursable / other expenses recoverable | 11 | - |
| Mastek Systems Pty Ltd (Formerly known as Evolutionary Systems Pty Ltd) | Reimbursable / other expenses recoverable | 8 | - |
| Evolutionary Systems B.V. | Reimbursable / other expenses recoverable | 6 | - |
| Evolutionary Systems Qatar WLL | Reimbursable / other expenses recoverable | 3 | - |
| Evolutionary Systems Saudi LLC | Reimbursable / other expenses recoverable | 8 | - |
| Metasoftech Systems Private Limited | Information Technology Services ^ | 4 | - |
| | Reimbursable / other expenses recoverable | 73 | - |
| Mastek Foundation | Contribution towards CSR activities | 240 | 182 |
| Compensation of key management personnel and directors of the Company | | 644 | 696 |

# Summary of Significant Accounting Policies and Other Explanatory Information

As at and for the year ended March 31, 2023

(₹ in lakhs)

**Balances outstanding are as follows:-**

| Name of Related Party | Nature of relationship | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| Mastek (UK) Limited | Trade receivables | 361 | 4,144 |
| | Other receivables | 43 | 224 |
| | Guarantee commission receivable ^ | 146 | 324 |
| | Guarantee commission liability (at fair value) ^ | 283 | 459 |
| | Guarantee given against Loan availed by subsidiary * | 12,071 | 18,648 |
| Mastek Inc. | Trade receivables | 141 | 56 |
| | Other / receivables | 179 | 9 |
| | Guarantee given against Loan availed by subsidiary * | 24,651 | - |
| Trans American Information Systems, Inc. | Other receivables | 16 | - |
| | Trade receivables | 121 | 96 |
| Mastek Enterprise Solution Private Limited (formerly known as Trans American Information Systems Private Limited) | Trade receivables | 2,200 | 547 |
| | Other receivables | 178 | 59 |
| | Guarantee commission receivable ^ | 82 | 101 |
| | Guarantee commission liability (at fair value) ^ | 74 | 96 |
| | Consideration paid on behalf of subsidiary^^ | 63,257 | 45,162 |
| Mastek Arabia FZ LLC | Trade receivables | 8 | - |
| | Other receivables | 0.3 | - |
| Evolutionary Systems Consultancy LLC | Trade receivables | 44 | 54 |
| | Other receivables | 8 | - |
| Evosys Consultancy Services (Malaysia) Sdn Bhd | Trade receivables | 149 | 28 |
| | Other receivables | 3 | - |
| Evolutionary Systems (Singapore) Pte. Ltd. | Trade receivables | 42 | 41 |
| | Other receivables | 5 | - |
| Evolutionary Systems Corp. | Other receivables | 38 | - |
| Evolutionary Systems Company Limited-UK | Other receivables | 11 | - |
| Mastek Systems Pty Ltd (Formerly known as Evolutionary Systems Pty Ltd) | Other receivables | 8 | - |
| Evolutionary Systems B.V. | Other receivables | 6 | - |
| Evolutionary Systems Qatar WLL | Other receivables | 3 | - |
| Evolutionary Systems Saudi LLC | Other receivables | 8 | - |
| Metasoftech Systems Private Limited | Trade receivables | 84 | - |
| Mastek Digital Inc. | Other receivables | 4 | - |
| Compensation of key management personnel and directors of the Company | | 88 | 204 |

All the transaction has been executed with the related parties are done at the arms length basis, for which prior approval of Audit committee has been obtained.

Equity and equity like investments are not included in balances outstanding.

* The guarantees/security [refer notes 3(a)(i) and 39B have been given for loans availed by the subsidiary.

^ This includes foreign exchange adjustment / fair value adjustment.

^^ Consideration paid on behalf of subsidiary is pursuant to acquisition (Refer note 41)

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

**Compensation of key management personnel and directors of the Company**

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Salaries and other employee benefits * | 457 | 450 |
| Share based payment transactions | 9 | 47 |
| Director sitting fees | 129 | 134 |
| Director commission | 49 | 65 |
| **Compensation to key management personnel** | **644** | **696** |

* The KMP's are covered under the Companies gratuity policy, leave entitlement policy and bonus policy along with other eligible employee of the Company. Proportionate amount of gratuity and compensated absences expenses and provision for gratuity and compensated absences, which are determined actuarially are not mentioned in the aforementioned disclosure as these are computed for the Company as a whole.

## 30 Segment reporting

The Company has opted to present information relating to its segments in its consolidated financial statements which are included in the same annual report. In accordance with Ind AS 108 - 'Operating Segments', no disclosures related to segment are therefore presented in these standalone financial statements.

