

**MASTEK LIMITED**

Registered Office: 804/805, President House, Opp. C. N. Vidyalaya, Near Ambawadi Circle, Ambawadi, Ahmedabad - 380 006, Gujarat.

Tel: +91-79-2656-4337; **Fax:** +91-22-6695 1331; **E mail:** investor_grievances@mastek.com; **Website:** www.mastek.com
CIN: L74140GJ1982PLC005215

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF MASTEK LIMITED

(pursuant to Order dated April 12, 2021 passed by
the Hon'ble National Company Law Tribunal, Ahmedabad Bench at Ahmedabad)

Day	Friday
Date	May 28, 2021
Time	5.00 p.m. (IST)
Mode of Meeting	In view of the ongoing COVID-19 pandemic and related social distancing norms, as per the directions of the Hon'ble National Company Law Tribunal, Ahmedabad Bench the Meeting shall be conducted through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
Remote e-voting start date and time	Monday, May 24, 2021 at 9.00 a.m. (IST)
Remote e-voting end date and time	Thursday, May 27, 2021 at 5.00 p.m. (IST)

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The Notice of the Meeting, Explanatory Statement under the provisions of the Sections 230 to 232 read with Section 102 and other applicable provisions if any, of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (page nos. A-3 to A-32) and Annexure No. 1 to Annexure No. 18 (page nos. B-1 to B-240) constitute a single and complete set of documents and should be read together as they form an integral part of this document.

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL

AHMEDABAD BENCH AT AHMEDABAD

CA (CAA) NO. 18(AHM)2021

IN THE MATTER OF THE COMPANIES ACT, 2013;

AND

**IN THE MATTER OF SECTIONS 230 TO 232 AND ALL OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT,
2013 AND RULES FRAMED THEREUNDER**

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT

BETWEEN

**EVOLUTIONARY SYSTEMS PRIVATE LIMITED
("ESPL")**

AND

**TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED
("TAISPL")**

AND

**MASTEK LIMITED
("MASTEK")**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

MASTEK LIMITED

CIN: L74140GJ1982PLC005215

Company incorporated under the Companies Act, 1956, having its Registered Office at
804/805, President House, Opposite C. N. Vidyalaya, Near Ambawadi Circle, Ambawadi, Ahmedabad - 380006, Gujarat.

..... Applicant Company/ Company

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF MASTEK LIMITED

To,
All the Equity Shareholders of
Mastek Limited ("Applicant Company/ Company")

NOTICE is hereby given that by an Order dated April 12, 2021 ("**Order**"), the Hon'ble National Company Law Tribunal, Ahmedabad Bench at Ahmedabad ("**NCLT**" or "**Tribunal**") in the above mentioned Company Scheme Application has directed Meeting of the Equity Shareholders of the Applicant Company, be convened and held for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement between Evolutionary Systems Private Limited ("**ESPL**"), Trans American Information Systems Private Limited ("**TAISPL**") and Mastek Limited ("**Mastek**") and their respective Shareholders and Creditors, pursuant to the provisions of Sections 230 to 232 and other applicable provisions if any, of the Companies Act, 2013 ("**Act**") ("**Scheme**").

In pursuance of the said Order and as directed therein, Notice is hereby given that Meeting of the Equity Shareholders of the Applicant Company is scheduled to be held on **Friday, May 28, 2021 at 5.00 p.m. (IST)** ("**Meeting**") through Video Conferencing ("**VC**")/ or Other Audio Visual Means ("**OAVM**") following the operating procedures (with requisite modifications as may be required) referred to in Circular No.14/2020 dated April 08, 2020 read with Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs, Government of India.

The Board of Directors of the Applicant Company, at its meeting held on February 08, 2020, approved the above-mentioned Scheme, subject to approval of its Shareholders and Creditors as may be required, and subject to the sanction of the Hon'ble NCLT and of such other authorities as may be necessary.

The Equity Shareholders are requested to consider and, if thought fit, approve with or without modification(s), the following resolution pursuant to the provisions of Sections 230 to 232 of the Act and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the provisions of the Memorandum of Association and Articles of Association of the Applicant Company, for the purpose of considering, and if thought fit, approving, the Scheme.

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and any other applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 and other

Rules, Circulars and Notifications made thereunder as may be applicable, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Circular No. CFD/ DIL3/CIR/2017/21 dated March 10, 2017 (including amendments thereof), read with the Observation letters dated February 26, 2021 and March 01, 2021 issued by BSE Limited and National Stock Exchange of India Limited respectively and relevant provisions of other applicable laws, the relevant provisions of the Memorandum of Association and Articles of Association of the Company, subject to requisite approval of the Hon'ble National Company Law Tribunal ("**NCLT**"/ "**Tribunal**"), and other regulatory or government bodies/ tribunals or institutions as may be applicable, and subject to such conditions and modifications as may be prescribed or imposed by the Tribunal or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the ("**Board**"), which term shall be deemed to mean and include one or more Committee(s) constituted/ to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), and subject to approval of Unsecured Creditors, the arrangement embodied in the Scheme of Arrangement between Evolutionary Systems Private Limited ("**ESPL**"), Trans American Information Systems Private Limited ("**TAISPL**") and Mastek Limited ("**Mastek**") and their respective Shareholders and Creditors ("**Scheme**") placed before this Meeting and initialed by the Chairperson for the purpose of identification, be and is hereby approved by Equity Shareholders of the Applicant Company with or without modification(s) and for conditions, if any, which may be required and/or imposed and/or permitted by the Ahmedabad Bench of the Hon'ble NCLT while sanctioning the aforesaid Scheme and/or by any Governmental Authority.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and for removal of any difficulties or doubts the Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the demerger embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble NCLT and/or other authorities while sanctioning the demerger embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in

giving effect to the Scheme, including settling of any questions or difficulties arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith, and if necessary, to waive any of those, and to all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into the effect or to carry out such modifications/ directions as may be required and/or imposed and/or permitted by the Tribunal while sanctioning the Scheme, or by any other Authorities, as the Board may deem fit and proper.”

The share price of the Applicant Company as on the date of dispatch of this notice is ₹ 1377.55 on BSE and ₹ 1384.00 on NSE.

Copy of the Scheme and of the Explanatory Statement, under Sections 230(3), and 102 of the Act, read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the Annexures as indicated in the Index, can be obtained free of charge from the Registered Office of the Applicant Company at 804/805, President House, Opposite C. N. Vidyalaya, Near Ambawadi Circle, Ambawadi, Ahmedabad – 380006, Gujarat or from the office of the PCA Mr. Sanjay Majmudar at B-303, GCP Business Centre, Opp. Memnagar Fire Station, Near Vijay Rasta, Ahmedabad – 380014, during normal business hours (9:30 am to 6:30 pm) from Monday to Friday upto and including the date of the Meeting.

The Hon’ble NCLT has appointed Mr. S. Sandilya to be the Chairperson of the said Meeting and failing him, Mr. Ashank Desai, as the Alternate Chairperson of the Meeting, including for any adjournment or adjournment(s) thereof. The Hon’ble NCLT has also appointed Mr. Prashant S. Mehta, Proprietor of P. Mehta and Associates, Practising Company Secretaries (ACS No.: 5814, CP No.: 17341), as the Scrutiniser for the Meeting, including for any adjournment or adjournment(s) thereof.

The Scheme, if approved in the aforesaid Meeting, will be subject to the subsequent approval by the Hon’ble NCLT, Ahmedabad Bench at Ahmedabad.

Sd/-
S. Sandilya

Chairperson appointed by the Hon’ble NCLT for the Meeting

Dated this April 23, 2021

Registered Office:

804/805, President House, Opp. C. N. Vidyalaya, Near Ambawadi Circle, Ambawadi, Ahmedabad - 380 006, Gujarat.

CIN: L74140GJ1982PLC005215

Website: www.mastek.com

Email: investor_grievances@mastek.com

NOTES:

1. In view of the global outbreak of the COVID-19 pandemic, social distancing norm to be followed and due to continuing restrictions on the movement of people at several places in the country, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, in relation to “Clarification on passing of ordinary and special resolutions by Companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19” and General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 02/2021 dated January 13, 2021 in relation to “Clarification on holding of General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM)” (“MCA Circulars”) and the SEBI vide its Circular No. SEBI/HO/CFD/ CMD1/ CIR/P/2020/79 dated May 12, 2020 read with SEBI/ HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, in relation to “Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 - Covid-19 pandemic” (“SEBI Circulars”) have permitted the holding of the Meeting through VC/ OAVM without the physical presence of the Members at a common venue.

In compliance with the applicable provisions of the Companies Act, 2013 (“Act”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, read with the MCA Circulars, the SEBI Circulars and pursuant to Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) the Meeting of the Equity Shareholders of the Applicant Company is scheduled to be held on **Friday, May 28, 2021 at 5.00 p.m. (IST) through VC/ OAVM** and voting for the item to be transacted in the Notice to this Meeting shall be only through remote electronic voting process (“e-Voting”).

2. Since, this Meeting is being held pursuant to the MCA Circulars and the SEBI Circulars through VC/ OAVM, where physical attendance of Members has been dispensed with, accordingly, the facility for appointment of proxies by the Members will not be available for this Meeting and hence, the proxy form, attendance slip including route map are not annexed to this notice.

3. Equity shareholders attending the Meeting through VC/ OAVM shall be reckoned for the purpose of quorum. In terms of the Order and Section 103 of the Act, the quorum for this meeting is 30 (thirty) Equity Shareholders attending the Meeting.
4. The members of the Applicant Company under the category of Institutional Investors/ Corporate Members (i.e. other than individuals/ HUF NRI, etc.) are encouraged to attend and vote at the Meeting through VC/ OAVM. Corporate members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Act, are requested to send to the Applicant Company, a certified copy (in PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. authorising its representatives to attend the Meeting, by sending an e-mail at investor_grievances@mastek.com not later than 48 hours before the commencement of the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Further on account of the threat posed by COVID-19 and in compliance with the aforementioned MCA Circulars and SEBI Circulars this Meeting Notice along with the Annexures thereat is being sent only through electronic mode to those members whose e-mail addresses are registered with the Applicant Company/ Depository Participants. Members may note that the Notice convening this Meeting and the Annexures thereat will be available on the Applicant Company's website at www.mastek.com, websites of the Stock Exchanges, i.e., BSE and NSE at www.bseindia.com and www.nseindia.com respectively. The Meeting Notice is also available on the website of National Securities Depository Limited at www.evoting.nsdl.com. If so desired, Members may obtain a printed copy of the Notice and the Annexures thereat, i.e. Scheme and the Explanatory Statement under Sections 230 and 232 read with Section 102 and other applicable provisions of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 etc., free of charge from the Registered Office of the Applicant Company or from the office of the PCA Mr. Sanjay Majmudar at B-303, GCP Business Centre, Opp. Annexures thereat Memnagar Fire Station, Near Vijay Rasta, Ahmedabad – 380014 during normal business hours (9:30 am to 6:30 pm) from Monday to Friday upto and including the date of the Meeting. A written request in this regard, along with details of Demat and mentioning Permanent Account Number (PAN), may be addressed to the Company Secretary at investor_grievances@mastek.com
7. All the relevant documents referred to in this Notice and Explanatory Statement and other documents shall also be available electronically for inspection by the Members at the Meeting. Members seeking to inspect such documents can send an e-mail to investor_grievances@mastek.com from their registered e-mail address.
8. The Notice convening the aforesaid Tribunal Convened Meeting will be published through advertisement in 'Business Standard' in all India Edition and Gujarati translation thereof in 'Jai Hind' Ahmedabad Edition.
9. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depository Participants as on the **cut-off date, i.e., Wednesday, May 19, 2021** only will be entitled to exercise his/ her/ its voting rights on the resolution proposed in the Notice and attend the Meeting. A person who is not the Equity Shareholder as on the cut-off date, should treat the Notice for information purpose only.
10. This Notice is being sent by an e-mail only to those eligible Members who have already registered their e-mail address with the Depository Participants and with Company on or before the **cut-off date, i.e., Wednesday, March 31, 2021**.
11. **VOTING OPTIONS**
Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations (as amended), and the MCA Circulars and the SEBI Circulars and Pursuant to the directions of the Tribunal given under the Order, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at this Meeting. For this purpose, the Applicant Company has entered into an agreement with National Securities Depository Limited ("**NSDL**") for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as e-voting during the Meeting will be provided by NSDL.
Instructions for remote e-Voting are as under:
The remote e-Voting period begins on Monday, May 24, 2021 at 9.00 a.m. (IST) and ends on Thursday, May 27, 2021 at 5.00 p.m. (IST). The remote e-voting module shall be disabled by NSDL

for voting thereafter. Once the vote on a resolution is cast by the Members, the Member shall not be allowed to change it subsequently.

In addition, the facility for voting through electronic voting system shall also be made available during the Meeting.

A. The instructions of the e-Voting are as under:

The way to vote electronically on NSDL e-Voting system consists of “2 Steps” which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/ Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is mentioned below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of Company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those Members whose E-mail ids are not registered, for procuring user id and password and registration of E-mail ids for e-Voting on the resolution set out in this notice

1. In case shares are held in physical mode, please provide Folio No., Name of member, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor_grievances@mastek.com with a copy to evoting@nsdl.co.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor_grievances@mastek.com with a copy to evoting@nsdl.co.in for obtaining User ID and Password by providing the details mentioned in Point (1) or (2) above, as the case may be.

12. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE MEETING THROUGH VC/ OAVM ARE AS UNDER

1. Member will be provided with a facility to attend the Meeting through VC/ OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under members login by using the remote e-voting credentials. The link for VC/OAVM will be available in members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions as mentioned above to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. **The members can join the Meeting in the VC/ OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure as mentioned in the Notice.** The facility of participation at the Meeting through VC/ OAVM will be made available to at least 1,000 Members on a **first come first served basis** as per the MCA Circulars. This will not include large members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the Meeting without restriction on account of first come first served basis.

3. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

4. The details of NSDL officials who may be contacted for any assistance with regard to e-Voting and VC/ OAVM facility are as follows:

For e-Voting:

Ms. Pallavi Mhatre and/or Mr. Amit Vishal at toll free number 1800 1020 990/ 1800 224 430.

For VC/OAVM:

Mr. Sagar Ghosalkar at toll free number -1800 1020 990/ 1800 224 430.

5. **Speaker Registration before the Meeting**

Members who would like to express their views/ ask questions during the Meeting may register themselves as a Speaker and send request from their registered e-mail address mentioning their name, demat account number/ folio number, e-mail id, mobile number at investor_grievances@mastek.com at least 2(two) days before the Meeting. Those Members who have

registered themselves as a Speaker will only be allowed to express their views/ ask questions during the Meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Meeting.

13. THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE MEETING ARE AS UNDER

1. The procedure for e-Voting on the day of the Meeting is same as the instructions mentioned above for remote e-Voting.
2. Only those Members, who will be present in the Meeting through VC/ OAVM facility and have not casted their vote on the Resolution through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the Meeting.
3. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the Meeting shall be the same person mentioned for Remote e-voting.

General Guidelines for Members:

- a. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.** Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- b. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free number 1800 1020 990/ 1800 224 430 or send a request at evoting@nsdl.co.in
- c. You can also update your mobile number and E-mail ID in the user profile details of the folio which may be used for sending future communication(s).

14. GENERAL INFORMATION FOR MEMBERS

1. The Members who have cast their vote by remote e-Voting may attend the meeting through VC/ OAVM but shall not be entitled to cast their vote again.
2. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the **cut- off date i.e. Wednesday, May 19, 2021.**
3. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on the **cut-off date i.e. Wednesday, May 19, 2021** may obtain the login ID and password by sending a request at evoting@nsdl.co.in or the Company at investor_grievances@mastek.com.
4. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the **cut-off date Wednesday, May 19, 2021** only shall be entitled to avail the facility of remote e-Voting, as well as voting at the meeting.
5. The Hon'ble NCLT has appointed Mr. Prashant S. Mehta, Proprietor of P. Mehta and Associates, Practising Company Secretaries (ACS No.: 5814, CP No.: 17341) as Scrutiniser to scrutinise the voting at the Meeting and remote e-Voting process, in a fair and transparent manner.
6. The Chairperson shall, at the Meeting at the end of discussion on the resolution on which voting is to be held, allow voting, by use of remote e-Voting system for all those Members who are present during the Meeting through VC/ OAVM but have not cast their votes by availing the remote e-Voting facility. **The remote e-Voting module during the Meeting shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.**
7. The Scrutiniser shall, after the conclusion of voting at the Meeting, first count the votes cast during the Meeting and, thereafter, unblock the votes cast through remote e-Voting and shall make, not later than 48 hours from the conclusion of the Meeting, a Consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairperson.
8. The Results declared, along with the Scrutiniser's Report, shall be placed on the Applicant Company's website at www.mastek.com and on the website of NSDL at www.evoting.nsdl.com, immediately after the declaration of the result by the Chairperson. The results shall also be immediately forwarded to the Stock Exchanges where the Applicant Company's Equity Shares are listed viz. BSE and NSE and be made available on their respective websites viz. www.bseindia.com and www.nseindia.com.
9. The results, together with Scrutiniser's Report, will be announced on or before Sunday, May 30, 2021 and will be placed on NSDL's website at www.evoting.nsdl.com
10. Subject to receipt of requisite majority of votes (as per Section 230 to 232 of the Act, and SEBI Circular CFD/DIL3/ CIR/2017/21 dated March 10, 2017 (including amendments thereof), issued by the SEBI, the Resolution proposed in the Notice shall be deemed to have been passed on the date of the Meeting (specified in the Notice).
11. **Equity shareholders are requested to carefully read all the Notes set out herein and in particular, instructions for joining the Meeting, manner of casting vote through remote e-voting or e-voting at the Meeting.**

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL

AHMEDABAD BENCH AT AHMEDABAD

CA (CAA) NO. 18(AHM)2021

IN THE MATTER OF THE COMPANIES ACT, 2013;

AND

**IN THE MATTER OF SECTIONS 230 TO 232 AND ALL OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT,
2013 AND RULES FRAMED THEREUNDER**

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT

BETWEEN

**EVOLUTIONARY SYSTEMS PRIVATE LIMITED
("ESPL")**

AND

**TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED
("TAISPL")**

AND

**MASTEK LIMITED
("MASTEK")**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

MASTEK LIMITED

CIN: L74140GJ1982PLC005215

Company incorporated under the Companies Act, 1956, having its Registered Office at
804/805, President House, Opposite C. N. Vidyalaya, Near Ambawadi Circle, Ambawadi, Ahmedabad, - 380006, Gujarat.

..... Applicant Company/ Company

EXPLANATORY STATEMENT UNDER SECTIONS 230(3) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF MASTEK LIMITED.

1. Pursuant to the Order dated April 12, 2021 passed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench at Ahmedabad ("**NCLT**" / "**Tribunal**"), in Company Scheme Application No. CA (CAA) NO. 18(AHM)2021 ("**Order**"), the Meeting of the Equity Shareholders of Mastek Limited is being convened on **Friday, May 28, 2021 at 5.00 p.m. (IST)** through Video Conferencing or Other Audio Visual Means ("**VC/OAVM**") for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement between Evolutionary Systems Private Limited ("**ESPL**"), Trans American Information Systems Private Limited ("**TAISPL**") and Mastek Limited ("**Mastek**") and their respective Shareholders and Creditors ("**Scheme**") pursuant to provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ("**Act**") and rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force). ESPL, TAISPL and Mastek are together referred to as the ("**Companies**"). A copy of the Scheme, which has been, inter alia, approved by the Board of Directors of the Applicant Company at its meeting held on February 08, 2020, is enclosed herewith. Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.
2. In terms of the said Order, the quorum for the aforesaid Meeting of the Equity Shareholders of the Applicant Company shall be as prescribed under Section 103 of the Act. Further in terms of the said Order, NCLT has appointed Mr. S. Sandilya to be the Chairperson of the said Meeting and failing him, Mr. Ashank Desai as the Alternate Chairperson of the Meeting including for any adjournment or adjournment(s) thereof.
3. This statement is being furnished as required under Sections 230(3) and 102 of the Act, read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
4. The Order further directs the convening of **the meeting of the Unsecured Creditors of ESPL**

to be held through VC/OAVM on **Friday, May 28, 2021 at 10.00 a.m. (IST)** to consider the Scheme.

5. The Order further directs the convening of **the meeting of the Unsecured Creditors of TAISPL** to be held through VC/OAVM on **Friday, May 28, 2021 at 11.30 a.m. (IST)** to consider the Scheme.
6. The Order further directs the convening of **the meeting of the Unsecured Creditors of the Applicant Company** to be held through VC/OAVM on **Friday, May 28, 2021 at 1.00 p.m. (IST)** to consider the Scheme.
7. In addition, the Applicant Company is seeking the approval of its Equity Shareholders to the Scheme by way of voting through e-voting. Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 including its amendments ("**SEBI Circular**") issued by the SEBI, inter alia, provides that approval of Public Shareholders (as defined below) of the Applicant Company to the Scheme shall be obtained by way of voting including remote e-voting. Since, the Applicant Company is seeking the approval of its Equity Shareholders (which includes Public Shareholders) to the Scheme by way of voting including remote e-voting, no separate procedure for voting through e-voting would be required to be carried out by the Applicant Company for seeking the approval to the Scheme by its Public Shareholders in terms of the SEBI Circular. The notice sent to the Equity Shareholders (which includes Public Shareholders) of the Applicant would be deemed to be the notice sent to the Public Shareholders of the Applicant Company. For this purpose, the term "Public" shall have the meaning assigned to it in Rule 2 of the Securities Contracts (Regulations) Rules, 1957 and the term "Public Shareholders" shall be construed accordingly.

The NCLT, by its Order, has, inter alia, held that since the Applicant Company is directed to convene the Meeting of its Equity Shareholders and the voting in respect of the Equity Shareholders, which includes Public Shareholders is through remote e-voting, the same is in sufficient compliance of the aforesaid SEBI Circular.

The Scrutiniser appointed for conducting the voting process will submit his separate report to the Chairperson appointed for the Meeting after completion of the scrutiny of voting (including through remote e-voting) so as to announce the results of the e-voting exercised by the Public Shareholders of the Applicant Company.

8. In accordance with the provisions of Sections 230 to 232 of the Act, the Scheme shall be acted upon only if a majority of persons representing 3/4th in value of the Equity Shareholders of the Applicant Company voting through (i) remote e-voting system or (ii) e-voting during the Meeting, as arranged by the Applicant Company at the Meeting, agree to the Scheme. Further, as per the observation letter by BSE dated February 26, 2021 and the observation letter by NSE dated March 01, 2021, the Scheme shall be acted upon only if the majority votes cast by the Public Shareholders are in favor of the Scheme.
9. In terms of the Order dated April 12, 2021 passed by the Tribunal, in Company Scheme Application No. CA (CAA) NO. 18(AHM)2021, if the entries in the books/ register of the Applicant Company in relation to the number or value, as the case may be, of the Equity Shares are disputed, the Chairperson of the Meeting shall determine the number or value, as the case may be, for the purposes of the said Meeting and his decision in that behalf would be final.
10. The draft Scheme was placed before the Audit Committee of the Applicant Company and Board of Directors of the Companies at their respective meetings held on February 08, 2020. In accordance with the provisions of the SEBI Circular No. CFD/ DIL3/CIR/2017/21 dated March 10, 2017, the Audit Committee of the Applicant Company recommended the Scheme to the Board of Directors of the Applicant Company, inter-alia taking into account the following;
 - a) Draft Scheme of Arrangement, duly initialed by Chairman of the Applicant Company for the purpose of identification;
 - b) Valuation Reports dated February 08, 2020 and Addendum to the Valuation Report dated July 28, 2020, issued by, Niranjana Kumar, Registered Valuer;
 - c) Fairness Opinion dated February 08, 2020 and July 29, 2020 issued by Kunvarji Finstock Private Limited, an Independent Category-I Merchant Banker;
 - d) Draft Certificate dated February 08, 2020 issued by the Statutory Auditors of the Applicant Company i.e. M/s. Walker Chandiook & Co. LLP, Chartered Accountants, to the effect that the Scheme is in compliance with the applicable Accounting Standards as specified by the Central Government under Section 133 of the Act;

- e) Draft Pricing Certificate dated February 08, 2020 issued by the Statutory Auditors of the Applicant Company i.e. M/s. Walker Chandiook & Co. LLP, Chartered Accountants, to the effect that the issuance of Equity Shares pursuant to the Scheme is in compliance with the Regulation 158 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Based upon the recommendations of the Audit Committee of the Applicant Company and on the basis of the evaluations, the Board of Directors of the Applicant Company has concluded that the Scheme is in the interest of the Applicant Company and its Shareholders and Creditors respectively.

11. Further, Board of Directors of ESPL and TAISPL has also concluded that the Scheme is in the interest of the Companies and their Shareholders and Creditors respectively.

PARTICULARS OF EVOLUTIONARY SYSTEMS PRIVATE LIMITED (“ESPL”)

12. ESPL was incorporated on 12th day of September, 2006 as Evolutionary Systems Private Limited, a Private Limited Company, with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 1956. The Registered Office is currently situated at 11th Floor, Kataria Arcade, Beside Adani Vidya Mandir School, S.G. Highway, Makarba, Ahmedabad- 380054, Gujarat, India. ESPL is engaged in the business of marketing, distributing, implementing and supporting the licensed Oracle based products and other business solutions all over the world. The Permanent Account Number of ESPL is AABCE6502F. Email ID of ESPL is business@evosysglobal.com. The Equity Shares of ESPL are not listed on any stock exchanges.
13. The objects for which ESPL has been established are set out in its Memorandum of Association. The main objects of ESPL are, inter alia, as follows:

“1) To carry on the business of consultancy and development of computers software and hardware and business of ERP Applications, medical transcription and other information technology enabled services and to provide turn key solution for the same and also to provide software solutions development and to carry on in India or overseas, offshore or on site, the business, of system study, analysis, design, coding, testing, documentation, development and implementation of software relating to commercial and non-commercial usages through the use of

various magnetic media, digital media and internet, information technologies consultancy, web site designing, hosting and maintenance, development of e-commerce technologies, web related systems development, internet and internet development and to act carry on in India or overseas the business of trading, importing and exporting and to act as consultants in software, hardware related to commercial and non-commercial usages, training in information technology in software and hardware and to work as teaching and training educational institute and appoint franchises in India and overseas and to provide bureau for providing computer service to process data and develop system of all kind by processing jobs and hiring out machine time and assist to set up, operate and supervise the operation of data processing division of companies in India or overseas.”

14. The Authorised, Issued, Subscribed and Fully Paid-Up Share Capital of ESPL, as on January 31, 2020 was as under:

Share Capital	₹
Authorised Share Capital	
1,10,00,000 equity shares of ₹ 10 each	11,00,00,000
Total	11,00,00,000
Issued, Subscribed and Fully Paid-Up Share Capital	
1,00,00,000 equity shares of ₹ 10 each	10,00,00,000
Total	10,00,00,000

Note:

Subsequent to the January 31, 2020, there has been no change in the Authorised, Issued, Subscribed and Fully Paid-Up Share Capital of ESPL.

PARTICULARS OF TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED (“TAISPL”)

15. TAISPL was incorporated on 5th day of March, 1999 as Trans American Information Systems Private Limited, a Private Limited Company, with the Registrar of Companies, N.C.T of Delhi & Haryana, under the provisions of the Companies Act, 1956. The Registered Office of TAISPL is currently situated at 804/805, President House, Opposite C. N. Vidyalyaya, Near Ambawadi Circle, Ambawadi, Ahmedabad, - 380006, Gujarat. The Certificate for change in Registered Office was received on February 17, 2020. TAISPL is a wholly owned subsidiary of the Applicant Company. TAISPL is engaged in the business of providing IT services in the areas like e-commerce

website implementation, support, maintenance, and other complimentary services. The Permanent Account Number of the TAISPL is AAAC8387Q. Email ID of TAISPL is investor_grievances@mastek.com. The Equity Shares of TAISPL are not listed on any stock exchanges.

16. The objects for which TAISPL has been established are set out in its Memorandum of Association. The main objects of TAISPL are, inter alia, as follows:
- i) “To carry on the business of trading, development, importing and exporting of semiconductors equipments hardware and software for usage of computers, communication systems and office automation products.
 - ii) To undertake, transact business as distributors, selling agents, commission agents or representatives for any person, firm or company dealing in semiconductors equipments hardware and software for usage of computers, communication systems and office automation products.
 - iii) a) To carry on the business of providing consultancy services for commercial and non-commercial users of information and computer technology and to carry out systems study and analysis and to design and develop systems of all kinds and to assist, set up and supervise the installation and operation of the software systems for usage of computer, communication and other automated systems and to provide training to personnel to take up and operate such systems, on turnkey basis or otherwise, in India or abroad.
 - b) To investigate and collect data and information and prepare report on behalf of any person, firm, company, industry, association or any other person on feasibility of new projects and/or expansion of existing projects for computer hardware and/or software applications and to diagnose operational difficulties and weaknesses and suggest remedial measures to improve and modernize.
 - iv) To carry on the business of sale on hire purchase or installment scheme and lease on time sharing basis or otherwise of microprocessor based all micro, mini, supermini, mainframe and super computers, word processors, data entry machines, CAD/CAM/CAE work stations

CAN and other networks, phototypesetters, accounting and business machines, calculators, digital devices software, display devices, communication equipments, electronic printers, scanners, plotters, magnetic media, Fax machines, photocopiers, office automation systems and all types of peripherals thereof.

- v) *To carry on the business of a placement agency, recruitment, training, import, export of manpower on its on or on behalf of any other organization in the arena of information technology and other automation systems.*
- vi) *To carry on the business of providing computer education."*

17. The Authorised, Issued, Subscribed and Fully Paid-Up Share Capital of TAISPL, as on January 31, 2020 was as under:

Share Capital	₹
Authorised Share Capital	
1,00,000 equity shares of ₹ 10 each	10,00,000
Total	10,00,000
Issued, Subscribed and Fully Paid-Up Share Capital	
34,520 equity shares of ₹ 10 each	3,45,200
Total	3,45,200

Note:

Subsequent to the January 31, 2020, there has been no change in the Authorised, Issued, Subscribed and Fully Paid- Up Share Capital of TAISPL.

PARTICULARS OF MASTEK LIMITED ("MASTEK")

18. Mastek was incorporated on 14th day of May, 1982 as Management and Software Technology Private Limited, a private limited company, with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 1956. In the year 1992, Mastek's name was changed to Mastek Private Limited with effect from 18th Day of March 1992. Mastek had thereafter altered its Articles of Association and consequently, the word "Private" had been deleted in terms of section 21, 31(1), 44 of the Companies Act, 1956 with effect from 18th day of August 1992. The Registered Office of Mastek is currently situated at 804/805, President House, Opposite C.N. Vidyalaya, Near Ambawadi Circle, Ambawadi, Ahmedabad, - 380006, Gujarat.

Mastek is the holding company of TAISPL. Mastek inter alia, engaged in the business of providing information technology solutions and a leading IT player with global operations providing enterprise solutions to government, retail and financial services organizations worldwide. The Permanent Account Number of the Mastek is AAACM9908Q. Email ID of Mastek is investor_grievances@mastek.com. The Equity Shares of Mastek are listed on the BSE and the NSE.

19. The objects for which Mastek has been established are set out in its Memorandum of Association. The main objects of Mastek are, inter alia, as follows:

- i) *"To establish, maintain, conduct, provide, procure or make available India or elsewhere outside India services relating to:*
 - a) *Management consultancy in areas of marketing, personal finance, costing, planning, organizational methods systems, organizational development, man power training & development, operational research, industrial engineering etc.*
 - b) *Technical consultancy in areas of production, planning, plant layout, productivity, inventory control, material handling, process development technical knowhow, electronic design etc.*
 - c) *Legal liaison, procurement of industrial license, portfolio management, share issue management and other services to individuals, partnership firms, corporate bodies, associations, corporations, government institutions and undertakings, local bodies etc engaged in any business, trade, industry or any other economic or industrial activity.*
- ii) *To manufacture, import, export, purchase, sell, trade, process rent, lease and otherwise deal in computer hardware, computer software, computer stationary data processing equipments, machinery components, electrical and electronic components associated and related with/to computer and provide training in respect of above areas and to provide services in the above areas including system analysis, system development, programming data processing, data entry system in India and abroad."*

20. The Authorised, Issued, Subscribed and Fully Paid-Up Share Capital of Mastek, as on January 31, 2020 was as under:

Share Capital	₹
Authorised Share Capital	
4,00,00,000 equity shares of ₹ 5 each	20,00,00,000
20,00,000 preference shares of ₹ 100 each	20,00,00,000
Total	40,00,00,000
Issued, Subscribed and Fully Paid-Up Share Capital	
2,42,55,233 equity shares of ₹ 5 each	12,12,76,165
Total	12,12,76,165

Note:

Subsequent to the January 31, 2020, the Company has issued 979,944 shares to its employees pursuant to Employee Stock Option Plan.

21. RATIONALE OF THE SCHEME

1. The Demerged Company having interests in various businesses, through itself or through its subsidiaries, which has been nurtured over a period of time and has significant potential for growth. The Demerged Company is one of the leading and fastest-growing oracle cloud premier platinum partners and has proven expertise in all oracle solutions including ERP, HCM, Hyperion & BI, CX and PaaS through multiple success stories with marquee clients.
2. The Demerged Company has strong presence in India and in the rest of the world which include United States, Europe, Middle East and Asia and has customers in various verticals such as professional services, healthcare, financial services, public sector, life sciences, engineering and construction, etc. TAISPL and Mastek, on the other hand, have strong client relationships in India and aforesaid jurisdictions.
3. The proposed demerger of the Demerged Undertaking from the Demerged Company to the Resulting Companies pursuant to this Scheme is expected, inter alia, to result in:
 - i. more industry-specific value propositions and the local and global presence of the Demerged Company will enable rapid, cost-effective Oracle Cloud solutions across verticals;

- ii. realisation of benefits of greater synergies between the businesses of the Demerged Company and Resulting Companies and use of the financial, managerial, technical and marketing resources of each other towards maximising stakeholder value;
- iii. synergy of operations will result in incremental benefits through sustained availability and better procurement terms of components, pooling of resources, thus leading to better utilisation and avoidance of duplication;
- iv. creation of focused platform for future growth of TAISPL and Mastek being engaged, among other things, in the business of Oracle Services Business;
- v. opportunities for employees of the Demerged Company and TAISPL to grow in a wider field of business;
- vi. improvement in competitive position and also achieving economies of scale including enhanced access to marketing networks/customers; and

The proposed Scheme is in the interest of the shareholders, creditors, employees, and other stakeholders in the Demerged Company and the Resulting Companies.