## 31 Financial instrument

The carrying value and fair value of financial instruments (other than 'Investments in subsidiaries') by categories as at March 31, 2023 and March 31, 2022 is as follows:

| Particulars | Carrying Value | | Fair Value | |
|---|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| **Financial assets** | | | | |
| **Amortised cost** | | | | |
| Trade receivable (net of provisions) | 3,757 | 5,652 | 3,757 | 5,652 |
| Cash and cash equivalents | 692 | 1,570 | 692 | 1,570 |
| Other bank balance | 51 | 48 | 51 | 48 |
| Other assets | 525 | 796 | 525 | 796 |
| Security deposits | 107 | 122 | 107 | 122 |
| Investment in term deposits | 40 | 3,288 | 40 | 3,288 |
| Investment in bonds | 53 | 109 | 53 | 109 |
| | | | | |
| **FVOCI** | | | | |
| Investment in mutual funds | - | 2,457 | - | 2,457 |
| Derivative assets | 1,307 | 1,335 | 1,307 | 1,335 |
| **Total assets** | **6,532** | **15,377** | **6,532** | **15,377** |
| | | | | |
| **Financial liabilities** | | | | |
| **Amortised cost** | | | | |
| Borrowings | 271 | 263 | 271 | 263 |
| Lease liabilities | 23 | 58 | 23 | 58 |
| Trade payables | 2,436 | 3,065 | 2,436 | 3,065 |
| Other liabilities | 1,894 | 3,678 | 1,894 | 3,678 |
| | | | | |
| **FVTPL** | | | | |
| Derivative liabilities | - | 874 | - | 874 |
| **Total liabilities** | **4,624** | **7,938** | **4,624** | **7,938** |

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

## 32 Fair value hierarchy

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

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2023 and March 31, 2022

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2023:

| Particulars | Date of valuation | Total | Fair value measuring using | | |
|---|---|---|---|---|---|
| | | | Level 1 | Level 2 | Level 3 |
| Financial assets measuring at fair value | | | | | |
| Derivative assets | | | | | |
| Foreign exchange forward contract | March 31, 2023 | 1,307 | - | 1,307 | - |
| | | | | | |
| FVTOCI financial assets designated at fair value | | | | | |
| Investment in mutual funds | March 31, 2023 | - | - | - | - |
| | | | | | |
| Financial liabilities measuring at fair value | | | | | |
| Derivative liabilities | March 31, 2023 | - | - | - | - |
| Foreign exchange forward contract | March 31, 2023 | - | - | - | - |

Quantitative disclosures of fair value measurement hierarchy for financial assets as at March 31, 2022:

| Particulars | Date of valuation | Total | Fair value measuring using | | |
|---|---|---|---|---|---|
| | | | Level 1 | Level 2 | Level 3 |
| Financial assets measuring at fair value | | | | | |
| Derivative Assets | | | | | |
| Foreign exchange forward contract | March 31, 2022 | 1,335 | - | 1,335 | - |
| | | | | | |
| FVTOCI financial assets designated at fair value | | | | | |
| Investment in mutual funds | March 31, 2022 | 2,457 | 2,457 | - | - |
| | | | | | |
| Financial liabilities measuring at fair value | | | | | |
| Derivative liabilities | March 31, 2022 | 874 | - | 874 | - |
| Foreign exchange forward contract | March 31, 2022 | - | - | - | - |

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

### 32.1 Description of valuation techniques used and significant unobservable input for valuation

| Instrument | Valuation technique | Significant unobservable inputs | Range (weighted average) | |
|---|---|---|---|---|
| Financial liabilities measuring at fair value - Derivative instrument (Put option) | For March 31, 2023<br>DCF method<br>Put option has been valued at it's intrinsic value as at March 31, 2023 put option is out of the money.<br>For March 31, 2022<br>DCF method<br>Monte Carlo simulation has been used to simulate EBITDAs for each relevant financial year. | Long-term growth rate for cash flows for subsequent years | March 31, 2022:<br>WACC - 16%,<br>Terminal growth rate - 5%<br>Expected EBITDA volatility - 54.79% | March 31, 2023:<br>WACC - 16.5%,<br>Terminal growth rate - 5% |

### Derivative instrument (Put option)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Balance at the beginning of the year | 874 | 7,578 |
| Less: Fair value gain recognised through profit and loss | (874) | (145) |
| Less: Fair value proportion for first tranche of CCPS buy-out of MESPL (Refer note 41) | - | (6,559) |
| **Balance at the end of the year** | **-** | **874** |

## 33 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's management oversees the management of these risk and formulates the policies, the Board of Directors and Audit Committee reviews and approves policies for managing each of these risks, which are summarised below:

**Market risk:** Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market prices. The primary market risk to the Company is foreign exchange risk.

### Foreign currency risk

The Company's exposure to risk of change in foreign currency exchange rates arising from foreign currency transactions, is primarily with respect to the currencies which are not fixed. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The counter parties of these derivative instruments are primarily a bank. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivative for speculative purposes may be undertaken.

These derivative financial instruments are forward contracts and are qualified for cash flow hedge accounting when the instrument is designated for hedge. Company has designated major portion of derivative instruments as cash flow hedges to mitigate the foreign exchange exposure of forecasted highly probable cash flows.

### Derivative financial instruments:

The Company holds derivative financial instrument i.e., foreign currency forward contracts to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is a bank. These derivative financial instruments are valued based on inputs that is directly or indirectly observable in the marketplace.

The objective of hedge accounting is to represent, in the Company's standalone financial statements, the effect of the Company's use of financial instruments to manage exposures arising from particular risks that could affect profit or loss. As part of its risk management strategy, the Company makes use of derivative financial instruments for hedging the risk arising on account of highly probable foreign currency forecasted sales.

The Company applies cash flow hedge to hedge the variability arising out of foreign currency exchange fluctuations on account of highly probable foreign currency forecasted sales. Such contracts are designated as cash flow hedges.

# Summary of Significant Accounting Policies and Other Explanatory Information

As at and for the year ended March 31, 2023

(₹ in lakhs)

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

| Designated derivative instrument | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Forward contract (Amount in GBP lakhs) | 263 | 229 |
| Number of contracts | 352 | 352 |
| Fair value in ₹ lakhs | 1307 | 1,335 |
| Forward Contracts covers part of the exposure during the period April 2023 - March 2027 | | |

**Accounting for cash flow hedge**

The objective of hedge accounting is to represent, in the Company's financial statements, the effect of the Company's use of financial instruments to manage exposures arising from particular risks that could affect profit or loss. As part of its risk management strategy, the Company makes use of derivative financial instruments for hedging the risk arising on account of highly probable foreign currency forecasted sales.

The Company has a Board approved policy on assessment, measurement and monitoring of hedge effectiveness which provides a guideline for the evaluation of hedge effectiveness, treatment and monitoring of the hedge effective position from an accounting and risk monitoring perspective. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Company assesses hedge effectiveness on prospective basis. The derivative contracts have been taken to hedge foreign currency fluctuations risk arising on account of highly probable foreign currency forecasted sales.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The foreign exchange forward contracts are denominated in the same currency as the highly probable forecasted sales. Further, the entity has included the foreign currency basis spread and takes the forward rates in hedging relationship.

The Company applies cash flow hedge to hedge the variability arising out of foreign currency exchange fluctuations on account of highly probable foreign currency forecasted sales. Such contracts are generally designated as cash flow hedges.

The table below enumerates the Company's hedging strategy, typical composition of the Company's hedge portfolio, the instruments used to hedge risk exposures and the type of hedging relationship:

| Type of risk / hedge position | Hedged item | Description of hedging strategy | Hedging instrument | Description of hedging instrument | Type of hedging relationship |
|---|---|---|---|---|---|
| Cash flow hedge of foreign currency risk | Highly probable forecasted sales | Foreign currency denominated in proceeds from highly probable forecasted sales is converted into functional currency using a forward contract. Functional currency of the Company is INR. | Foreign exchange forward contracts | Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. These are customised contracts transacted in the over-the-counter market. | Cash flow hedge |

Net realised foreign exchange (gain) arising from hedging is accounted under revenue from operations as on March 31, 2023 ₹ 1,000 lakhs (March 31, 2022 ₹ 128 lakhs).

There was no hedge ineffectiveness during the year

| Mark-to-Market (losses) / gains | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Opening balance of Mark-to-market gains receivable on outstanding derivative contracts | 1,335 | (398) |
| Less: Released from Hedging reserve account to standalone statement of profit and loss | (1,000) | (128) |
| Add: Changes in the value of derivative instrument recognised in OCI | 972 | 1,861 |
| Closing balance of Mark-to-market (losses payable) / gains receivable on outstanding derivative contracts | **1,307** | **1,335** |
| Disclosed under: | | |
| Other current financial asset (Refer note 6(d)) | 678 | 543 |
| Other non-current financial asset (Refer note 4(b)) | 629 | 792 |
| | **1,307** | **1,335** |

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

### Non-derivative financial instruments

The following table presents foreign currency risk from non- derivative financial instrument as of March 31, 2023 and March 31, 2022.

| Currency | As at March 31, 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Amount in respective foreign currencies (in lakhs) | | | Amount (₹ in lakhs) | | |
| | Financial assets | Financial liabilities | Net assets / (liabilities) | Financial assets | Financial liabilities | Net assets / (liabilities) |
| USD | 5 | (0) | 5 | 419 | (24) | 395 |
| GBP | - | - | - | - | - | - |
| AED | 3 | - | 3 | 59 | - | 59 |
| MYR | 7 | - | 7 | 135 | - | 135 |
| SGD | 0 | - | 0 | 3 | - | 3 |
| CAD | 0 | - | - | 4 | - | 4 |
| EUR | 0 | - | - | 6 | - | 6 |
| AUD | 0 | - | - | 8 | - | 8 |
| QAR | 0 | - | - | 3 | - | 3 |
| SAR | 0 | - | - | 8 | - | 8 |
| **Total (in INR)** | | | | **646** | **(24)** | **622** |

| Currency | As at March 31, 2022 | | | | | |
|---|---|---|---|---|---|---|
| | Amount in respective foreign currencies (in lakhs) | | | Amount (₹ in lakhs) | | |
| | Financial assets | Financial liabilities | Net assets / (liabilities) | Financial assets | Financial liabilities | Net assets / (liabilities) |
| USD | 3 | (1) | 2 | 215 | (98) | 117 |
| GBP | 25 | - | 25 | 2,506 | - | 2,506 |
| AED | 3 | | 3 | 54 | - | 54 |
| MYR | 1 | | 1 | 17 | - | 17 |
| **Total (in INR)** | | | | **2,792** | **(98)** | **2,694** |

For the guarantee issued by Mastek Limited on behalf of its wholly owned subsidiary, Mastek (UK) Limited, management does not expect any liability against the same.

As at March 31, 2023 and March 31, 2022 respectively, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact results by approximately ₹ 6 lakhs and ₹ 27 lakhs, respectively.

### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers and investment securities. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counter party credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment and accordingly the Company’s accounts for the expected credit loss. There are two customers which contribute for more than 10% of outstanding total accounts receivables aggregating 72.52% as at March 31, 2023 (74.50%, March 31, 2022).There is one customer which contributes for more than 10% of revenue aggregating 84% as at March 31, 2023 (88%, March 31, 2022).

# Summary of Significant Accounting Policies and Other Explanatory Information

As at and for the year ended March 31, 2023

(₹ in lakhs)

| Particulars (Movement of provision for expected credit loss) | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **At the beginning of the year** | **290** | **318** |
| Provision made / reversed during the year | 263 | (28) |
| **At the end of the year** | **553** | **290** |

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

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Revenue from Top Customer | 83% | 87% |
| Revenue from Top 5 Customers | 95% | 94% |

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilized credit limits with banks. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. The management monitors the Company's net liquidation through rolling forecast on the basis of expected cash flows. Also, the probability that guarantee given by Mastek Limited on behalf of Mastek (UK) Limited, wholly owned subsidiary ("Mastek UK") for its borrowings, will be invoked is very remote considering the financial strength of Mastek UK and its past history of timely repayment. Accordingly, such guarantee is not impacting the liquidity risk profile of the company.

The Working Capital position of the Company is given below

| Particulars of current financial assets | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Cash and cash equivalent | 692 | 1,570 |
| Other bank balances | 54 | 3,336 |
| Investment in mutual funds | - | 1,432 |
| Investment in bonds | - | 57 |
| **Total** | **746** | **6,395** |

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2023 and March 31, 2022:

| Particulars | As at March 31, 2023 | |
|---|---|---|
| | Less than 1 Year | 1 Year and above |
| Borrowings | 78 | 193 |
| Trade payables | 2,436 | - |
| Lease liabilities | 9 | 367 |
| Other financial liabilities | 1,671 | 223 |

| Particulars | As at March 31, 2022 | |
|---|---|---|
| | Less than 1 Year | 1 Year and above |
| Borrowings | 79 | 184 |
| Trade payables | 3,065 | - |
| Lease liabilities | 67 | 376 |
| Other financial liabilities | 3,159 | 1,393 |
| Lease liabilities | 35 | 23 |

Trade payables are generally non - interest bearing and are normally settled in line with respective industry norms.

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

### Price risk

The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. These are exposed to price risk. The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in mutual funds.

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Investments in Mutual funds | - | 2,457 |

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| **Price change by :** | | |
| 100 basis points increase | - | 25 |
| 100 basis points decrease | - | (25) |

### Interest rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rates for borrowings at the end of the reporting year and the stipulated change taking place at the beginning of the year and held constant throughout the reporting year in case of borrowings that have floating rates.

The Company does not have any borrowings with floating interest rate.

## 34 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximise shareholder value. The capital structure is as follows:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Total equity attributable to the Equity Share Holders of Company** | 74,273 | 60,179 |
| As percentage of total Capital | 99.64% | 99.56% |
| Current loan and borrowing | 78 | 79 |
| Non current loan and borrowing | 193 | 184 |
| **Total loans and borrowings** | **271** | **263** |
| **Total Cash and cash equivalent** | 692 | 1,570 |
| % based on debt to total capital | 0.36% | 0.44% |
| % based on net debt to adjusted total capital | (0.57%) | (2.22%) |
| **Total capital (borrowings and equity)** | **74,544** | **60,442** |
| **Total adjusted capital (borrowing - cash and cash equivalent + total equity)** | **73,852** | **58,872** |

The Company is predominantly equity financed which is evident from capital structure table. Further, the Company has always been in a net cash position.

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

## 35 Employee Stock Based Compensation

### i) Plan V

The Company introduced a new scheme in 2008 for granting 1,500,000 stock options to the employees, each option representing one equity share of the Company. The vesting period of stock options will range from one year to four years from the date of grant. The stock options are exercisable within a period of seven years from the date of vesting.

| Particulars | For the year ended March 31, 2023 | | For the year ended March 31, 2022 | |
|---|---|---|---|---|
| | No. of share options | Weighted average Exercise price | No. of share options | Weighted average Exercise price |
| Outstanding options at beginning of the year | 6,725 | 47 | 10,475 | 63 |
| Granted during the year | - | - | - | - |
| Exercised during the year | (6,225) | 47 | - | - |
| Lapsed/Cancelled during the year | (500) | 47 | (3,750) | 91 |
| Outstanding options at end of the year | - | | 6,725 | 47 |
| Options exercisable, end of the year | - | | 6,725 | 47 |

### ii) Plan VI

The Company introduced a new scheme in 2010 for granting 2,000,000 stock options to the employees, each option representing one equity share of the Company. The vesting period of stock options will range from one year to four years from the date of grant. The stock options are exercisable within a period of seven years from the date of vesting.

| Particulars | For the year ended March 31, 2023 | | For the year ended March 31, 2022 | |
|---|---|---|---|---|
| | No. of share options | Weighted average Exercise price | No. of share options | Weighted average Exercise price |
| Outstanding options at beginning of the year | 73,309 | 120 | 1,18,091 | 114 |
| Granted during the year | - | - | - | - |
| Exercised during the year | (9,296) | 130 | (20,769) | 142 |
| Lapsed/Cancelled during the year | (24,094) | 72 | (24,013) | 73 |
| Outstanding options at end of the year | **39,919** | **147** | **73,309** | **120** |
| Options exercisable, end of the year | **39,919** | **147** | **73,309** | **120** |