22. SALIENT FEATURES OF THE SCHEME

- 22.1 The Scheme is presented under Sections 230 to 232 and other applicable provisions of the Act, and relevant rules made thereunder, as may be applicable for the Scheme of arrangement.
- 22.2 Appointed date of the Scheme shall be opening of business hours of 1st day of February 2020 or such other date as may be mutually determined by the Parties and approved by the NCLT.
- 22.3 Effective Date of the Scheme means the last of the dates on which the conditions precedent specified in Clause 20 of the Scheme of Arrangement are fulfilled. Any reference in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall be a reference to the Effective Date.
- 22.4 Upon this Scheme coming into effect and in consideration of and subject to the provisions of this Scheme, securities shall be issued by

each of the Resulting Companies ("Resulting Companies New Securities") as follows, without any further application, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to each shareholder of the Demerged Company whose name is recorded in the register of members as member of the Demerged Company as on the Record Date:

- 42,35,294 (forty two lakhs thirty five thousand two hundred and ninety four) fully paid up equity shares of face value ₹ 5/- (Indian Rupees Five) each, of Mastek ("Mastek Consideration Securities") against the total equity shares outstanding i.e. 1,00,00,000 (one crore) equity shares of ESPL of face value of ₹ 10/- (Indian Rupees Ten) each; (i.e., "4,235.294 (four thousand two hundred and thirty five decimal two nine four) fully paid up equity shares of face value of ₹ 5/- (Indian Rupees Five) each of Mastek ("Mastek Consideration Securities") for every 10,000 (ten thousand) equity shares of ESPL of face value of ₹ 10/- (Indian Rupees Ten) each, held by such shareholder."); and
- 15 (fifteen) compulsorily convertible preference shares (issued on terms and conditions set out in Schedule I of the Scheme of ₹ 10/- (Indian Rupees Ten) each of TAISPL ("TAISPL CCPS") for every 10,000 (ten thousand) equity shares of ESPL of face value of ₹ 10/- (Indian Rupees Ten) each, held by such shareholder.

22.5 Upon the Scheme, becoming effective, the authorised share capital of TAISPL shall stand reclassified from its existing authorized share capital of ₹ 10,00,000 (Indian Rupees Ten lakhs) divided into 1,00,000 (one lakh) equity shares of ₹ 10 (Indian Rupees Ten) to ₹ 10,00,000 (Indian Rupees Ten lakhs) divided into 85,000 (eighty five thousand) equity shares of ₹ 10 (Indian Rupees Ten) each and 15,000 (fifteen thousand) compulsorily convertible preference shares of ₹ 10 (Indian Rupees Ten) each without any further act or deed in terms of this Scheme. Accordingly, the words and figures in Clause V of the Memorandum of Association and Clause 4 of Part IV of Article of Association of TAISPL shall stand modified and be substituted to read as follows;

"V. The Authorised Share Capital of the Company is ₹ 10,00,000 (Rupees Ten Lakhs) divided into 85,000 (Eighty five thousand) equity shares of ₹ 10 (Rupees Ten only) each and 15,000 (Fifteen Thousand) Compulsorily Convertible Preference Shares of ₹ 10 (Rupees Ten only) each."

"4. The Authorised Share Capital of the Company is as mentioned in Clause V of the Memorandum of Association of the Company with power of the Board of Directors to subdivide, consolidate, reclassify, increase and with power from time to time, issue any shares of the original capital with and subject to any preferential, qualified or special rights, privileges or conditions as may be, thought fit, and upon the sub-division of shares apportion the right to participate in profits in any manner as between the shares resulting from subdivision."

22.6 The Demerged Company and Resulting Companies shall comply with generally accepted accounting practices in India, provisions of the Act and accounting standards as notified by Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, in relation to the underlying transactions in the Scheme. The relevant extract of Accounting Treatment as per the Scheme are as follows;

12.1 In the books of the Demerged Company:

Upon the Scheme coming into effect, the Demerged Company shall account for the Scheme in its books of account in accordance with the accounting standards prescribed under Section 133 of the Act in the following manner:

12.1.1 The Demerged Company shall transfer all assets and liabilities pertaining to the Demerged Undertaking as on the Appointed Date at the values appearing in its books of accounts immediately before the Appointed Date in accordance with the provision of Section 2(19AA) of the Income Tax Act; and

12.1.2 The books value of the net assets derecognized as per 12.1.1 above shall be recognized in the statement of profit and loss account;

12.2 In the books of the Resulting Company:

1221 Mastek

Upon this Scheme coming into effect, Mastek shall account for the Scheme in its books of account, as on the appointed date, in the following manner:

- (a) Mastek shall credit its share capital account with the aggregate face value of the equity shares issued pursuant to Clause 11.1 of the Scheme and the difference between the aggregate fair value as on the Appointed Date, and the aggregate face value of such equity shares shall be credited to the securities premium account.
- (b) the aggregate amount of the share capital and securities premium recorded above shall be recorded as debit in investments in subsidiary i.e. TAISPL.
- (c) Further, the option given by Mastek over TAISPL CCPS, shall be recognized at its fair value as on the Appointed Date, as a liability with a corresponding debit in investments in subsidiary i.e. TAISPL.

1222 TAISPL

Upon this Scheme coming into effect, TAISPL shall account for the Scheme in its books of account, as on the appointed date, in the following manner:

- (a) TAISPL shall record the assets and liabilities pertaining to the Demerged Undertaking (whether recorded or not in the books of the Demerged Company), transferred to and vested in it pursuant to this Scheme, at their respective fair values, as on the Appointed Date.
- (b) TAISPL shall credit its share capital account with the face value of TAISPL CCPS issued in

accordance with Clause 11.1 of the Scheme and the difference between the aggregate fair value and the face value of such TAISPL CCPS shall be credited to the securities premium account.

- (c) TAISPL shall record the aggregate value of equity shares issued by Mastek and fair value of options as referred in 12.2.1 (c) as deemed equity contribution. TAISPL would compute the purchase consideration in accordance with the principles of Ind AS 103 which shall be the sum of fair value of the shares issued by Mastek, fair value option as referred in 12.2.1 (c) and fair value of the compulsorily convertible preference shares issued by TAISPL as on the Appointed Date.
- (d) The difference between fair value of purchase consideration as computed in Clause 12.2.2(c) above and the value of Net Assets ("Net Assets" means excess of the fair value of assets over the fair value of liabilities as per Clause 12.2.2(a) above) pertaining to the Demerged Undertaking shall be recognised as goodwill, if positive (debit balance), or capital reserve, if negative (credit balance).

22.7 Unless otherwise decided (or waived) by the relevant Parties, the Scheme is conditional upon and subject to the following conditions precedent:

- (i) obtaining no-objection/ observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of the SEBI Listing Regulations;
- (ii) The Scheme shall be acted upon only if the votes cast by the public shareholders of Mastek in favour of the proposal are more than the number of votes cast by the public shareholders of Mastek against it, as required under the SEBI Circular. The

term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957;

- (iii) approval of the Scheme by the requisite majority of each class of shareholders (including public shareholders) and / or creditors of the Parties and such other classes of Persons, if any, as applicable or as may be required under the Act, Applicable Law (including requirements set forth under SEBI Circular) and as may be directed by the NCLT;
- (iv) the sanctions and orders of the NCLT, under Sections 230 to 232 of the Act being obtained by the Parties;

- (v) certified/ authenticated copies of the orders of the NCLT, sanctioning the Scheme, being filed by each of the Parties with the Registrar of Companies having jurisdiction over the Parties; and
- (vi) the requisite consent, approval or permission of Appropriate Authority or any other Person which by Applicable Law or contract, agreement may be necessary for the implementation of this Scheme.

The aforesaid are only the salient features of the Scheme. You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof.

23. DETAILS OF DIRECTORS

- a. Names and Addresses of the Directors and Promoters of **ESPL** as on the date of this notice are as under:

Sr. No.	Name of Directors	Designation	Address	DIN
1	Ashank Desai	Chairman	2501 Odyssey, Hiranandani Gardens, Powai, Mumbai – 400076.	00017767
2	Umang Nahata	Director & Chief Executive Officer	A-104, Manibhadra Enclave, Opp. Rajasthan Hospital, Shahibaug, Ahmedabad – 380004.	00323145
3	Rakesh Raman	Director	B-1/ 301, Charkop Kesar, Charkop, Kandivali (W), Mumbai – 400067.	00708387
4	S. Sandilya	Director	Flat 627(7th Floor), Ramaniyam, Magnum K.P. Kandan Nagar Main Road Venkateswara Colony, Kottivakkam, Chennai - 600041.	00037542
5	Rajeev Grover	Director	LGG -126A, The Laburnum, Sushant Lok I, Sector 28, Gurgaon, Haryana-122009.	00058165

Sr. No.	Name of Promoters	Address
1	Umang Nahata	A-104, Manibhadra Enclave, Opp. Rajasthan Hospital, Shahibaug, Ahmedabad – 380004.
2	Ummed Nahata	A-104, Manibhadra Enclave, Opp. Rajasthan Hospital, Shahibaug, Ahmedabad – 380004.
3	Rakesh Raman	B-1/ 301, Charkop Kesar, Charkop, Kandivali (W), Mumbai–400067.

- b. Names and Addresses of the Directors and Promoters of **TAISPL** as on the date of this notice are as under:

Sr. No.	Name of Directors	Designation	Address	DIN
1	Ashank Desai	Director	2501 Odyssey, Hiranandani Gardens, Powai, Mumbai – 400076.	00017767
2	Rabindar Kumar Mahato	Executive Director	Plot No. 362-A-1 Block B-2, Kakrola, Delhi - 110043.	00262957
3	Rakesh Chandra Singh	Executive Director	G-5/70 Sector-15, Rohini Delhi-110085.	00263089

Sr. No.	Name of Promoters	Address
1	Mastek Limited	804-805, President House, Opp. C.N. Vidyalaya, Near Ambawadi Circle, Ambawadi, Ahmedabad - 380 006, Gujarat.
2	Mr. Ashank Desai (Nominee of Mastek Limited)	2501 Odyssey, Hiranandani Gardens, Powai, Mumbai – 400076.

c. Names and Addresses of the Directors and Promoters of **Mastek** as on the date of this notice are as under:

Sr. No.	Name of Directors	Designation	Address	DIN
1	S. Sandilya	Chairman (Non- Executive) & Independent Director	Flat 627 (7th Floor), Ramaniyam Magnum K.P. Kandan Nagar Main Road, Venkateswara Colony, Kottivakkam, Chennai - 600041.	00037542
2	Ashank Desai	Vice Chairman & Managing Director (& Interim GCEO)	2501 Odyssey, Hiranandani Gardens, Powai, Mumbai – 400076.	00017767
3	Ketan Mehta	Non- Executive & Non-Independent Director	3208, Glenhurst Court, Plano, Texas, 75093, United States of America.	00129188
4	Priti Rao	Non- Executive & Independent Director	SR No. 258/7B Cascade, Plot No. 8 and 9, Kaspate Vasti, Wakad, Pune - 411027.	03352049
5	Atul Kanagat	Non- Executive & Independent Director	43 Blackburn Road, Summit, New Jersey, 07901, United States of America.	06452489
6	Rajeev Grover	Non- Executive & Independent Director	LGG -126A, The Laburnum, Sushant Lok I, Sector 28, Gurgaon, Haryana-122009.	00058165

Sr. No.	Name of Promoters/ Promoter Group	Category	Address
1	Ashank Desai	Promoter	2501 Odyssey, Hiranandani Gardens, Powai, Mumbai – 400076.
2	Girija Sudhakar Ram	Promoter	3502, Octavius, Hiranandani Gardens, Powai, Mumbai – 400076.
3	Ketan Mehta	Promoter	3208, Glenhurst Court, Plano, Texas, 75093, United States of America.
4	Sundar Radhakrishnan	Promoter	1301, Odyssey 1, Hiranandani Gardens, Powai, Mumbai - 400076..
5	Padma Desai	Promoter Group	2501 Odyssey, Hiranandani Gardens, Powai, Mumbai – 400076.
6	Chinmay Ashank Desai	Promoter Group	2501 Odyssey, Hiranandani Gardens, Powai, Mumbai – 400076.
7	Samvitha Sudhakar Ram	Promoter Group	3502, Octavius, Hiranandani Gardens, Powai, Mumbai – 400076.
8	Ram Family Trust I (through Trustee for sole beneficiary Mrs. Girija Sudhakar Ram)	Promoter Group	3502, Octavius, Hiranandani Gardens, Powai, Mumbai – 400076.
9	Rupa Mehta	Promoter Group	3208, Glenhurst Court, Plano, Texas, 75093, United States of America.

Sr. No.	Name of Promoters/ Promoter Group	Category	Address
10	Tanay Mehta	Promoter Group	3208, Glenhurst Court, Plano, Texas, 75093, United States of America.
11	Usha Sundar	Promoter Group	1301, Odyssey 1, Hiranandani Gardens, Powai, Mumbai - 400076.
12	Varun Sundar	Promoter Group	1301, Odyssey 1, Hiranandani Gardens, Powai, Mumbai - 400076.
13	Shankar Sundar	Promoter Group	1301, Odyssey 1, Hiranandani Gardens, Powai, Mumbai - 400076.

24. CORPORATE APPROVALS

24.1 The Scheme was placed before the Board of Directors of ESPL, at its meeting held on February 08, 2020. The Board of Directors of ESPL approved the Scheme. The meeting of the Board of Directors of ESPL, held on February 08, 2020, was attended by all 3(three) Directors. None of the Directors of ESPL who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the Directors of ESPL who attended and voted at the meeting.

Details of Directors of ESPL who voted in favour / against / did not participate on resolution passed at the meeting of the Board of Directors of ESPL are given below:

Sr. No.	Name of Directors	Votes for the Resolution/ Votes Against the Resolution/ Did not Vote or Participate
1	Umang Nahata	In Favour
2	Umed Nahata	In Favour
3	Rakesh Raman	In Favour

24.2 The Scheme was placed before the Board of Directors of TAISPL, at its meeting held on February 08, 2020. The Board of Directors of TAISPL approved the Scheme. The meeting of the Board of Directors of TAISPL, held on February 08, 2020, was attended by 2(two) of its directors. None of the Directors of TAISPL who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the Directors of TAISPL who attended and voted at the meeting.

Details of Directors of TAISPL who voted in favour / against / did not participate on resolution passed at the meeting of the Board of Directors of TAISPL are given below:

Sr. No.	Name of Directors	Votes for the Resolution/ Votes Against the Resolution/ Did not Vote or Participate
1	Ashank Desai	In Favour
2	Sudhakar Ram	Not Participated
3	Rabindar Kumar Mahato	Not Participated
4	Rakesh Chandra Singh	In Favour

24.3 The proposed Scheme was placed before the Audit Committee of Mastek at its meetings held on February 08, 2020. The Audit Committee of Mastek in their meeting recommended the Scheme to the Board of Directors of Mastek.

The Scheme was placed before the Board of Directors of Mastek, at its meeting held on February 08, 2020. The report of the Audit Committee was also submitted to the Board of Directors of Mastek. Based on the aforesaid, the Board of Directors of Mastek approved the Scheme. The meeting of the Board of Directors of Mastek, held on February 08, 2020, was attended by 3(three) of its directors. None of the Directors of Mastek who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the Directors of Mastek who attended and voted at the meeting.

Details of Directors of Mastek who voted in favour / against / did not participate on resolution passed at the meeting of the Board of Directors of Mastek are given below:

Sr. No.	Name of Directors	Votes for the Resolution/ Votes Against the Resolution/ Did not Vote or Participate
1	S. Sandilya	Not Participated
2	Ashank Desai	In Favour
3	Sudhakar Ram	Not Participated
4	Priti Rao	In Favour
5	Atul Kanagat	Not Participated
6	Rajeev Grover	In Favour

25. APPROVALS AND ACTIONS TAKEN IN RELATION TO THE SCHEME

25.1 Pursuant to the SEBI Circular read with Regulation 37 of the SEBI Listing Regulations, Mastek had filed the necessary applications before the BSE and NSE seeking their no-objections to the Scheme. Mastek has received the observation letters from BSE and NSE dated February 26, 2021 and March 01, 2021 respectively, conveying their no-objection to the Scheme ("Observation Letters"). Copies of the aforesaid Observation Letters are enclosed herewith. The key observations of the designated stock exchange are reproduced below:

- a. "In view of the Mastek's letter dated February 15, 2021 wherein it has inter alia stated that "we hereby undertake to apply the provisions of Paragraph 1(A)(9)(a) and 1(A)(9)(b) of Annexure 1 of SEBI circular to the proposed Scheme and shall accordingly update the Scheme document to reflect the aforesaid while filing the same with the NCLT". Accordingly, Company shall ensure that they file updated draft scheme of arrangement before the Hon'ble National Company Law Tribunal (NCLT)."

Also, any approval for listing of shares issued by Mastek through the instant scheme of arrangement shall be subject to compliance with Paragraph 1(A)(9)(a) and 1(A)(9)(b) of Annexure I of SEBI circular.

- b. "Company shall ensure that they separately and prominently disclose to the shareholders and NCLT via the draft scheme of arrangement documents following information/ facts:
 - i. To arrive at the entitlement ratio for CCPS, for the purpose of valuation of the demerged business of ESPL and TAISPL only one method (i.e. Income Approach) has been used and other methods such as Market Approach and Asset Approach were not used.
 - ii. In the draft scheme of arrangement, it has been proposed that Mastek shall issue equity shares in the ratio of 4235.294: 10,000 to ESPL at a price of ₹ 650 per share. Details of premium arrived via different valuation approaches is given below:

Approach	Method	Value per share	Premium (%)
Cost Approach	Net Asset Method	346.8	87.5
Income Approach	Discounted Cash Flow Method	590.4	10.1
Market Approach	Market Price Method	438.4	48.3

However, it is observed that share price of Mastek on February 25, 2021 is ₹1191.40 which is significantly higher than the price at which shares are being issued to ESPL.

Further, the share price of Mastek as on the date of dispatch of this notice is ₹ _____

- iii. "Further, Mastek in the notice to shareholders seeking approval for the scheme shall also disclose the share price of Mastek, as on the date of dispatch of notice to shareholders."
- c. "Company shall ensure that suitable disclosure about the latest financials of the companies involved in the Scheme being not more than 6 months old is done before filing the same with the Hon'ble NCLT."
- d. "Company shall ensure that the proposed scheme is acted upon only if approved by the NCLT and if the majority votes cast by the public shareholders are in favour of the proposal."
- e. "Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."
- f. "Company shall duly comply with various provisions of the Circular."
- g. "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT."
- 25.2 As required by the SEBI Circular, Mastek has filed the Complaints Reports with the BSE and NSE on September 08, 2020 and September 04, 2020, respectively. Copies of the aforesaid Complaint Reports are enclosed herewith.
- 25.3 The Companies would obtain such necessary approvals/ sanctions/ no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required.
- 25.4 The application along with the Annexures thereto (which includes the Scheme) were filed by the Companies with the Tribunal on March 05, 2021.

26. CAPITAL STRUCTURE PRE AND POST ARRANGEMENT

26.1 The Pre-arrangement capital structure of the ESPL is mentioned in paragraph 14 above. Since ESPL is the Demerged Company, no shares shall be issued by it and hence its capital structure Post-arrangement shall remain the same as Pre-arrangement.

26.2 The Pre-arrangement capital structure of the TAISPL is mentioned in paragraph 17 above. Post-arrangement capital structure of TAISPL shall be as follows:

Share Capital	₹
Authorised Share Capital	
85,000 equity shares of ₹ 10 each	8,50,000
15,000 compulsorily convertible preference shares of ₹ 10 each	1,50,000
Total	10,00,000
Issued, Subscribed and Fully paid-up Share Capital	
34,520 equity shares of ₹ 10 each	3,45,200
15,000 compulsorily convertible preference shares of ₹ 10 each	1,50,000
Total	4,95,200

26.3 The Pre-arrangement capital structure of Mastek is mentioned in Paragraph 20 above. Post-arrangement capital structure of Mastek shall be as follows:

Share Capital	₹
Authorised Share Capital	
4,00,00,000 equity shares of ₹ 5 each	20,00,00,000
20,00,000 preference shares of ₹ 100 each	20,00,00,000
Total	40,00,00,000
Issued, Subscribed and Fully paid-up Share Capital	
2,84,90,527 equity shares of ₹ 5 each	14,24,52,635
Total	14,24,52,635

Note:

Subsequent to the January 31, 2020, the Company has issued 979,944 shares to its employees pursuant to Employee Stock Option Plan.

27. PRE AND POST ARRANGEMENT OF SHAREHOLDING PATTERN

27.1 The Pre and Post arrangement of Equity Shareholding pattern of **ESPL** is as follows:

Sr. No.	Name of Shareholders	ESPL			
		Pre-arrangement		Post-arrangement	
1	Umang Nahata	36,16,000	36.16	36,16,000	36.16
2	Ummed Nahata	27,12,000	27.12	27,12,000	27.12
3	Rakesh Raman	27,12,000	27.12	27,12,000	27.12
4	Yashodhar Bhinde	4,80,000	4.80	4,80,000	4.80
5	Sunil Kothari	4,80,000	4.80	4,80,000	4.80
	Total	1,00,00,000	100.00	1,00,00,000	100.00

27.2 The Pre and Post arrangement of Equity Shareholding pattern of **TAISPL** is as follows:

Sr. No.	Name of Shareholder	TAISPL			
		Pre-arrangement		Post-arrangement	
1	Mastek Limited	34,519	99.997	34,519	99.997
2	Mr. Ashank Desai (Nominee of Mastek Limited)	1	0.003	1	0.003
	Total	34,520	100.000	34,520	100.000

27.3 The Pre and Post arrangement of Compulsorily Convertible Preference Shares (CCPS) of ₹ 10 each Shareholding pattern of **TAISPL** is as follows:

Sr. No.	Name of Shareholders	TAISPL			
		Pre-arrangement		Post-arrangement	
1	Umang Nahata	-	-	5,424	36.16
2	Ummed Nahata	-	-	4,068	27.12
3	Rakesh Raman	-	-	4,068	27.12
4	Yashodhar Bhinde	-	-	720	4.80
5	Sunil Kothari	-	-	720	4.80
	Total	-	-	15,000	100.00

27.4 The pre and post arrangement of equity shareholding pattern of **Mastek** is as follows:

Sr. No.	Description	Name of Shareholder	Mastek			
			Pre-arrangement		Post-arrangement@	
(A)	Shareholding of Promoter and Promoter Group					
1	Indian					
	Individuals/ Hindu Undivided Family	*Sudhakar Ram	15,88,680	6.55	15,88,680	5.58
		Padma Desai	1,55,200	0.64	1,55,200	0.54
		Ashank Desai	30,99,552	12.78	30,99,552	10.88
		Girija Sudhakar Ram	1,63,600	0.67	1,63,600	0.57
		Sundar Radhakrishnan	13,40,800	5.53	13,40,800	4.71
		Chinmay Ashank Desai	71,600	0.30	71,600	0.25
		#Avanti Desai	81,600	0.34	81,600	0.29
		Usha Sundar	4,60,000	1.90	4,60,000	1.61
(b)		Central Government/ State Government(s)		-	-	-

Sr. No.	Description	Name of Shareholder	Mastek			
			Pre-arrangement		Post-arrangement	
(c)	Bodies Corporate		-	-	-	-
(d)	Financial Institutions/ Banks		-	-	-	-
(e)	Any Others					
	Trusts	Ram Family Trust I (through Trustee for sole beneficiary Mrs. Girija Sudhakar Ram)	10,00,000	4.12	10,00,000	3.51
	Sub Total(A)(1)		79,61,032	32.82	79,61,032	27.94
2	Foreign					
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	Rupa Ketan Mehta	4,80,800	1.98	4,80,800	1.69
		Ketan Mehta	22,74,100	9.38	22,74,100	7.98
		Samvitha	1,03,328	0.43	1,03,328	0.36
		Sudhakar Ram				
		Varun Sundar	64,000	0.26	64,000	0.22
		Shankar Sundar	64,000	0.26	64,000	0.22
		Tanay Mehta	6,400	0.03	6,400	0.02
(b)	Bodies Corporate		-	-	-	-
(c)	Institutions		-	-	-	-
(d)	Any Others		-	-	-	-
	Sub Total(A)(2)		29,92,628	12.34	29,92,628	10.50
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2)		1,09,53,660	45.16	1,09,53,660	38.45
(B)	Public shareholding					
1	Institutions					
(a)	Mutual Funds/ UTI		16,79,681	6.93	16,79,681	5.90
(b)	Financial Institutions/ Banks		67,216	0.28	67,216	0.24
(c)	Central Government/ State Government(s)		-	-	-	-
(d)	Venture Capital Funds		-	-	-	-
(e)	Insurance Companies		-	-	-	-
(f)	Foreign Institutional Investors		15,79,190	6.51	15,79,190	5.54
(g)	Foreign Venture Capital Investors		-	-	-	-
(h)	Any Other					
	Alternative Investment Fund		14,45,445	5.96	14,45,445	5.07
	Sub-Total (B)(1)		47,71,532	19.67	47,71,532	16.75
2	Non-institutions					
(a)	Bodies Corporate		8,93,541	3.68	8,93,541	3.14
(b)	Individuals					
I	i. Individual shareholders holding nominal share capital up to Rs 1 lakh		48,48,970	19.99	48,48,970	17.02

Sr. No.	Description	Name of Shareholder	Mastek			
			Pre-arrangement		Post-arrangement	
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.		17,48,073	7.21	59,83,367	21.00
(c)	Any Other					
	NBFC		350	0.00	350	0.00
	Trusts		6,904	0.03	6,904	0.02
	Overseas Corporate Bodies		200	0.00	200	0.00
	Non-Resident Indian (NRI)		492,015	2.03	492,015	1.73
	Clearing Members		67,652	0.28	67,652	0.24
	IEPF		55,218	0.23	55,218	0.19
	Foreign Nationals		42,414	0.17	42,414	0.15
	HUF		374,704	1.54	374,704	1.32
	Sub-Total (B)(2)		85,30,041	35.17	1,27,65,335	44.81
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)		1,33,01,573	54.84	1,75,36,867	61.55
	TOTAL (A)+(B)		2,42,55,233	100.00	28,490,527	100.00
(C)	Shares held by Custodians and against which DRs have been issued		-	-	-	-
	GRAND TOTAL (A)+(B)+(C)		2,42,55,233	100.00	2,84,90,527	100.00

*Due to demise of Mr. Sudhakar Ram the shares held by him, have been transmitted to his wife Girija Sudhakar Ram.

#Due to demise of Ms. Avanti Desai the shares held by her, have been transmitted to her mother Mrs. Padma Desai.

@ Subsequent to the January 31, 2020, the company has issued 979,944 shares to its employees pursuant to Employee Stock Option Plan.

28. EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL ("KMP")

28.1 The Directors and KMP (including their relatives) of ESPL, TAISPL and Mastek may be affected only to the extent of their shareholding in ESPL, TAISPL and Mastek or to the extent that the said Directors or KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporates and/or beneficiary of Trust that hold shares in the ESPL, TAISPL and Mastek if any. Save as aforesaid, none of the Directors / KMP or their relatives of the ESPL, TAISPL and Mastek have any material interest in the Scheme.

28.2 The details of the present Directors and KMP of the **ESPL** and their respective shareholdings in ESPL, TAISPL and Mastek as on the date of this notice are as follows:

Names of Director/KMP	Designation	Equity Shares in ESPL	Equity Shares TAISPL	Equity Shares in Mastek
Ashank Desai	Chairman	-	1 (Nominee) of Mastek Limited	33,29,552
Umang Nahata	Director & Chief Executive Officer	36,16,000	-	-
Rakesh Raman	Director	27,12,000	-	-
S. Sandilya	Director	-	-	26,000
Rajeev Grover	Director	-	-	-
Nirav Khatri	Chief Financial Officer (KMP)	-	-	-
Disha Shah	Company Secretary (KMP)	-	-	-

28.3 The details of the present Directors and KMP of the **TAISPL** and their respective shareholdings in ESPL, TAISPL and Mastek as on the date of this notice are as follows:

Names of Director/KMP	Designation	Equity Shares in ESPL	Equity Shares TAISPL	Equity Shares in Mastek
Ashank Desai	Director	-	1 (Nominee) of Mastek Limited	33,29,552
Rabindar Kumar Mahato	Executive Director	-	-	-
Rakesh Chandra Singh	Executive Director	-	-	-

28.4 The details of the present Directors and KMP of the **Mastek** and their respective shareholdings in ESPL, TAISPL and Mastek as on the date of this notice are as follows

Names of Director/KMP	Designation	Equity Shares in ESPL	Equity Shares TAISPL	Equity Shares in Mastek
S. Sandilya	Chairman (Non-Executive) & Independent Director	-	-	26,000
Ashank Desai	Vice Chairman & Managing Director (& Interim GCEO)	-	1 (Nominee) of Mastek Limited	33,29,552
Ketan Mehta	Non-Executive & Non-Independent Director	-	-	22,74,100
Priti Rao	Non-Executive & Independent Director	-	-	29,600
Atul Kanagat	Non-Executive & Independent Director	-	-	9,600
Rajeev Grover	Non-Executive & Independent Director	-	-	-
Dinesh Kalani	Company Secretary (KMP)	-	-	775

29. GENERAL

29.1 The amount due by the ESPL to its Secured Creditors as on December 15, 2020 is ₹ 29,78,369/-. Further, the amount due by the ESPL to its Unsecured Creditors as on December 15, 2020 is ₹ 89,49,166/-. Meeting of such Unsecured Creditors is being convened in terms of the NCLT Order.

29.2 The amount due by the TAISPL to its Secured Creditors as on December 15, 2020 is Nil. Further, the amount due by the TAISPL to its Unsecured Creditors as on December 15, 2020 is ₹ 70,205/-. Meeting of such Unsecured Creditors is being convened in terms of the NCLT Order.

29.3 The amount due by the Mastek to its Secured Creditors as on December 15, 2020 is ₹ 1,33,82,841/-. Further, the amount due by the Mastek to its Unsecured Creditors as on December 15, 2020 is ₹ 4,24,25,264/-. Meeting of such Unsecured Creditors is being convened in terms of the NCLT Order.

29.4 ESPL, TAISPL and Mastek have made a joint application before the Hon'ble NCLT Ahmedabad Bench at Ahmedabad for the sanction of the Scheme under Section 230 to 232 and other applicable provisions of the Act and other relevant rules thereunder.

29.5 The rights and interests of Secured and Unsecured Creditors of Mastek will not be affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner and post the Scheme, Mastek will be able to meet its liabilities as they arise in the ordinary course of business.

29.6 The latest audited financial statements for the year ended March 31, 2020 and unaudited financial results for the period ended December 31, 2020 of Mastek indicates that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any Secured and Unsecured Creditors of Mastek would lose

or be prejudiced as a result of this Scheme being passed, since no sacrifice or waiver is at all called for from them nor are their rights sought to be adversely modified in any manner. Hence, the arrangement will neither cast any additional burden nor will it adversely affect the interest of any of the Shareholders or Creditors of Mastek.

29.7 There are no winding up proceedings pending against Mastek as on date.

29.8 No investigation proceedings are pending or are likely to be pending under the provisions of Chapter XIV of the Act, or under the provisions of the Companies Act, 1956 in respect of Mastek.

29.9 A copy of the proposed Scheme has been filed by the respective Companies before the concerned Registrar of Companies.

29.10 The ESPL, TAISPL and Mastek are required to seek approvals / sanctions / no objections from certain regulatory and governmental authorities for the Scheme such as the Registrar of Companies, Regional Director and Income-tax authorities. These approvals will be obtained by ESPL, TAISPL and Mastek at the relevant time.

29.11 In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and become null and void.

29.12 For the purpose of the arrangement between ESPL, TAISPL and Mastek Valuation Reports dated February 08, 2020 and Addendum Valuation Report dated July 28, 2020 have been obtained from Niranjana Kumar, Registered Valuer describing the methodology adopted by them in arriving at the share exchange ratio. Kunvarji Finstock Pvt. Ltd. , a Category I Merchant Banker after having reviewed Valuation Reports and Addendum Valuation Report of Niranjana Kumar, Registered Valuer and on consideration of all the relevant factors and circumstances, opined that in their view the independent valuer's proposed share exchange ratio is fair.

29.13 As far as the Equity Shareholders of the ESPL, TAISPL and Mastek are concerned (promoter shareholders as well as non-promoter shareholders), their rights and interests would

not be prejudicially affected by the Scheme. The Scheme is not expected to have any adverse effect on the KMPs, Directors, Promoters, Non-Promoter Members, Creditors and Employees of ESPL, TAISPL and Mastek.

In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of the ESPL, TAISPL and Mastek, in their board meeting held on February 08, 2020, have adopted a report, inter alia, explaining effect of the Scheme on each class of shareholders, KMP, promoters and non-promoter shareholders. The ESPL, TAISPL and Mastek do not have any depositors, debenture holders, deposit trustee and debenture trustee.

29.14 The following documents will be open for inspection by the Equity Shareholders of Mastek at its Registered Office at 804/805, President House, Opposite C.N. Vidyalaya, Near Ambawadi Circle, Ambawadi, Ahmedabad - 380006, Gujarat or from the office of the PCA Mr. Sanjay Majmudar at B-303, GCP Business Centre, Opp. Memnagar Fire Station, Near Vijay Rasta, Ahmedabad – 380014, during normal business hours (9:30 am to 6:30 pm) from Monday to Friday upto and including the date of the Meeting.

- (i) Copy of the Order passed by NCLT in Company Scheme Application No. CA (CAA) No. 18(AHM)2021 dated April 12, 2021 directing Mastek to, inter alia, convene the meeting of its Equity Shareholders;
- (ii) Copy of Company Scheme Application No. CA (CAA) No. 18(AHM)2021 along with Annexures filed by Mastek before NCLT;
- (iii) Copy of the Scheme of Arrangement;
- (iv) Copy of Audit Committee Report dated February 08, 2020 of Mastek;
- (v) Copy of the Report dated February 08, 2020 adopted by the Board of Directors of ESPL, TAISPL and Mastek pursuant to the provisions of Section 232(2)(c) of the Act;
- (vi) Copy of the Board Resolutions dated February 08, 2020 passed by the Board of Directors of ESPL, TAISPL and Mastek approving the Scheme;

- (vii) Copy of the Valuation Report and Addendum Valuation Report dated February 08, 2020 and July 28, 2020 respectively of Niranjana Kumar, Registered Valuer describing the methodology adopted by them in arriving at the share exchange ratio;
- (viii) Copy of the Fairness Opinion dated February 08, 2020 and July 29, 2020 issued by Kunvarji Finstock Pvt. Ltd., a Category I Merchant Banker;
- (ix) Copy of the Statutory Auditors' Certificate dated June 08, 2020 issued by Walker Chandiook & Co LLP to the Mastek and TAISPL, confirming the compliance of the Accounting Treatment as specified by Central Government in Section 133 of the Act;
- (x) Copy of the Statutory Auditors' Certificate dated June 13, 2020 issued by Parikh & Majmudar to the ESPL, confirming the compliance of the Accounting Treatment as specified by Central Government in Section 133 of the Act;
- (xi) Copy of Abridged Prospectus providing information pertaining to the unlisted entities i.e. ESPL and TAISPL, involved in the scheme as per the format specified in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 along with a copy of certificate from the Merchant Banker confirming the adequacy and accuracy of the information contained in above document on unlisted Companies in terms of Para 3(a) of Part I(A) of the SEBI Circular dated March 10, 2017;
- (xii) A copy of Complaints Report dated September 08, 2020 of Mastek filed with the BSE in terms of Para 6(a) of Part I(A) of the SEBI circular dated March 10, 2017;
- (xiii) A copy of Complaints Report dated September 04, 2020 of Mastek filed with the NSE in terms of Para 6(a) of Part I(A) of the SEBI Circular dated March 10, 2017;
- (xiv) Copy of the Observation letter dated February 26, 2021 issued by the BSE to Mastek;
- (xv) Copy of the Observation letter dated March 01, 2021 issued by the NSE to Mastek;
- (xvi) Copy of Form No. GNL-1 filed by Mastek with the concerned Registrar of Companies along with challan dated April 15, 2021 evidencing filing of the Scheme with the concerned Registrar of Companies;
- (xvii) Copy of the Memorandum and Articles of Association of ESPL, TAISPL and Mastek;
- (xviii) Copy of the annual reports of ESPL, TAISPL and Mastek for the financial years ended March 31, 2018, March 31, 2019 and March 31, 2020;
- (xix) Copy of the Audited Financial Statements of ESPL, TAISPL and Mastek for the year ended on March 31, 2020;
- (xx) Copy of Unaudited financial statements of ESPL and TAISPL for the period ended December 31, 2020; and
- (xxi) Copy of Unaudited Standalone financial results of Mastek for the period ended December 31, 2020.