### iii) Plan VII

The Company introduced a new scheme in 2013 for granting 2,500,000 stock options to its employees and employees of its subsidiaries, each option giving a right to apply for one equity share of the Company on its vesting. The vesting period of stock option will range from one year to four years from the date of grant. The stock options are exercisable within a period of seven years from the date of vesting.

| Particulars | For the year ended March 31, 2023 | | For the year ended March 31, 2022 | |
|---|---|---|---|---|
| | No. of share options | Weighted average Exercise price | No. of share options | Weighted average Exercise price |
| Outstanding options at beginning of the year | 6,33,770 | 83 | 10,18,646 | 69 |
| Granted during the year | 54,860 | 5 | 14,530 | 5 |
| Exercised during the year | (1,70,533) | 134 | (2,74,314) | 53 |
| Lapsed/Cancelled during the year | (48,133) | 89 | (1,25,092) | 28 |
| Outstanding options at end of the year | **4,69,964** | **55** | **6,33,770** | **83** |
| Options exercisable, end of the year | **3,26,700** | **77** | **4,48,225** | **116** |

Note: The Company does not have a past practice of cash settlement for these ESOPs. The Company accounts for the ESOPs as an equity-settled plan.

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

The following tables summarise information about the options/ shares outstanding under various programs as at March 31, 2023 and March 31, 2022, respectively:

| Particulars | As at March 31, 2023 | | |
|---|---|---|---|
| | No. of share options | Weighted average remaining contractual life in years | Weighted average Exercise price |
| **Plan VI** | 39,919 | 1.7 | 147 |
| **Plan VII** | 4,69,964 | 5.7 | 55 |

| Particulars | As at March 31, 2022 | | |
|---|---|---|---|
| | No. of share options | Weighted average remaining contractual life in years | Weighted average Exercise price |
| **Plan V** | 6,725 | 0.3 | 47 |
| **Plan VI** | 73,309 | 2.1 | 120 |
| **Plan VII** | 6,33,770 | 5.8 | 83 |

The weighted average fair value of each unit under the plan, granted during the year ended March 31, 2023 was ₹ 2,091 (March 31, 2022 - ₹ 2,356) using the Black-Scholes model with the following assumptions:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Weighted average grant date share price (in ₹) | 2,091 | 2,443 |
| Weighted average exercise price (in ₹) | 5 | 5 |
| Dividend yield % | 0.73% | 0.58% |
| Expected life | 3-7 years | 3-7 years |
| Risk free interest rate % | 703.00% | 5.90% |
| Volatility % | 5003.67% | 51.35% |

**Volatility :** Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure of volatility is used in Black Scholes option pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. Company considered the daily historical volatility of the Company's stock price on NSE over the expected life of each vest.

**Risk free rate :** The risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on zero coupon yield curve for government securities.

**Expected life of the options:** Expected life of the options is the period for which the Company expects the options to be live. The minimum life of stock options is the minimum period before which the options can't be exercised and the maximum life of the option is the maximum period after which the options can't be exercised. The Company has calculated expected life as the average of the minimum and the maximum life of the options.

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

## 36 Leases

### Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on systematic basis over the lease term.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

# Summary of Significant Accounting Policies and Other Explanatory Information

As at and for the year ended March 31, 2023

(₹ in lakhs)

### Company as lessee

The Company's leased assets primarily consist of leases for office premises, guest houses, laptops, lease lines, furniture and equipment. Leases of office premises and guest houses generally have lease term between 2 to 44 years (March 31, 2022 - 2 to 45 years). The Company has applied low value exemption for leases of laptops, lease lines, furniture and equipment accordingly these are excluded from Ind AS 116, at present.

i) The carrying amounts of right-of-use assets recognised and the movements during the period (Refer note 3 (b))

ii) Below are the carrying amounts of operating lease liabilities (included under financial liabilities) and the movements during the period:

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| **Balance at the beginning of the year** | 58 | 89 |
| Additions during the year | - | - |
| Deletion during the year | - | - |
| Finance expense | 3 | 7 |
| Payments | (38) | (38) |
| **Balance at the end of the year** | **23** | **58** |
| Current | 0 | 35 |
| Non-current | 23 | 23 |

The contractual maturity analysis of lease liabilities (Including amount not falling under IndAS 116) are disclosed herein on an undiscounted basis:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Less than one year | 9 | 67 |
| More than one year less than 5 years | 35 | 35 |
| More than 5 years | 332 | 341 |

The effective interest rate for lease liabilities as at March 31, 2023 is 11% (March 31, 2022 - 11%)

iii) The following are the amounts recognised in standalone statement of profit or loss:

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Depreciation expense of right-of-use assets | 30 | 30 |
| Interest expense on lease liabilities | 4 | 7 |
| Expense relating to short-term leases (included in other expenses) | 57 | 50 |
| **Total amount recognised in Statement of profit and loss** | **91** | **87** |

The Company had total cash outflows for leases of ₹ 95 lakhs in FY 2022-23 (₹ 88 lakhs in FY 2021-22) including cash outflow for short term and low value leases.

There are several lease agreements with extension and termination options, for which management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Since it is reasonable certain to exercise extension option and not to exercise termination option, the Company has opted to include such extended term and ignore termination option in determination of lease term.

The maturity analysis of lease income are disclosed herein-

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Lease income | | |
| Future minimum lease income under non-cancellable operating lease (in respect of properties): | | |
| Due within one year | 7 | 405 |
| Due later than one year but not later than five years | 31 | 491 |
| **Total** | **38** | **896** |

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

## 37 Micro, Small and Medium Enterprises

The Company did not have dues to Micro and small suppliers registered as such under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act is as follows:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| a) Principal amount remaining unpaid to any supplier at the end of the year | - | - |
| b) Interest due remaining unpaid to any supplier at the end of the year | - | - |
| c) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year | - | - |
| d) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006 | - | - |
| e) the amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006 | - | - |

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

## 38 Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2023 is ₹ 336 lakhs (March 31, 2022: ₹ 395 lakhs).

## 39 A. Contingent liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **1. Claims against Company not acknowledged as debts** | | |
| Disputed demands in respect of Sales tax (including pending litigation of various matters) | 941 | 941 |

### 2. Provident fund

Based on the judgement by the Honourable Supreme Court dated February 28, 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the Company with respect to timing and the components of its compensation structure. In absence of further clarification, the Company has been advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.

(i) The Company does not expect any cash outflows or any reimbursements in respect of the above contingent liabilities.

(ii) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above, pending occurrence of the default event or resolution of respective proceedings.

### 3. Social Security Code

The Code on Social Security, 2020 ("the Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

## 39B. Guarantee given to lenders for loan availed by subsidiary (to the extent amount outstanding)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Guarantee given to lenders for loan availed by subsidiary (to the extent of amount outstanding) | 36,722 | 18,648 |

Highest amount outstanding was ₹ 42,757 lakhs (March 31, 2022 ₹ 25,485 lakhs)

## 40 Payments to the Auditor (excluding GST)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| As auditor | 65 | 45 |
| Other expenses | 2 | 2 |
| **Total** | **67** | **47** |

## 41 Note on acquisition

During the year ended March 31, 2020, Mastek acquired control of the business of Evolutionary Systems Private Limited (“ESPL”) and its subsidiary companies (together referred to as “Evosys”). The acquisition was as follows:-

(i) Mastek (UK) Limited, a wholly-owned subsidiary of Mastek Limited, entered into a Business Transfer Agreement (“BTA”) on February 8, 2020 to acquire the business of Evosys Arabia FZ LLC and Share Transfer Agreements (STA) to acquire Middle East Companies (“MENA Acquisition”) by paying a cash consideration (net of cash and cash equivalents) of USD 64.9 million i.e. ₹ 48,204 lakhs. The closing of such transaction occurred on March 17, 2020, which is considered to be the date of transfer of control or the date of acquisition, as per Ind AS 103, and necessary effects have been recognised in the standalone financial statements of the respective entities, alongwith standalone and consolidated financial statements of the Company and its subsidiaries.

While the acquisition has been effected and full consideration has been paid, procedures to complete the legal processes like registering sale of shares in one of the geography was delayed due to the pandemic condition, which has been completed as at March 31, 2022.

(ii) With respect to a business undertaking of ESPL (including investments in certain subsidiaries of ESPL), the parties (Mastek group and Evosys group) entered into a Demerger Co-operation Agreement (DCA) and Shareholders Agreement on February 8, 2020. The manner of discharge of the non-cash consideration and the acquisition of legal ownership, was decided to be achieved through a demerger scheme filed before the National Company Law Tribunal (NCLT) (“the Scheme”), or, as per DCA, the parties were to complete this transaction with the same economic effect, by an alternate arrangement, within the period specified in the DCA. The DCA gave Mastek Enterprise Solutions Private Limited (formerly known as ‘Trans American Information Systems Private Limited’) (MESPL) a wholly owned subsidiary of Mastek, the right to appoint majority of the board of directors in ESPL and its subsidiaries and also provided for the relevant activities of ESPL and its subsidiaries to be decided by a majority vote of such board of directors, thereby resulting in transfer of control of business of ESPL and its subsidiaries to Mastek Group. The date of acquisition of business undertaking for the purposes of Ind AS 103 is the date of transfer of control to the Group, i.e. February 8, 2020. Discharge of consideration for demerger is through issue of 4,235,294 equity shares of Mastek Limited (face value ₹ 5 each) and balance through 15,000 Compulsorily Convertible Preference Shares (CCPS) of ₹ 10 each of MESPL, subsequently split into 150,000 CCPS of ₹ 1 each , which carry a Put Option to be discharged at agreed EBITDA multiples, based on actual EBIDTA of 3 years commencing from financial year ending March 31, 2021 including adjustment for closing cash. Pending completion of legal acquisition, this transaction had only been considered for disclosure in the standalone financial statements for the years ended March 31, 2020 and 2021 and all periods ending June 30, 2021.

On September 14, 2021, the above transaction has been approved by the NCLT, pursuant to the Scheme of De-merger (‘the Scheme’), for the demerger of Evolutionary Systems Private Limited (ESPL or demerged entity), into MESPL, with the effective date of February 1, 2020 (Appointed Date). Consequently, the effect of the De-merger has been considered in the previous year’s financial statement in accordance with Ind AS 103 – ‘Business Combinations’. Accordingly, the year ended March 31, 2021 have been restated, to give effect to the business combination, as given below.