This statement may be treated as an Explanatory Statement under Sections 230(3) and 102 and any other applicable provisions of the Act read with Rule 6 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016.

**Sd/-
S. Sandilya**

Chairperson appointed by the Hon'ble NCLT for the Meeting

Dated this April 23, 2021

Registered Office:

804/805, President House,
Opp. C. N. Vidyalaya,
Near Ambawadi Circle, Ambawadi,
Ahmedabad - 380 006, Gujarat.
CIN: L74140GJ1982PLC005215
Website: www.mastek.com
Email: investor_grievances@mastek.com

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SCHEME OF ARRANGEMENT

BETWEEN

EVOLUTIONARY SYSTEMS PRIVATE LIMITED

(“ESPL”)

AND

TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED

(“TAISPL”)

AND

MASTEK LIMITED

(“MASTEK”)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

UNDER SECTION 230-232 AND OTHER APPLICABLE PROVISIONS OF COMPANIES ACT, 2013

A. PREAMBLE

This Scheme of Arrangement is presented under Sections 230 to 232 and other applicable provisions of Companies Act 2013 for the demerger of the Demerged Undertaking (*as defined hereinafter*) of Evolutionary Systems Private Limited (“**ESPL**” or “**Demerged Company**”) into Trans American Information Systems Private Limited (“**TAISPL**”) as per the terms and conditions mentioned herein (hereinafter referred to as the “**Scheme**”).

B. BACKGROUND OF THE COMPANIES

1. Evolutionary Systems Private Limited (“**ESPL**”) is:

- i. a private limited company incorporated under the provisions of the Companies Act 1956, bearing corporate identification number U17122GJ2006PTC049073 and having its registered office at 11th Floor, Kataria Arcade, Beside Adani Vidya Mandir School, S.G. Highway, Makarba, Ahmedabad- 380054, Gujarat, India; and
- ii. engaged in the business of enterprise package implementation, upgrade and support for on-premise and cloud versions from Oracle and includes procuring Oracle enterprise package license on their behalf of client along with implementation / upgrade services. Enterprise packages include enterprise resource planning, human capital management, client relationship management, business intelligence, business analytics and equivalents.

2. Trans American Information Systems Private Limited (“**TAISPL**”) is:

- i. a private limited company incorporated under the provisions of Companies Act, 1956, bearing corporate identification number U51505GJ1999PTC112745 and having its registered office at 804/805 President House, Opposite C N Vidyalaya, Near Ambawadi Circle, Ahmedabad Gujarat- 380006; and
- ii. a wholly owned subsidiary of Mastek Limited, engaged in the business of providing IT services in the areas like e-commerce website implementation, support, maintenance, and other complimentary services.

3. Mastek Limited (“**Mastek**”) is:

- i. a public limited company incorporated under the provisions of Companies Act, 1956, bearing corporate identification number L74140GJ1982PLC005215 and having its registered office at 804/805 President House, Opposite C N Vidyalaya, Near Ambawadi Circle, Ahmedabad, Gujarat - 380006; and
- ii. *inter alia*, engaged in the business of providing information technology solutions and a leading IT player with global operations providing enterprise solutions to government, retail and financial services organizations worldwide and the equity shares of Mastek are listed on the Stock Exchanges (*as defined hereinafter*).

C. RATIONALE OF THE SCHEME

1. The Demerged Company having interests in various businesses, through itself or through its subsidiaries, which has been nurtured over a period of time and has significant potential for growth. The Demerged Company is one of the leading and fastest-growing oracle cloud premier platinum partners and has proven expertise in all oracle solutions including ERP, HCM, Hyperion & BI, CX and PaaS through multiple success stories with marquee clients.
2. The Demerged Company has strong presence in India and in the rest of the world which include United States, Europe, Middle East and Asia and has customers in various verticals such as professional services, healthcare, financial services, public sector, life sciences, engineering and construction, etc. TAISPL and Mastek, on the other hand, have strong client relationships in India and aforesaid jurisdictions.
3. The proposed demerger of the Demerged Undertaking from the Demerged Company to the Resulting Companies pursuant to this Scheme is expected, *inter alia*, to result in:
 - i. more industry-specific value propositions and the local and global presence of the Demerged Company will enable rapid, cost-effective Oracle Cloud solutions across verticals.
 - ii. realisation of benefits of greater synergies between the businesses of the Demerged Company and Resulting Companies and use of the financial, managerial, technical and marketing resources of each other towards maximising stakeholder value;
 - iii. synergy of operations will result in incremental benefits through sustained availability and better procurement terms of components, pooling of resources, thus leading to better utilisation and avoidance of duplication;
 - iv. creation of focused platform for future growth of TAISPL and Mastek being engaged, among other things, in the business of Oracle Services Business;
 - v. opportunities for employees of the Demerged Company and TAISPL to grow in a wider field of business;
 - vi. improvement in competitive position and also achieving economies of scale including enhanced access to marketing networks/customers; and

The proposed Scheme is in the interest of the shareholders, creditors, employees, and other stakeholders in the Demerged Company and the Resulting Companies (*as defined as "Parties" hereinafter*).

D. PARTS OF THE SCHEME

This Scheme is divided into the following parts:

- i. Part I sets out the definitions, interpretation, share capital of all companies which are parties to the Scheme and date of taking effect of the Scheme;

- ii. Part II sets out the provisions for transfer and vesting of the Demerged Undertaking (*as defined hereunder*) as a *going concern* into the Resulting Companies (*as defined hereunder*) and discharge of consideration in lieu thereof, in compliance with Section 2(19AA) of Income Tax Act; and
- iii. Part III sets out the general terms and conditions that would be applicable to this Scheme.

PART I

DEFINITIONS, INTERPRETATION, SHARE CAPITAL AND DATE OF TAKING EFFECT OF THE SCHEME

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively assigned to them:

- 1.1 “**Act**” means the Companies Act, 2013, the rules made thereunder and will include any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force;
- 1.2 “**Affiliate**” means, in respect of any specified Person, any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such specified Person. In case of natural Persons, Relatives of such Persons shall be deemed to be Affiliates of such natural Persons;
- 1.3 “**Appointed Date**” means opening of business hours of 1 February 2020 or such other date as may be mutually determined by the Parties and approved by the NCLT;
- 1.4 “**Applicable Law**” or “**Law**” means (i) any applicable statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, clearance, approval, directive, guideline, policy, requirement, or other governmental restriction; (ii) or any similar form of decision, or determination by, or any interpretation or adjudication having the force of law or other restriction of any Appropriate Authority, as applicable and as enacted or promulgated and whether in effect as of the date of execution of the Scheme or at any time thereafter;
- 1.5 “**Appropriate Authority**” means any (a) federal, state, local, municipal, or other government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, tribunal, central bank, commission or other authority thereof; (b) governmental or quasi-governmental authority of any nature (including without limitation SEBI, the NCLT, any Stock Exchange, any governmental agency, branch, department or other entity and any court or other tribunal); or (c) body exercising, or entitled to exercise, any administrative, executive, judicial, quasi-judicial, legislative, police, regulatory or taxing authority or power;
- 1.6 “**Board of Directors**” or “**Board**” in relation to the Demerged Company and the Resulting Companies, as the case may be, means the board of directors of such Party / company, and shall include a committee of directors or any person authorized by such board of directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to this Scheme or any other matter relating thereto;

- 1.7 **“Books and Records”** shall mean all books, records, files, studies, manuals, reports and other materials (in any form or medium) used in connection with or related to Demerged Undertaking, including all advertising /marketing materials, catalogues, price lists, mailing lists, distribution lists, client and customer lists, referral sources, supplier and vendor lists, active and open purchase orders, sales and purchase invoices, contracts, correspondence, customer data testing data and protocols, research and development files, records, data books, intellectual property disclosures and records, equipment logs, operating guides and manuals, specifications, financial and accounting records to the extent, litigation files for any ongoing matters, and personnel and employee benefits records in each case as maintained by ESPL;
- 1.8 **“Charter Documents”** in respect of a Person that is a body corporate, means the memorandum of association and articles of association of such Person, as applicable, as amended from time to time;
- 1.9 **“Control”** including with its grammatical variations such as **“Controlled by”**, **“that Controls”** and **“under common Control with”** in relation to a Person means, the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner, provided that a director or officer of a company shall not be considered to be in control over such company, merely by virtue of holding such position;
- 1.10 **“Demerged Company”** or **“ESPL”** means Evolutionary Systems Private Limited, a private limited company incorporated under the provisions of the Companies Act 1956, bearing corporate identification number U17122GJ2006PTC049073 and having its registered office at 11th Floor, Kataria Arcade, Beside Adani Vidya Mandir School, S.G. Highway, Makarba, Ahmedabad - 380054, Gujarat, India;
- 1.11 **“Demerged Liabilities”** has the meaning as set forth in Clause 5.9;
- 1.12 **“Demerged Undertaking”** means all of the Oracle Services Business and ancillary and support services together with all assets, properties, investments (direct and indirect), obligations, and liabilities of whatsoever nature and kind, and wherever situated, of the Demerged Company, in relation to and pertaining to its Oracle Services Business catering to the overseas market outside India and shall include without limitation:
- (a) all assets and liabilities of the Demerged Company pertaining solely to the Oracle Services Business other than the Excluded Assets;
 - (b) without prejudice to the generality of the provisions of (a) above, the Demerged Undertaking shall include:
 - (i) Identified Investments held by the Demerged Company;
 - (ii) all movable or immovable (in particular the immovable property at 11th floor, Kataria Arcade, S.G. Highway, Makarba, Ahmedabad 380051), freehold,

leasehold or licensed, tenancy rights, hire purchase and lease arrangements, real or personal, corporeal or incorporeal or otherwise, present, future, contingent, tangible or intangible, furniture, fixtures, office equipment, appliances, accessories, vehicles, all stocks, sundry debtors, deposits, provisions, advances, recoverables, receivables, title, interest, cash and bank balances, bills of exchange, covenants, all earnest monies, security deposits, or other entitlements, funds, powers, authorities, licences, registrations, quotas, allotments, consents, privileges, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, fiscal incentives, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Demerged Company solely with respect to the Oracle Services Business catering to the overseas market;

- (iii) all contracts, agreements, schemes, arrangements and any other instruments for the purpose of carrying on the business of the Oracle Services Business catering to the overseas market;
 - (iv) all Tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under Tax Laws including sales tax deferrals, advance taxes, tax deducted at source, right to carry forward and set-off accumulated losses and unabsorbed depreciation, if any, deferred tax assets, minimum alternate tax credit, goods and service tax credit, deductions and benefits under the Income Tax Act or any other taxation statute enjoyed by the Demerged Company solely with respect to the Oracle Services Business catering to the overseas market; and
 - (v) all debts, borrowings and liabilities, whether present, future or contingent or deferred tax liabilities, whether secured or unsecured, of the Oracle Services Business catering to the overseas market.
- (c) all Permits, licences, approvals, registrations, quotas, incentives, powers, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, trademarks, designs, copyrights, patents and other intellectual property rights of the Demerged Company pertaining to the Oracle Services Business, whether registered or unregistered and powers of every kind, nature and description whatsoever, whether from the government bodies or otherwise, pertaining to or relating to the Oracle Services Business;
- (d) all books, records, files, papers, process information, computer programs, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form solely in connection with or relating solely to the Oracle Services Business; and
- (e) all employees of the Demerged Company engaged solely in the Oracle Services Business catering to the overseas market.

Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Companies.

- 1.13 **“Effective Date”** means the last of the dates on which the conditions precedent specified in Clause 20 are fulfilled; Any reference in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall be a reference to the Effective Date;
- 1.14 **“Encumbrances”** includes, but is not limited to, (i) mortgage, pledge, charge, assignment, hypothecation, security interest, preferential right, trust arrangement, right of set-off, counterclaim or banker’s lien, privilege, priority or other encumbrance of any kind having the effect of security, whether created directly or indirectly; (ii) any proxy, power of attorney, voting trust agreement, pre-emptive right, interest, option, right to acquire, right of first offer, refusal or voting, dividend or transfer restriction in favour of any Person; (iii) any adverse claim or demand of any description whatsoever as to the title, possession or use; and (iv) any right pursuant to any existing agreement or commitment to give or create any lien (in the manner set out in sub-clause (i) to (iii) above) and any entitlement to claim any such right;
- 1.15 **“Equity Shares Equivalentents”** has the meaning set forth in Schedule I;
- 1.16 **“Excluded Assets”** means all investments including equity shares, preference shares, stock, and other securities of associate/subsidiary/joint venture companies held by the Demerged Company other than the Identified Investments and any consideration received on sale of the investments;
- 1.17 **“Identified Investments”** means investments pertaining to the Demerged Undertaking made by the Demerged Company, in Evolutionary Systems Corp (Woburn, USA) bearing Massachusetts Identification number 465452403, Newbury Cloud Inc. (Woburn, USA) bearing Delaware file number 5638703, Evolutionary Systems Co. Ltd (London, United Kingdom) bearing company number 07559069 and Evolutionary Systems B.V. (Amsterdam, Netherlands) bearing RSIN 858794081, Evolutionary Systems Qatar WLL (Doha, Qatar) bearing commercial registration number 55571, Evolutionary Systems (Singapore) Pte Ltd (Singapore) bearing entity identification number 201418775M, Evolutionary Systems Pty Ltd (Sydney, Australia) bearing ACN 615 406 221, Evolutionary Systems Saudi LLC (Riyadh, KSA), and Evolutionary Systems (Petaling Jaya, Malaysia) bearing company number 1140231;
- 1.18 **“Income Tax Act”** means the Income Tax Act 1961 and applicable rules in this regard;
- 1.19 **“Indian Accounting Standards”** means the Indian accounting standards (Ind AS) notified under section 133 of the Act read with relevant applicable rules and the relevant provisions;
- 1.20 **“INR”** means Indian Rupee, the lawful currency of the Republic of India;
- 1.21 **“Key Employee”** means the following:

Name	Department	Role	Designation
Diwakar Rao	Delivery	Leading North America Delivery	Senior Vice President

Snehal Chaniyara.	Pre-sales	Leading North America Presales	Senior Vice President
Yashodhar Bhide	Delivery and pre-sales	Leading UK/Europe Delivery & Presales	Senior Vice President
Gary Barnes	Sales	Sales head of Rest of world (NA, Europe, APAC)	Senior Vice President
Sunil Kothari	Delivery	Leading ERP/HCM Practices & Global COE	Senior Vice President
Tarun Nahata	Delivery	Leading the HCM Practice	Senior Director
Nimesh Shah	Delivery	Leading the ERP Practice	Practise Director
Murtuza Kadiyani	Pre-sales	Leading pre-sales of Asia Pacific	Senior Vice President
Arpan Makwana	Pre-sales	Leading the technology Practice	Vice President

- 1.22 **“MAC Event”** with reference to a Party means any event, occurrence, fact, condition, change, development, omission or effect that would: (a) impede the performance or enforceability of this Scheme by such Party; or (b) have a materially adverse impact on the business, assets, liabilities and financial condition of the Party, but excluding: (i) any change affecting economic or financial conditions at a global, national or regional level, as applicable, and not being specific to the Party; or (ii) any change caused by the announcement of or pursuant to the transactions contemplated in this Scheme;
- 1.23 **“Mastek”** means a public limited company incorporated under the provisions of Companies Act, 1956, bearing corporate identification number L74140GJ1982PLC005215 and having its registered office presently situated at 804/805 President House, Opposite C N Vidyalaya, Near Ambawadi Circle, Ahmedabad, Gujarat - 380006;
- 1.24 **“Mastek Consideration Securities”** means 42,35,294 (forty two lakhs thirty five thousand two hundred ninety four) equity shares of Mastek Limited of face value INR 5/- each (Indian Rupees Five) each, listed on the Stock Exchanges, as defined in Clause 11.1 of the Scheme;
- 1.25 **“NCLT”** means the National Company Law Tribunal as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 232 of Companies Act, 2013;
- 1.26 **“New Shareholders”** means Mr Umang Tejkaran Nahata, Mr Rakesh Raman and Mr Ummed Singh Nahata;
- 1.27 **“Oracle Services Business”** means services around enterprise package implementation, upgrade and support for on-premise and cloud versions from Oracle and includes procuring Oracle ERP license on behalf of client along with implementation/ upgrade services. Enterprise packages includes enterprise resource planning, human capital management, client relationship management, business intelligence, business analytics and equivalents;

- 1.28 **“Ordinary Course of Business”** means carrying on the business of a company in normal course and consistent with its Charter Documents, past custom and practice (including with respect to quantity and frequency). Provided that a series of related transactions when taken together are not in the Ordinary Course of Business, then such series of transactions shall not be deemed to be in the Ordinary Course of Business;
- 1.29 **“Parties”** shall mean collectively the Demerged Company and the Resulting Companies and **“Party”** shall mean each of them, individually;
- 1.30 **“Permits”** means all consents, licences, permits, certificates, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory, regulatory or otherwise as required under Applicable Law;
- 1.31 **“Person”** means a natural person, company, corporation, association, unincorporated association, society, Hindu undivided family, partnership (general or limited), joint venture, estate, trust, limited liability company, limited liability partnership, proprietorship, single business unit, division or undertaking of any of the above or, any other legal entity, individual, government or Appropriate Authority;
- 1.32 **“Record Date”** means the date to be fixed by the Board of the Demerged Company in consultation with the Resulting Companies for the purpose of determining the shareholders of the Demerged Company for issue of securities of the Resulting Companies, pursuant to Clause 11 of this Scheme;
- 1.33 **“Relative”** has the meaning set forth in the Act;
- 1.34 **“Remaining Business of the Demerged Company”** means all the business, units, divisions, undertakings, and assets and liabilities of the Demerged Company relating to the India domestic business which does not form part of the Demerged Undertaking and shall always include assets and liabilities pertaining to the above businesses and the Excluded Assets;
- 1.35 **“Resulting Companies”** means TAISPL and Mastek, collectively;
- 1.36 **“Resulting Companies New Securities”** has the meaning as set forth in Clause 11.1;
- 1.37 **“SEBI”** means the Securities and Exchange Board of India;
- 1.38 **“SEBI Circular”** means the circular issued by the SEBI, being Circular CFD/DIL3/CIR/2017/21 dated 10 March 2017, and any amendments thereof, modifications or replacement, issued pursuant to regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015;
- 1.39 **“Scheme”** or **“this Scheme”** means this Scheme of Arrangement in its present form submitted to the NCLT or with any modification(s) made under Clause 19 of the Scheme as approved by the NCLT.