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

On December 17, 2021, a board meeting was held where the Board approved the buy out of first tranche of CCPS i.e. 1/3rd of the total outstanding CCPS (of MESPL) basis the agreed valuations in line with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended). Accordingly, 254,755 equity shares of Mastek Limited (face value ₹ 5 each) have been issued on February 10, 2022, for said buy- out of first tranche of 50,000 CCPS of MESPL.

On December 11, 2022, a board meeting was held where the Board approved the buy out of second tranche of 50,000 CCPS of MESPL basis the agreed valuations in line with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended). Accordingly, 320,752 equity shares of Mastek Limited (face value of ₹ 5 each) had been issued on January 17, 2023, for said buy- out of second tranche of 50,000 CCPS of MESPL.

(iii) Total Purchase consideration discharged by the Company on behalf of MESPL pursuant to scheme of Demerger

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| 100,000 (March 31, 2022 - 50,000) equity shares of ₹1 each, fully paid up (on account of buyout of 2/3 MESPL Cumulative Convertible Preference Shares (CCPS) | 36,269 | 18,174 |
| Deemed equity in MESPL {(42,35,294 (March 31, 2022 - 42,35,294) equity shares of ₹ 5 each, fully paid up (share issued against the part discharge of consideration for acquisition) and Fair valuation of put option liability as at date of transaction consummation} (Refer note 41) | 26,988 | 26,988 |
| **Total** | **63,257** | **45,162** |

**b) Acquisition of entity - MST**

During the year ended March 31, 2023, Mastek has acquired control of the business of Meta Soft Tech Systems Private Limited ("MST India"). The acquisition was as follows:-

Mastek Limited, entered into a Share purchase agreement ("SPA") on July 18, 2022 to acquire the business of Meta Soft Tech Systems Private Limited by paying a cash consideration including contingent consideration to be paid based on agreed revenue and gross margin performance (net of cash and cash equivalents) of USD 2.2 million i.e. ₹ 1,846 lakhs. The closing of such transaction occurred on August 02, 2022, which is considered to be the date of transfer of control or the date of acquisition, as per Ind AS 103, and necessary effects have been recognised in the standalone financial statements of the respective entities and consolidated financial statements of the Company and its subsidiaries.

MetaSoft offers customer relationship management (CRM) and marketing automation consulting services. It offers salesforce, licensing solution, MuleSoft integrations, CPQ for salesforce, and Vlocity products. The company offers digital transformation, managed services, and marketing automation solutions. It serves education, healthcare, manufacturing, non-profit, and public sector industries. it is a trusted partner to several Fortune 1000 and large enterprise clients. The acquisition will enable the Company in CRM business.

**Purchase consideration**

| Particulars | MST India |
|---|---|
| Purchase consideration | 2,723 |
| | **2,723** |
| Less: Adjustment for Cash^ | 877 |
| | **1,846** |

^ Purchase consideration is net of cash and cash equivalents acquired including contingent consideration to be paid based on agreed revenue and gross margin performance.

**The purchase price allocation to the identified assets and liabilities assumed at the acquisition date are# :**

| Particulars | MST India |
|---|---|
| Property, plant and equipment and Right-of-use assets | 325 |
| Trade receivables* | 588 |
| Financial assets* | 949 |
| Other assets* | 525 |

# Summary of Significant Accounting Policies and Other Explanatory Information

As at and for the year ended March 31, 2023

(₹ in lakhs)

| Particulars | MST India |
|---|---|
| Trade payables | (5) |
| Financial liabilities | (863) |
| Other liabilities | (931) |
| Current tax liability | (315) |
| Deferred tax asset** | 195 |
| **Fair value of identifiable net assets** | **468** |
| **Less: Purchase Consideration** | (1,846) |
| **Goodwill** | **(1,378)** |
| Contingent liability | NA |
| Goodwill expected to be deductible for tax purpose | - |

Goodwill is primarily related to growth expectations, expected future profitability, the substantial skill and expertise of Metasoft's workforce and expected synergies.

*Represents fair value of receivables and gross contractual amounts receivable. All amounts are expected to be collected.

**Excludes the amount pertaining to OCI of ₹ 8 lakhs.

# Same will be recorded in consolidated financial statements.

## 42 Expenditure on Corporate social responsibilities

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Amount required to be spent as per Section 135 of the Companies Act | 112 | 80 |
| Amount spent during the year | | |
| (i) Construction/ acquisition of any asset | | - |
| (ii) On purposes other than (i) above | 240 | 182 |

The aforementioned amount has been contributed to the trust 'Mastek foundation' which is controlled by the Company. Mastek foundation is primarily engaged in programmes related to promoting health care including preventive health care, promoting education and ensuring environmental sustainability. (Refer note 29)