- 1.40 “**Stock Exchanges**” means BSE Limited and National Stock Exchange of India Limited, as may be applicable.
- 1.41 “**TAISPL**” means Trans American Information Systems Private Limited, a private limited company incorporated under Companies Act, 1956, bearing corporate identification number CIN U51505GJ1999PTC112745 and having its registered office at 804/805 President House, Opposite C N Vidyalaya, Near Ambawadi Circle, Ahmedabad Gujarat- 380006;
- 1.42 “**TAISPL CCPS**” means compulsorily convertible preference shares of TAISPL of face value INR 10/- (Indian Rupees Ten), issued on terms and conditions set out in Schedule I to this Scheme as defined in Clause 11.1 of the Scheme;
- 1.43 “**Tax**” or “**Taxes**” means (a) any and all taxes, duties, imposts, levies, premiums, impositions, transfer charges, cess, surcharge, charges in the nature of tax and any fine, cost, penalty or interest connected therewith, including corporate tax, income tax, dividend distribution tax, interest tax, withholding taxes, capital gains tax, value added tax, goods and services tax, gift tax, wealth tax, sales tax, service tax, stamp duty, registration fees, foreign travel tax, octroi, turnover tax, excise duty, customs duty, import duty, development cess, rates, property tax or other tax of whatever kind (including any fee, assessment or other charges in the nature of or in lieu of any tax) that is imposed by any Appropriate Authority; and (b) any interest, fines, penalties, surcharges or additions resulting from, attributable to, or incurred in connection with any items described in this paragraph or any related contest or dispute; and
- 1.44 “**Tax Laws**” means all Applicable Laws dealing with Taxes including but not limited to income tax, wealth tax, sales tax/ value added tax, service tax, goods and service tax, excise duty, customs duty or any other levy of similar nature.

2. **INTERPRETATION:**

In this Scheme, unless the context otherwise requires:

- (a) the words “**including**”, “**include**” or “**includes**” shall be interpreted in a manner as though the words “**without limitation**” immediately followed the same;
- (b) any document or agreement includes a reference to that document or agreement as varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of such a document or agreement;
- (c) the words “**other**”, “**or otherwise**” and “**whatsoever**” shall not be construed *ejusdem generis* or be construed as any limitation upon the generality of any preceding words or matters specifically referred to;
- (d) headings are inserted for ease of reference only and shall not affect the construction or interpretation of the relevant provisions of this Scheme;
- (e) the term “**Clause**” or “**Sub-Clause**” refers to the specified clause of this Scheme, as the case may be;

- (f) reference to any legislation, statute, regulation, rule, notification, or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to legislation or statute includes any sub-ordinate legislation made from time to time under such a legislation or statute and regulations, rules, notifications or circulars issued under such a legislation or statute;
- (g) words denoting the singular shall include the plural and vice versa;
- (h) unless otherwise defined, the reference to the word “**days**” shall mean calendar days; and
- (i) reference to dates and times shall be construed to be reference to Indian dates and times.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income Tax Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996 and other Applicable Laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

3. SHARE CAPITAL

3.1 ESPL

The authorized share capital and the issued, subscribed and fully paid-up share capital of ESPL, as on 31 January 2020 is as under:

Share Capital	INR
Authorised Share Capital	
1,10,00,000 equity shares of INR 10 each	11,00,00,000
Total	11,00,00,000
Issued, Subscribed and Fully paid-up Share Capital	
1,00,00,000 equity shares of INR 10 each	10,00,00,000
Total	10,00,00,000

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of the Demerged Company till the date of approval of the Scheme by the Board of the Demerged Company.

3.2 TAISPL

The authorized share capital and the issued, subscribed and fully paid-up share capital of TAISPL, as on 31 January 2020 is as under:

Share Capital	INR
Authorised Share Capital	
1,00,000 equity shares of INR 10 each	10,00,000
Total	10,00,000
Issued, Subscribed and Fully paid-up Share Capital	
34,520 equity shares of INR 10 each	3,45,200
Total	3,45,200

As on date, TAISPL is a wholly owned subsidiary of Mastek. Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of TAISPL till the date of approval of the Scheme by the Board of TAISPL.

3.3 Mastek

The authorized share capital and the issued, subscribed and fully paid-up share capital of Mastek, as on 31 January 2020 is as under:

Share Capital	INR
Authorised Share Capital	
4,00,00,000 equity shares of INR 5 each	20,00,00,000
20,00,000 preference shares of INR 100 each	20,00,00,000
Total	40,00,00,000
Issued, Subscribed and Fully paid-up Share Capital	
2,42,55,233 equity shares of INR 5 each	12,12,76,165
Total	12,12,76,165

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of Mastek till the date of approval of the Scheme by the Board of Mastek.

Mastek has 3 ongoing Employee Stock Option Plans (ESOPs) at present:

- (i) ESOP Plan V;
- (ii) ESOP Plan VI; and
- (iii) ESOP Plan VII

Pool balances as on 31 January 2020 are:

- (i) Plan V- 10,75,236 options;
- (ii) Plan VI- 3,39,409 options; and
- (iii) Plan VII- 4,54,331 options.

The equity shares of Mastek are listed on the Stock Exchanges.

4. DATE OF TAKING EFFECT AND OPERATIVE DATE

Part II of this Scheme in its present form or with any modification(s) made as per Clause 19 shall become effective from the Appointed Date but shall be operative from the Effective Date. Therefore, for all Tax purposes, the Scheme would be effective from the Appointed Date. Notwithstanding the above, the accounting treatment to be adopted to give effect to the provisions of the Scheme would be in consonance with Indian Accounting Standards, 103 (Ind AS 103) and mere adoption of such accounting treatment will not in any manner affect the transfer of Demerged Undertaking of the Demerged Company with the Resulting Companies from the Appointed Date.

PART II

DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

5. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

- 5.1 Upon the Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to Sections 230 to 232 of the Act, and in accordance with Section 2(19AA) of the Income Tax Act, the Demerged Undertaking along with all its assets, liabilities, investments, contracts, arrangements, employees, Permits, records, etc. pertaining to the Demerged Undertaking, shall without any further act, instrument or deed, be demerged from the Demerged Company and transferred to, and be vested in or be deemed to have been transferred to and vested in TAISPL as a *going concern* so as to become as on the Appointed Date, the assets, liabilities, investments, contracts, arrangements, employees, Permits, records, etc. of TAISPL by virtue of operation of law and in the manner provided in this Scheme.
- 5.2 In respect of such of the assets and properties forming part of the Demerged Undertaking which are movable in nature (including but not limited to all intangible assets) or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company to TAISPL upon coming into effect of this Scheme and shall, *ipso facto* and without any other order to this effect, become the assets and properties of TAISPL without requiring any deed or instrument of conveyance for transfer of the same.
- 5.3 Subject to Clause 5.4 below, with respect to the assets of the Demerged Undertaking other than those referred to in Clause 5.2 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in TAISPL, with effect from the Appointed Date by operation of law as transmission in favour of TAISPL. With regard to the licenses of the properties, TAISPL will enter into novation agreements, if it is so required.

- 5.4 In respect of such of the assets and properties forming part of the Demerged Undertaking which are immovable in nature, whether or not included in the books of the Demerged Company, including rights, interest and easements in relation thereto, the same shall stand transferred to and be vested in TAISPL with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Demerged Company and / or TAISPL.
- 5.5 For the avoidance of doubt and without prejudice to the generality of Clause 5.4 above and Clause 5.6 below, it is clarified that, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings, the Parties shall register the true copy of the orders of the NCLT approving the Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 5.5 or Clause 5.6 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any part of the Demerged Undertaking takes place and the Demerged Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the NCLT sanctioning this Scheme.
- 5.6 Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings situated in states other than the state of Gujarat, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and vesting in TAISPL, if TAISPL so decides, the Parties, whether before or after the Effective Date, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of TAISPL in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme.
- 5.7 Upon the Scheme coming into effect and with effect from the Appointed Date, all rights entitlements, licenses, applications and registrations relating to copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of every kind and description, whether registered or unregistered or pending registration, and the goodwill arising therefrom, relating to the Demerged Undertaking, to which either the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible or entitled, shall become the rights, entitlement or property of TAISPL and shall be enforceable by or against TAISPL, as fully and effectually as if, instead of the Demerged Company, TAISPL had been a party or beneficiary or obligee thereto or the holder or owner thereof.
- 5.8 The Demerged Company may, at its sole discretion but without being obliged to, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, debenture or deposit relating to the Demerged Undertaking stands transferred to and vested in TAISPL and that appropriate modification should be made in their respective books / records to reflect the aforesaid changes.

- 5.9 Upon effectiveness of the Scheme, all debts, liabilities, loans, obligations and duties of the Demerged Company as on the Appointed Date and relating to the Demerged Undertaking (“**Demerged Liabilities**”) shall, without any further act, instrument or deed, be and stand transferred to and be deemed to be transferred to TAISPL and TAISPL shall meet, discharge and satisfy the same. The term “**Demerged Liabilities**” shall include without limitation:
- 5.9.1 the debts, liabilities and obligations incurred and duties of any kind, nature or description (including contingent liabilities) which arise out of the activities or operations of the Demerged Undertaking;
 - 5.9.2 the specific loans, credit facilities, overdraft facilities and borrowings (including debentures, bonds, notes and other debt securities) raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking; and
 - 5.9.3 in cases other than those referred to in Clause 5.9.1 or 5.9.2 above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger of the Demerged Undertaking bear to the total value of the assets of the Demerged Company immediately prior to the Appointed Date.

In so far as indirect tax liabilities are concerned, in particular, any liability with respect to the goods and service tax, value added tax, purchase tax, sales tax or any other duty or Tax in relation to the Demerged Undertaking and pertaining to the period prior to the Appointed Date, including all or any liability pertaining to the period prior to the Appointed Date, shall be treated as liability of TAISPL, to the extent permissible under Applicable Law.

- 5.10 In so far as any Encumbrance in respect of Demerged Liabilities is concerned, such Encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been Encumbered in respect of the Demerged Liabilities as transferred to TAISPL pursuant to the Scheme. Provided that, if any of the assets comprised in the Demerged Undertaking which are being transferred to TAISPL pursuant to this Scheme have not been Encumbered in respect of the Demerged Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business of the Demerged Company are concerned, the Encumbrance, if any, over such assets relating to the Demerged Liabilities shall without any further act, instrument or deed being required, be released and the Demerged Company shall be discharged from the obligations and Encumbrances relating to the same. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to TAISPL pursuant to this Scheme and which continue with the Demerged Company shall without any further act, instrument or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities.

- 5.11 If the Demerged Company is entitled to any unutilized credits (including accumulated losses and unabsorbed depreciation), benefits under the state or central fiscal / investment incentive schemes and policies or concessions relating solely to the Demerged Undertaking under any Tax law or Applicable Law, TAISPL shall be entitled, as an integral part of the Scheme, to claim such benefit or incentives or unutilised credits as the case may be without any specific approval or permission. Without prejudice to the generality of the foregoing, in respect of unutilized input credits of goods and service tax of the Demerged Company, the portion which will be attributed to the Demerged Undertaking and be transferred to TAISPL shall be determined by the Board of the Demerged Company in accordance with the Applicable Law.
- 5.12 Upon the Scheme becoming effective, the Demerged Company and TAISPL shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and / or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. It is further clarified that TAISPL shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Demerged Undertaking to the extent not claimed by the Demerged Company, as and when the same are paid subsequent to Appointed Date.
- 5.13 Subject to this Clause 5 and any other provisions of the Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by TAISPL, issue notices in such form as TAISPL may deem fit and proper, stating that pursuant to the NCLT having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of TAISPL, as the Person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to TAISPL and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 5.14 On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Demerged Undertaking, shall be accepted by the bankers of TAISPL and credited to the account of TAISPL, if presented by TAISPL.
- 5.15 TAISPL shall be entitled to the benefit of all pre-qualification, track-record, experience, goodwill and all other rights, claims and powers of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Demerged Company in connection with or pertaining or relatable to the Demerged Undertaking for all intents and purposes and specifically including but not limited to the track-record and experience of having undertaken, performed and/or executed the business and / or orders by the Demerged Company from the commencement of its business.
- 5.16 TAISPL shall at any time upon the Scheme coming into effect and in accordance with the provisions hereof, if so required under any Law or otherwise execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Demerged Undertaking to which the Demerged Company has been a party, in order to give formal effect to the above provisions.

- 5.17 Without prejudice to the provisions of the foregoing sub-clauses of this Clause 5 and upon the effectiveness of this Scheme, the Demerged Company and TAISPL may execute any and all instruments or documents and do all acts, deeds and things as may be required, including filing of necessary particulars and/ or modification(s) of charge with the concerned Registrar of Companies or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme.
- 5.18 This part of the Scheme has been drawn up to comply with the conditions relating to “**Demerger**” as specified under Section 2(19AA) of the Income Tax Act. If any terms or provisions of the Scheme is / are inconsistent with the provisions of Section 2(19AA) of the Income Tax Act, the provisions of Section 2(19AA) of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) of the Income Tax Act; such modification to not affect other parts of the Scheme. In accordance with Section 2(41A) of the Income Tax Act, TAISPL and Mastek shall be considered as the Resulting Companies. Further, in accordance with Section 2(19AAA) of the Income Tax Act, ESPL shall be considered as the Demerged Company.

6. PERMITS

- 6.1 With effect from the Appointed Date, the Permits relating to the Demerged Undertaking shall be transferred to and vested in TAISPL and the concerned licensor and grantors of such Permits shall endorse where necessary and record the name of TAISPL on such Permits so as to empower and facilitate the approval and vesting of the Demerged Undertaking in TAISPL and continuation of operations pertaining to the Demerged Undertaking in TAISPL without any hindrance and the Permits shall stand transferred to and vested in, and shall be deemed to be transferred to and vested in TAISPL without any further act, instrument or deed and shall be appropriately mutated by the Appropriate Authorities concerned therewith in favour of TAISPL as if the same were originally given by, issued to or executed in favour of TAISPL and TAISPL shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits thereunder shall be available to TAISPL.
- 6.2 The benefit of all Permits pertaining to the Demerged Undertaking shall, without any other order to this effect, transfer to and vest in and become available to TAISPL pursuant to the sanction of this Scheme by the NCLT.
- 6.3 Notwithstanding the generality of the foregoing provisions, all electricity, gas, water and other utility connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities in different states pertaining to the Demerged Undertaking, together with security deposits and all other advances paid, shall stand automatically transferred in favour of TAISPL on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed.

7. CONTRACTS

- 7.1 All contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, rights, entitlements, licenses for the purpose of carrying on the business of the Demerged Undertaking and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Demerged Undertaking, or to the benefit of which the Demerged Company may be eligible and which are subsisting or having effect immediately before this Scheme coming into effect, shall by endorsement, by delivery or recordal or by operation of law pursuant to the order of the NCLT sanctioning the Scheme, and on this Scheme becoming effective be deemed to be contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, rights, entitlements and licenses (including licenses granted by any Appropriate Authority) of TAISPL. Such properties and rights described hereinabove shall stand vested in TAISPL and shall be deemed to be the property and become the property by operation of law as an integral part of TAISPL. Such contracts and properties described above shall continue to be in full force and continue as effective as hitherto in favour of or against TAISPL and shall be the legal and enforceable rights and interests of TAISPL, which can be enforced and acted upon as fully and effectually as if it were the Demerged Company. Upon this Scheme becoming effective, the rights, benefits, privileges, duties, liabilities, obligations and interest whatsoever, arising from or pertaining to contracts and properties relating to the Demerged Undertaking, shall be deemed to have been entered into and stand assigned, vested and novated to TAISPL by operation of Law and TAISPL shall be deemed to be the Demerged Company's substituted party or beneficiary or obligor thereto, it being always understood that TAISPL shall be the successor in interest of the Demerged Company in relation to the properties or rights mentioned hereinabove.
- 7.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme, TAISPL may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give effect to the provisions of this Scheme. With effect from the Effective Date, TAISPL shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above, on the part of the Demerged Company with respect to Demerged Undertaking.
- 7.3 On and from the Effective Date, and thereafter, TAISPL shall be entitled to enforce all pending contracts and transactions and issue credit notes on behalf of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of TAISPL in so far as it may be necessary until the transfer of rights and obligations of the Demerged Undertaking to TAISPL under this Scheme have been given effect to under such contracts and transactions.

7.4 Without prejudice to the aforesaid, it is clarified that if any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party, cannot be transferred to the Resulting Companies for any reason whatsoever, the Demerged Company shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Companies, in so far as it is permissible so to do, till such time as the transfer is effected.

8. EMPLOYEES AND STAFF

8.1 Upon the effectiveness of this Scheme and with effect from the Effective Date, TAISPL undertakes to engage, without any interruption in service, all employees of the Demerged Company engaged in or in relation to the Demerged Undertaking, on terms and conditions no less favourable than those on which they are engaged by the Demerged Company. TAISPL undertakes to continue to abide by any agreement / settlement or arrangement entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid employees or union representing them. TAISPL agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral / terminal benefits.

8.2 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, as the case may be, will be transferred respectively, together with the asset balances of the respective funds, to such provident fund, gratuity fund and superannuation funds nominated by TAISPL and/or such new provident fund, gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, by TAISPL. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the said employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company.

With effect from the Appointed Date and up to and including the Effective Date, the Demerged Company shall not vary the terms and conditions of employment of any of the employees of the Demerged Company pertaining to the Demerged Undertaking except in the Ordinary Course of Business or without the prior consent of the Board of Directors of TAISPL or pursuant to any pre-existing obligation undertaken by the Demerged Company.

8.3 With effect from the Appointed Date and up to and including the Effective Date, the Demerged Company shall not vary or modify the terms and conditions of employment of any of its said employees, except with the written consent of the Resulting Companies unless it is in the Ordinary Course of Business. However, the terms and conditions of their employment with the Resulting Companies shall be no less favourable than those on which they were engaged in the Demerged Company.

9. LEGAL PROCEEDINGS

- 9.1 Upon coming into effect of this Scheme, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands and legal proceedings of whatsoever nature (including proceedings with respect to Income Tax Act) by or against the Demerged Company pending and / or arising on or before the Appointed Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against TAISPL with effect from the Appointed Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. Except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings that stand transferred to TAISPL. TAISPL shall be substituted in place of the Demerged Company or added as parties to such proceedings and shall prosecute or defend such proceedings at their own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall consequently stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Demerged Undertaking.
- 9.2 TAISPL undertakes to have all legal or other proceedings (including proceedings with respect to Income Tax Act) initiated by or against the Demerged Company referred to in Clause 9.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against TAISPL to the exclusion of the Demerged Company on priority. Both the concerned Parties shall make relevant applications and take all steps as may be required in this regard. Post the Appointed Date, any benefits, whether by way of recovery, realization of any amount and/or asset or otherwise, accruing to the Demerged Company out of legal or other proceedings pertaining to the Demerged Undertaking shall be forthwith transferred and / or handed over to TAISPL.
- 9.3 Notwithstanding anything contained hereinabove, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and / or is impleaded as a party in any proceedings before any Appropriate Authority (including proceedings with respect to Income Tax Act), in each case in relation to the Demerged Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Demerged Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with TAISPL. However, if the Demerged Company is unable to get TAISPL replaced in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of TAISPL and at the cost of TAISPL and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 9.4 This Scheme complies with the definition of “**Demerger**” as per Sections 2(19AA) and other provisions of the Income Tax Act. If any terms of this Scheme are found to be or interpreted to be inconsistent with provisions of the Income Tax Act, then this Scheme shall stand modified to be in compliance with Section 2(19AA) of the Income Tax Act.

10. TAXES

- 10.1 All Taxes (including income tax, sales tax, excise duty, customs duty, service tax, VAT, goods and service tax, etc.) paid or payable by the Demerged Company in respect of the operations and / or the profits of the Demerged Undertaking up to the Appointed Date, shall be on account of the Demerged Company and hence paid or payable by ESPL. Insofar as it relates to the tax payment (including without limitation income tax, sales tax, excise duty, custom duty, service tax, VAT, goods and service tax etc.), whether by way of deduction at source or otherwise howsoever by the Demerged Company in respect of the profits or activities or operations of its business relating to the Demerged Undertaking after the start of business on the Appointed Date, the same shall be deemed to be the corresponding item paid or payable by TAISPL and shall, in all proceedings, be dealt with accordingly.
- 10.2 On the Scheme becoming effective, the Demerged Company and TAISPL may revise their respective returns pertaining to income tax, goods and service tax, service tax, sales tax, VAT and other Tax returns, and claim refunds and/or credits including credits relating to tax deducted at source, as applicable pursuant to the provisions of this Scheme.
- 10.3 The Demerged Company may be entitled to various incentive schemes and pursuant to the Scheme, it is declared that the benefits under all such schemes and policies pertaining to the Demerged Undertaking shall stand transferred to and vested in the Resulting Companies and all benefits, entitlements and incentives of any nature whatsoever including benefits under the income tax, excise, sales tax, service tax, goods and services tax, exemptions, concessions, remissions, subsidies and other incentives in relation to the Demerged Undertaking, to the extent statutorily available, shall be claimed by the Resulting Companies.

11. CONSIDERATION

- 11.1 Upon this Scheme coming into effect and in consideration of and subject to the provisions of this Scheme, securities shall be issued by each of the Resulting Companies ("**Resulting Companies New Securities**") as follows, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to each shareholder of the Demerged Company whose name is recorded in the register of members as member of the Demerged Company as on the Record Date:
- 42,35,294 (forty two lakhs thirty five thousand two hundred and ninety four) fully paid up equity shares of face value INR 5/- (Indian Rupees Five) each, of Mastek ("**Mastek Consideration Securities**") against the total equity shares outstanding i.e. 1,00,00,000 (one crore) equity shares of ESPL of face value of INR 10/- (Indian Rupees Ten) each; (i.e. "4,235.294 (four thousand two hundred and thirty five decimal two nine four) fully paid up equity shares of face value of INR 5/- (Indian Rupees Five) each of Mastek ("Mastek Consideration Securities") for every 10,000 (ten thousand) equity shares of ESPL of face value of INR 10/- (Indian Rupees Ten) each, held by such shareholder."); and
 - 15 (fifteen) compulsorily convertible preference shares (issued on terms and conditions set out in Schedule I hereto) of INR 10/- (Indian Rupees Ten) each of TAISPL ("**TAISPL CCPS**") for every 10,000 (ten thousand) equity shares of ESPL of face value of INR 10/- (Indian Rupees Ten) each, held by such shareholder.

- 11.2 The Resulting Companies New Securities to be issued and allotted as provided in Clause 11.1 above shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Companies, respectively and shall rank *pari passu* in all respects with any existing securities of the Resulting Companies after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the securities of the Resulting Companies, respectively.
- 11.3 The issue and allotment of the Resulting Companies New Securities is an integral part hereof and shall be deemed to have been carried out under the orders passed by the NCLT without requiring any further act on the part of the Resulting Companies or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law as may be applicable, were duly complied with. It is clarified that the approval of the members of the Resulting Companies and / or the Demerged Company to this Scheme, shall be deemed to be their consent / approval for the issue and allotment of the Resulting Companies New Securities.
- 11.4 The Resulting Companies New Securities issued pursuant to Clause 11.1 above shall be in dematerialized or physical form as may be determined by the Board of Mastek and TAISPL. In the event that such notice has not been received by the Resulting Companies in respect of any of the shareholders of Demerged Company, the Resulting Companies New Securities, shall be issued to such shareholders in dematerialized form or physical form provided, in the event TAISPL CCPS issued in the dematerialized form the shareholders of Demerged Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that the Resulting Companies have received notice from any shareholder that Resulting Companies New Securities are to be issued in physical form or if any shareholder has not provided the requisite details relating to his / her / its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the shares of the Resulting Companies, then the Resulting Companies shall issue the Resulting Companies New Securities in physical form to such shareholder or shareholders.
- 11.5 In case any shareholder's shareholding in the Demerged Company is such that such shareholder becomes entitled to a fraction of a security of Mastek, Mastek shall not issue fractional share certificate to such shareholder but shall consolidate such fractions and round up the aggregate of such fractions to the next whole number and issue and allot the consolidated shares directly to a trustee nominated by the Board of Mastek in that behalf, who shall sell such shares in the market at such price or prices and on such time or times as the trustee may in its sole discretion decide and on such sale, shall pay to Mastek, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon Mastek shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Demerged Company in proportion to their respective fractional entitlements so sold by the trustee.
- 11.6 In case any shareholder's shareholding in the Demerged Company is such that such shareholder becomes entitled to a fraction of the TAISPL CCPS, TAISPL shall round the same up to the next whole number.

- 11.7 In the event, the Parties restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the share exchange ratio, per Clause 11.1 above shall be adjusted (including stock options) accordingly, to consider the effect of any such corporate actions.
- 11.8 Mastek shall apply for listing of Mastek Consideration Securities on the Stock Exchanges in terms of and in compliance of SEBI Circular and any other Applicable Law. Mastek Consideration Securities allotted by Mastek in terms of Clause 11.1 above, pursuant to the Scheme, shall remain frozen in the depository system till listing / trading permission is given by the designated Stock Exchange.
- 11.9 Mastek shall enter into such arrangements and give such confirmations and / or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.
- 11.10 Mastek Consideration Securities to be issued and allotted to the equity shareholders of ESPL pursuant to Clause 11.1 above of the Scheme and will be listed and / or admitted to trading on the Stock Exchanges, where the equity shares of Mastek are listed and / or admitted to trading in accordance with the Applicable Laws including without limitation the SEBI Circulars. Mastek shall enter into such arrangements and give such confirmations and / or undertakings as may be necessary in accordance with the Applicable Laws or regulations for complying with the formalities of the said Stock Exchanges.
- 11.11 Upon the Scheme, becoming effective, the authorized share capital of TAISPL shall stand reclassified from its existing authorized share capital of INR 10,00,000 (Indian Rupees Ten lakhs) divided into 1,00,000 (one lakh) equity shares of INR 10 (Indian Rupees Ten) to INR 10,00,000 (Indian Rupees Ten lakhs) divided into 85,000 (eighty five thousand) equity shares of INR 10 (Indian Rupees Ten) each and 15,000 (fifteen thousand) compulsorily convertible preference shares of INR 10 (Indian Rupees Ten) each without any further act or deed in terms of this Scheme. Accordingly, the words and figures in Clause V of the Memorandum of Association and Clause 4 of Part IV of Article of Association of TAISPL shall stand modified and be substituted to read as follows

“V. The authorized share capital of the Company is INR 10,00,000 (Rupees Ten Lakhs) divided into 85,000 (Eighty five thousand) equity shares of INR 10 (Rupees Ten only) each and 15,000 (Fifteen Thousand) Compulsorily Convertible Preference Shares of INR 10 (Rupees Ten only) each.”

“4. The Authorised Share Capital of the Company is as mentioned in Clause V of the Memorandum of Association of the Company with power of the Board of Directors to sub-divide, consolidate, reclassify, increase and with power from time to time, issue any shares of the original capital with and subject to any preferential, qualified or special rights, privileges or conditions as may be, thought fit, and upon the sub-division of shares apportion the right to participate in profits in any manner as between the shares resulting from sub-division.”

- 11.12 It is clarified that the approval of the shareholders of TAISPL to this Scheme shall be deemed that shareholders of TAISPL have also accorded their consent under Sections 13, 14, 42, 55, 61, 62 and 64 of the Act and / or other provisions of the Act and rules made thereunder as may be applicable for the aforesaid reclassification of authorised share capital, alteration of the Charter Documents and issuance of TAISPL CCPS to the shareholders of the Demerged Company and all actions taken in accordance with this Clause 11 of this Scheme shall be deemed to be in full compliance of Sections 13, 14, 42, 55, 61, 62 and 64 of the Act and other applicable provisions of the Act and that no further resolution or actions under Section 13, 14, 42, 55, 61, 62 and 64 of the Act and / or any other applicable provisions of the Act and rules made thereunder including, *inter-alia*, issuance of a letter of offer by TAISPL shall be required to be passed or undertaken.
- 11.13 It is also clarified that the approval of the equity shareholders of Mastek to this Scheme, pursuant to Section 230 to 232 of the Act, it shall be deemed that equity shareholders of Mastek have also accorded their consent under Sections 23, 42 and 62 of the Act and / or other provisions of the Act and rules made thereunder and Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 as may be applicable for the aforesaid new issuance of Mastek Consideration Securities to the shareholders of the Demerged Company and all actions taken in accordance with this Clause 11 of this Scheme shall be deemed to be in full compliance of Sections 23, 42 and 62 of the Act and other applicable provisions of the Act and Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 and that no further resolution or actions under Section 42 and 62 of the Act and / or any other applicable provisions of the Act and rules made thereunder and Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 including, *inter-alia*, issuance of a letter of offer by Mastek shall be required to be passed or undertaken.

12. ACCOUNTING TREATMENT

The Demerged Company and Resulting Companies shall comply with generally accepted accounting practices in India, provisions of the Act and accounting standards as notified by Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, in relation to the underlying transactions in the Scheme including but not limited to the following:

12.1 In the books of the Demerged Company:

Upon the Scheme coming into effect, the Demerged Company shall account for the Scheme in its books of account in accordance with the accounting standards prescribed under Section 133 of the Act in the following manner:

- 12.1.1 The Demerged Company shall transfer all assets and liabilities pertaining to the Demerged Undertaking as on the Appointed Date at the values appearing in its books of accounts immediately before the Appointed Date in accordance with the provision of Section 2(19AA) of the Income Tax Act; and
- 12.1.2 The books value of the net assets derecognized as per 12.1.1 above shall be recognized in the statement of profit and loss account;

12.2 In the books of the Resulting Companies:

12.2.1 Mastek

Upon this Scheme coming into effect, Mastek shall account for the Scheme in its books of account, as on the appointed date, in the following manner:

- (a) Mastek shall credit its share capital account with the aggregate face value of the equity shares issued pursuant to Clause 11.1 above of this Scheme and the difference between the aggregate fair value as on the Appointed Date, and the aggregate face value of such equity shares shall be credited to the securities premium account.
- (b) the aggregate amount of the share capital and securities premium recorded above shall be recorded as debit in investments in subsidiary i.e. TAISPL.
- (c) Further, the option given by Mastek over TAISPL CCPS, shall be recognized at its fair value as on the Appointed Date, as a liability with a corresponding debit in investments in subsidiary i.e. TAISPL.

12.2.2 TAISPL

Upon this Scheme coming into effect, TAISPL shall account for the Scheme in its books of account, as on the Appointed Date, in the following manner:

- (a) TAISPL shall record the assets and liabilities pertaining to the Demerged Undertaking (whether recorded or not in the books of the Demerged Company), transferred to and vested in it pursuant to this Scheme, at their respective fair values, as on the Appointed Date.
- (b) TAISPL shall credit its share capital account with the face value of TAISPL CCPS issued in accordance with Clause 11.1 above and the difference between the aggregate fair value and the face value of such TAISPL CCPS shall be credited to the securities premium account.
- (c) TAISPL shall record the aggregate value of equity shares issued by Mastek and fair value of options as referred in 12.2.1 (c) as deemed equity contribution. TAISPL would compute the purchase consideration in accordance with the principles of Ind AS 103 which shall be the sum of fair value of the shares issued by Mastek, fair value option as referred in 12.2.1 (c) and fair value of the compulsorily convertible preference shares issued by TAISPL as on the Appointed Date.
- (d) The difference between fair value of purchase consideration as computed in Clause 12.2.2(c) above and the value of Net Assets ("Net Assets" means excess of the fair value of assets over the fair value of liabilities as per Clause 12.2.2(a) above) pertaining to the Demerged Undertaking shall be recognised as goodwill, if positive (debit balance), or capital reserve, if negative (credit balance).

PART III

GENERAL TERMS AND CONDITIONS

13. REMAINING BUSINESS OF THE DEMERGED COMPANY

- 13.1 The Remaining Business of the Demerged Company shall constitute primarily the India focus business carried on by the Demerged Company in India and all the assets, investments, liabilities and obligations of the Demerged Company pertaining to such business, shall continue to belong to and be vested in and be managed by the Demerged Company. With effect from the Effective Date, only the Demerged Company shall be liable to perform and discharge all liabilities and obligations in relation to the Remaining Business of the Demerged Company and TAISPL shall not have any liability or obligation in relation to the Remaining Business of the Demerged Company.
- 13.2 All legal, Tax and / or other proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, and relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced against the Demerged Company. The Resulting Companies shall in no event be responsible or liable in relation to any such legal, Tax or other proceedings in relation to the Remaining Business of the Demerged Company.
- 13.3 If any of the Resulting Companies is in receipt of any demand, claim, notice and / or are impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Remaining Business of the Demerged Company, the Resulting Companies shall, in view of the transfer and vesting of the Demerged Undertaking, pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to substitute the Resulting Companies with the Demerged Company. However, if the Resulting Companies, are unable to get the Demerged Company so substituted in such proceedings, they shall defend the same or deal with such demand in accordance with the advice of the Demerged Company and at the cost of the Demerged Company and the latter shall reimburse the Resulting Companies, against all liabilities and obligations incurred by or against the Resulting Companies, in respect thereof.

14. DIVIDENDS

- 14.1 The Parties shall be entitled to declare and pay dividends to their respective shareholders in the Ordinary Course of Business, whether interim or final.
- 14.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of any of the Parties, as the case may be, to demand or claim or be entitled to any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of respective Parties, and subject to approval, if required, of the shareholders of the respective Parties.

15. BUSINESS UNTIL EFFECTIVE DATE

15.1 With effect from the start of business on the Appointed Date and till the Effective Date:

15.1.1 The Demerged Company shall carry on and shall be deemed to have carried on all its business and operations relating to the Demerged Undertaking as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Demerged Undertaking on account of, and for the benefit of, and in trust for, the Resulting Companies.