## 43 Disclosure of ratios

| Sr. No. | Ratio | Formula for Computation | Measure (in times / percentage) | March 31, 2023 | March 31, 2022 | Variation | Remarks |
|---|---|---|---|---|---|---|---|
| (a) | Current ratio | Current asset / Current liabilities | Times | 1.00 | 1.73 | (42%) | Refer note a below |
| (b) | Debt-equity ratio | Debt / Average net worth | Times | 0.004 | 0.004 | 1% | |
| (c) | Debt service coverage ratio | Earnings available for debt service/Debt service | Times | 119.33 | 53.61 | 123% | Refer note b below |
| (d) | Return on equity ratio | Profit after tax / Net worth | Percentage | 19.66% | 14.26% | 38% | Refer note c below |
| (e) | Inventory turnover ratio | Cost of goods sold / Average inventory | Times | NA | NA | NA | |
| (f) | Trade receivable turnover ratio | Revenue from operations / Average trade receivables | Times | 6.66 | 5.07 | 31% | Refer note d below |
| (g) | Trade payable turnover ratio | Net purchases / Average trade payables | Times | NA | NA | NA | |
| (h) | Net capital turnover ratio | Revenue from operations / working capital (current assets - current liability) | Times | 2,238.50 | 3.96 | 56,428% | Refer note e below |
| (i) | Net profit ratio | Profit after tax / Revenue from operations | Percentage | 42.16% | 30.04% | 40% | Refer note f below |

# Summary of Significant Accounting Policies and Other Explanatory Information As at and for the year ended March 31, 2023

(₹ in lakhs)

| Sr. No. | Ratio | Formula for Computation | Measure (in times / percentage) | March 31, 2023 | March 31, 2022 | Variation | Remarks |
|---|---|---|---|---|---|---|---|
| (j) | Return on capital employed | EBIT / Capital employed | Percentage | 14.42% | 15.76% | (9%) | |
| (k) | Return on investment | Profit before tax/ Average total assets | Percentage | 21.39% | 14.06% | 52% | Refer note g below |

Notes:

(i) Debt = Non-current borrowings + Current borrowings

(ii) Net worth = Paid-up share capital + Reserves created out of profit - Accumulated losses

(iii) EBITDA = Earnings before, exceptional items, depreciation, amortisation expense and tax

(iv) Net purchase = Purchase of stock-in-trade + Cost of materials consumed + Closing inventory of raw materials - Opening inventory of raw materials

(v) Net assets = Property, plant and equipment (including CWIP) + Current assets - Current liabilities

(vi) EBIT = Earnings before exceptional items, interest and tax

(vii) Capital employed = Tangible net worth + Total debt + Deferred tax liability

(viii) Earnings available for debt service= Net profit after taxes + Non operating expenses like depreciation and other amortisations + Interest + Other adjustment like loss on sale of fixed assets etc.

(ix) Debt service = Interest & Lease Payments + Principal Repayments

**Disclosure for change in ratio by more than 25%:**

| Type of ratio | | Variation in ratio between 31 March 2023 and 31 March 2022 | Reasons for variance |
|---|---|---|---|
| (a) | Current ratio | (42%) | Current ratio decrease primarily due to reduction in current investments. |
| (b) | Debt service coverage ratio | 123% | Debt service coverage ratio has increased due to higher profitability. |
| (c) | Return on equity ratio | 38% | Return on equity has increased due to higher profitability. |
| (d) | Trade receivable turnover ratio | 31% | Trade receivable turnover ratio increased due to increase in revenue and decrease in debtors. |
| (e) | Net capital turnover ratio | 56,428% | Net capital turnover ratio increase primarily due to decrease in working capital (sale of investment) and increase in revenue. |
| (f) | Net profit ratio | 40% | Net Profit ratio increased due to increase in exceptional income. |
| (g) | Return on investment | 52% | Return on investment increased due to increase in profit before tax. |

## 44 Other statutory information

(i) The Company has not advanced or loaned or invested funds to any person or any entity, including foreign entities (Intermediaries) with the understanding that the intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by a or on behalf of the Company (Ultimate Beneficiaries); or

(b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(ii) The Company has not received any fund from any person or any entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by a or on behalf of the Funding Party (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**45** The Company does not have any transactions and outstanding balances during the current as well previous year with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

# Summary of Significant Accounting Policies and Other Explanatory Information

As at and for the year ended March 31, 2023

(₹ in lakhs)

**46** The Company have not defaulted on any of the loan taken from banks, financial institutions or other lenders.

**47** The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

**48** The Company does not have any charge or satisfaction which is yet to be registered with ROC beyond the Statutory period.

**49** The Company has not traded or invested in Crypto currency or Virtual currency during the financials year.

**50** The Company does not has any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provision of the Income Tax Act,1961)

**51** Previous year's figures have been regrouped or reclassified wherever necessary to correspond with the current year classification/ disclosure, which are not considered material to these standalone financial statements

**52** The Company has not been declared willful defaulter by any bank or financial institution or any other lender.

**53** The Company has complied with the number of layers prescribed under section 2(87) of the Act.

**54** The Company has not entered into any scheme of arrangement in terms of section 230 to 237 of the Act for the year ended March 31, 2023 and March 31, 2022.

These are the notes to the standalone financial statements referred to in our report of even date

The Standalone Financial Statements were authorised for issue by the directors on April 19, 2023.

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

**Adi P. Sethna**
Partner
Membership No.: 108840

Place: Mumbai
Date: April 19, 2023

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

**Ashank Desai**
Chairman
DIN: 00017767

**Rajeev Grover**
Director
DIN: 00058165

**Arun Agarwal**
Global Chief Financial officer
Place: Mumbai
Date: April 19, 2023

**Dinesh Kalani**
Vice President - Group Company Secretary