15.1.2 All the profits or incomes accruing or arising to the Demerged Company and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Demerged Company in relation to the Demerged Undertaking shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or as the case may be, expenditure or losses (including taxes) of the Resulting Companies.

15.1.3 Any of the rights, powers, authorities and privileges attached or related or pertaining to the Demerged Company and exercised by or available to the Demerged Company, in relation to the Demerged Undertaking shall be deemed to have been exercised by the Demerged Company for and on behalf of and as an agent for the Resulting Companies. Similarly, any of the obligations, duties and commitments attached, relating or pertaining to the Demerged Undertaking that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken or discharged for and on behalf of and as an agent for the Resulting Companies.

15.2 With effect from the date of approval of the Scheme by the respective Boards of the Demerged Company and the Resulting Companies and up to and including the Effective Date, the Resulting Companies shall and ESPL shall ensure that (except as may be approved in writing by TAISPL) the Demerged Undertaking, taken as a whole, is carried on in the Ordinary Course of Business as carried on as of the Appointed Date, other than as required to give effect to the provisions of this Scheme in accordance with Applicable Law. The Demerged Company shall, with respect to the Demerged Undertaking, carry on the business with reasonable diligence and business prudence and in the same manner as the Demerged Company had been doing hitherto. Further, TAISPL shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which TAISPL may respectively require to carry on the relevant business of the Demerged Company and to give effect to the Scheme.

15.3 Further, ESPL hereby undertakes, agrees and covenants with the Resulting Companies that, except as expressly consented to by TAISPL in writing or as contemplated under this Scheme or except if it pertains to the Excluded Assets, ESPL shall not outside the Ordinary Course of Business:

15.3.1 commence any new line of business or discontinue any existing line of business;

15.3.2 amend its Charter Documents;

- 15.3.3 cancel or amend the insurance policies in relation to its business;
- 15.3.4 take any such action as is reasonably likely to prevent or materially delay the satisfaction of one or more conditions precedent or consummation of the transactions contemplated under the Scheme;
- 15.3.5 (i) solicit, initiate or take any action to facilitate or encourage any inquiries or the making of any proposal from a Person or group of Persons, other than the Resulting Companies, that constitute, or could reasonably be expected to result in a direct or indirect acquisition of all or any part of Demerged Undertaking, ("**Alternate Transaction**"); (ii) enter into or participate in any discussions or negotiations with any Person or group of Persons, regarding an Alternate Transaction; (iii) furnish any non-public information relating to ESPL or the Demerged Undertaking or afford access to the assets, business, properties, books or records of the Demerged Undertaking or ESPL to any Person or group of Persons, other than the Resulting Companies or their Affiliates, in each case for the purpose of assisting with or facilitating an Alternate Transaction; or (iv) enter into an Alternate Transaction or any agreement, arrangement or understanding, including, without limitation, any letter of intent, term sheet or other similar document, relating to an Alternate Transaction;
- 15.3.6 take any action to change its accounting policies or procedures other than as required under Applicable Law;
- 15.3.7 issue (including by way of bonus issues), grant, allot, repurchase, redeem, reorganize or cancel any equity securities or convertible securities or options in respect of such securities or otherwise make any change in its capital structure and / or capital structure of the Identified Investments, any change in class rights for securities, or modify or adopt or allocate any equity option or acceleration of any vesting thereunder;
- 15.3.8 invest whether by way of subscription to or acquisition of shares, debentures or other securities of any other entity (whether new or existing) or invest by way of deposits or advances to such other entities, including any acquisition, transfer, disposal, or creation of any Encumbrance on or in respect of such investments or any rights therein or the restructuring of any rights attached to such investments;
- 15.3.9 make any divestments, sale or acquisition of business (whether by way of purchase of shares, assets or properties);
- 15.3.10 incur any borrowings, loans or undertake any other Indebtedness or create any Encumbrance on their assets, over and above the existing sanctioned borrowing limits;
- 15.3.11 enter into / amend any customer or vendor agreement requiring a payment by ESPL of more than INR 71,00,000 (Indian Rupees Seventy one lakhs);
- 15.3.12 undertake any merger, reorganization, spin-off, consolidation or any other similar form of corporate or debt restructuring;

- 15.3.13 enter into or amend any agreement or incur any commitment which (i) is not capable of being terminated without compensation at any time with 3 (three) months' notice or less; or (ii) is not in the Ordinary Course of Business; or (iii) involves or may involve total general, capital and administrative expenditure in excess of INR 71,00,000 (Indian Rupees Seventy one lakhs);
 - 15.3.14 commence any proceeding or other action for voluntary liquidation or winding up or insolvency proceedings of ESPL or any of the Identified Investments, or consent to the filing of any such proceeding or enter into any compromise or arrangement with its creditors or appointment of any receiver or administrator;
 - 15.3.15 terminate the employment of any Key Employee or compel, influence or require any employees to leave / resign from their respective employment;
 - 15.3.16 transfer, assign, sell, pledge, mortgage, dispose, lease, or Encumber any of their respective assets, tangible or intangible;
 - 15.3.17 take, or agree or commit to take, any action that would result in the occurrence of any of the foregoing; and
 - 15.3.18 declare or pay any dividends or distributions except dividends distributed from the distributable profits arising out of the Remaining Business of the Demerged Company.
- 15.4 Without prejudice to the generality of Clause 15.3 above, during the period between the Appointed Date and Effective Date, ESPL shall, with respect to the Demerged Undertaking:
- 15.4.1 take necessary steps to maintain or renew approvals obtained by them which are material to the operation of their respective business;
 - 15.4.2 comply in all material respects with Applicable Law, and take necessary steps to maintain or renew approvals obtained by it which are material to the operation of its business;
 - 15.4.3 respond to, or comply with (as applicable), notices, directions and orders of Appropriate Authorities as may be issued from time to time;
 - 15.4.4 not make, or not agree to make, any payment of cash or distribute assets of the Demerged Undertaking other than in the Ordinary Course of Business or disposal of any asset of the Demerged Undertaking;
 - 15.4.5 pay their accounts payable and other obligations consistent with its Ordinary Course of Business; perform its obligations under all agreements to which it is a party (or Identified Investments are a party) and by which ESPL or any of its assets are bound or affected or pursuant to which ESPL is an obligor or beneficiary in the Ordinary Course of Business

- 15.4.6 immediately notify TAISPL regarding termination of the employment of any Key Employees;
 - 15.4.7 immediately notify TAISPL of the receipt of any written offer, indication of interest, proposal or inquiry relating to an Alternate Transaction, such notice to include the material terms thereof, including the identity of the Person or group of Persons involved, and shall promptly inform TAISPL of any modifications to such terms;
 - 15.4.8 promptly inform TAISPL of the occurrence of any MAC Event;
 - 15.4.9 provide: (i) to the Resulting Companies or their Affiliates such information, as is reasonably requested by them; and (ii) to the Resulting Companies or their Affiliates and their respective representatives, reasonable access to the books, accounts, records, properties, facilities of ESPL;
 - 15.4.10 undertake best efforts to preserve and protect the Demerged Undertaking and its present relationships and agreements with customers, suppliers, distributors and other persons which are to be transferred to the Resulting Companies pursuant to this Scheme;
 - 15.4.11 maintain the Books and Records consistent with the past custom and practice of ESPL, except for any changes required pursuant to this Scheme; and
 - 15.4.12 pay their accounts payable and other obligations consistent with their past customs and practices when they become due and payable in accordance with existing practices.
- 15.5 For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the NCLT, TAISPL shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the demerger of the Demerged Undertaking in accordance with the provisions of Sections 230 to 232 of the Act. TAISPL shall always be deemed to have been authorized to execute any pleadings, applications, forms etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, TAISPL shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all obligations in relation to or applicable to all immovable properties including mutation and / or substitution of the ownership or the title to or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authorities in favour of TAISPL pursuant to the sanction of this Scheme by the NCLT and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by TAISPL. It is clarified that TAISPL shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and / or substitution.

16. PROPERTY IN TRUST

- 16.1 Notwithstanding anything contained in this Scheme, on or after the Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Demerged Undertaking, as the case may be, are transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of TAISPL, as the case may be, such Resulting Companies are deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the relevant Parties, the Demerged Company will continue to hold the property and/or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of TAISPL, as the case may be.

17. FACILITATION PROVISIONS

- 17.1 Immediately upon the Scheme being effective, the Parties shall enter into agreements as may be necessary, *inter alia*, in relation to use by the Parties of office space, infrastructure facilities, information technology services, security personnel, legal, administrative and other services, etc. on such terms and conditions that may be mutually agreed between the Parties.
- 17.2 It is clarified that the approval of this Scheme by the shareholders of the Parties under Sections 230 to 232 of the Act shall be deemed to have their approval under Section 188 of the Act and any other applicable provisions of the Act and that no separate approval from the shareholders to that extent will be required to be sought by any of the Parties.

18. APPLICATION / PETITIONS TO NCLT

- 18.1 The Parties shall dispatch, make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the NCLT, under whose jurisdiction the registered offices of the respective Parties are situated, for sanction of this Scheme under the provisions of Applicable Law and shall apply for such approvals as may be required under Applicable Law.
- 18.2 The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Parties may require to own the assets and / or liabilities of the Demerged Undertaking and to carry on the business of the Demerged Undertaking.

19. MODIFICATION OR AMENDMENTS TO THIS SCHEME

- 19.1 On behalf of each of the Parties, the Board of the respective Parties acting themselves or through authorized Persons, may consent jointly but not individually, on behalf of all Persons concerned, to any modifications or amendments to this Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the NCLT or any other Appropriate

Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by all of them (i.e., the Boards of the Parties) and solve all difficulties that may arise for carrying out this Scheme and do all acts, deeds and things necessary for putting this Scheme into effect.

- 19.2 For the purposes of giving effect to this Scheme or to any modification hereof, the Boards of the Parties acting themselves or through authorized Persons may jointly but not individually, give and are jointly authorised to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all Parties, in the same manner as if the same were specifically incorporated in this Scheme.

20. CONDITIONS PRECEDENT TO THE SCHEME

- 20.1 Unless otherwise decided (or waived) by the relevant Parties, the Scheme is conditional upon and subject to the following conditions precedent:

20.1.1 obtaining no-objection/ observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;

20.1.2 The Scheme shall be acted upon only if the votes cast by the public shareholders of Mastek in favour of the proposal are more than the number of votes cast by the public shareholders of Mastek against it, as required under the SEBI Circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957;

20.1.3 approval of the Scheme by the requisite majority of each class of shareholders (including public shareholders) and / or creditors of the Parties and such other classes of Persons, if any, as applicable or as may be required under the Act, Applicable Law (including requirements set forth under SEBI Circular) and as may be directed by the NCLT;

20.1.4 the sanctions and orders of the NCLT, under Sections 230 to 232 of the Act being obtained by the Parties;

20.1.5 certified/ authenticated copies of the orders of the NCLT, sanctioning the Scheme, being filed by each of the Parties with the Registrar of Companies having jurisdiction over the Parties; and

20.1.6 the requisite consent, approval or permission of Appropriate Authority or any other Person which by Applicable Law or contract, agreement may be necessary for the implementation of this Scheme.

- 20.2 It is hereby clarified that submission of this Scheme to the NCLT and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that Parties may have under or pursuant to all Applicable Laws.

- 20.3 This Scheme for demerger and vesting of the Demerged Undertaking on a *going concern* basis constitutes one composite Scheme.

20.4 On the approval of this Scheme by the shareholders of the Demerged Company, the Resulting Companies and such other classes of Persons of the Resulting Companies, if any, pursuant to Clause 20.1.2 above, such shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the demerger, transfer, capital reduction, authorised share capital reclassification set out in this Scheme, related matters and this Scheme itself.

21. NON-RECEIPT OF APPROVALS AND REVOCATION / WITHDRAWAL OF THIS SCHEME

21.1 The Parties acting jointly through their respective Boards shall each be at liberty to withdraw from this Scheme.

21.2 In the event the Scheme not being sanctioned by the NCLT, and/or the order or orders not being passed as aforesaid on or before such date as may be agreed to by the Parties, this Scheme shall become null and void.

21.3 In the event of revocation / withdrawal of the Scheme under Clause 21.1 or Clause 21.2 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Parties or their respective shareholders or creditors or employees or any other Person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with Applicable Law.

22. COSTS AND EXPENSES

All costs, charges and expenses payable in relation to or in connection with this Scheme and incidental to the completion of the transfer and vesting of the Demerged Undertaking in the Resulting Companies in pursuance of this Scheme including stamp duty on the order(s) of the NCLT, if any, to the extent applicable and payable shall be borne and paid by the Demerged Company, including in the event of this Scheme not taking effect as provided in Clause 21 above.

23. SAVING OF CONCLUDED TRANSACTIONS

Nothing in this Scheme shall affect any transaction or proceedings already concluded or liabilities incurred by the Demerged Company in relation to the Demerged Undertaking until the Appointed Date to the end and intent that the Resulting Companies shall accept and adopt all acts, deeds and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of the Resulting Companies.

SCHEDULE I

TERMS AND CONDITIONS OF COMPULSORILY CONVERTIBLE PREFERENCE SHARES

Each TAISPL CCPS shall be subject to the terms and conditions contained herein.

1. Face Value

Each TAISPL CCPS shall have a face value of INR 10 (Indian Rupees Ten).

2. Voting Rights

A holder of TAISPL CCPS will not have voting rights until the TAISPL CCPS is converted into equity shares.

3. Coupon

Each TAISPL CCPS shall be a non-cumulative preference share and shall entitle the holder thereof to 0.001% dividend per annum on the face value of the TAISPL CCPS. Apart from such fixed dividends, the holders of the TAISPL CCPS shall have the right to receive dividend *pari passu* with the holders of the other equity shares in TAISPL in accordance with the provisions of the Agreement.

4. Conversion

4.1 Each TAISPL CCPS shall at the option of the holder, be converted into 1 (one) equity share at any time after expiry of 6 (six) years from date on which the TAISPL CCPS is issued.

4.2 Each TAISPL CCPS shall automatically be converted into 1 (one) equity share upon the expiry of a period of 8 (eight) years from the date on which the TAISPL CCPS is issued.

4.3 Upon being requested by the holder of the TAISPL CCPS to convert the TAISPL CCPS into equity shares or on the date on which the TAISPL CCPS automatically become convertible into equity shares, TAISPL shall:

4.3.1 convene a meeting of its Board of Directors, in which meeting TAISPL shall approve the conversion of the relevant TAISPL CCPS and issuance of equity shares pursuant to such conversion;

4.3.2 cancel the share certificates representing the relevant TAISPL CCPS and issue duly stamped share certificates in the name of the holder of the TAISPL CCPS being converted to reflect such holder as the owner of the equity shares being issued upon conversion;

4.3.3 file with the jurisdictional Registrar of Companies relevant forms in respect of allotment of the equity shares upon conversion of the relevant TAISPL CCPS and provide the holder of the TAISPL CCPS with certified true copies of such form, duly filed with the jurisdictional Registrar of Companies, along with receipts in respect of such forms; and

4.3.4 do all such acts and deeds as may be required to give effect to the conversion of the TAISPL CCPS.

5. Conversion Term Adjustment

- 5.1 If TAISPL should at any time fix a record date for the effectuation of a split or subdivision of the outstanding equity shares or the determination of holders of equity shares entitled to receive a distribution payable in additional equity shares or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional equity shares (hereinafter referred to as “**Equity Shares Equivalents**”) without payment of any consideration by such holder for the additional equity shares or the Equity Shares Equivalents (including the additional equity shares issuable upon conversion), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the conversion terms of the TAISPL CCPS shall be appropriately modified so that the number of equity shares issuable on conversion of each TAISPL CCPS shall be increased in proportion to such increase of the aggregate of equity shares outstanding and those issuable with respect to such Equity Shares Equivalents.
- 5.2 If the number of equity shares outstanding at any time is decreased by a combination / consolidation of the outstanding equity shares, then, following the record date of such combination / consolidation, the conversion terms for the TAISPL CCPS shall be appropriately modified so that the number of equity shares issuable on conversion of each TAISPL CCPS shall be decreased in proportion to such decrease in outstanding shares.
- 5.3 If at any time or from time to time, with the prior written consent of the New Shareholders, there shall be a recapitalization or reclassification of the equity shares (including any such reclassification in connection with a consolidation or merger in which TAISPL is the continuing corporation), provision shall be made so that the holders of the TAISPL CCPS shall thereafter be entitled to receive upon conversion of the TAISPL CCPS the number of shares or other securities or property of TAISPL or otherwise, to which a holder of equity shares deliverable upon conversion would have been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Schedule with respect to the rights of the holders of the TAISPL CCPS after the recapitalization to the end that the provisions of this Schedule (including adjustment of the conversion terms then in effect and the number of shares issuable upon conversion of the TAISPL CCPS) shall be applicable after that event as nearly equivalent as may be practicable.
- 5.4 Upon the occurrence of each adjustment of the conversion terms of the TAISPL CCPS pursuant to this paragraph 5, TAISPL, at its expense, shall promptly compute such adjustment in accordance with the terms hereof and prepare and furnish to each holder of the TAISPL CCPS a certificate setting forth such adjustment and showing in detail the facts upon which such adjustment is based. TAISPL shall, upon the written request at any time of any holder of TAISPL CCPS, furnish or cause to be furnished to such holder a certificate setting forth (i) such adjustment and readjustment, (ii) the conversion terms for such TAISPL CCPS at the time in effect, and (iii) the number of equity shares and the amount, if any, of other property that at the time would be received upon the conversion of a share of TAISPL CCPS.

5.5 In the event that, for any reason whatsoever, the provisions hereof cannot be effectuated (either fully or partially), then, the shareholders shall endeavour in good faith to achieve the commercial intent of the aforesaid provisions to the maximum extent possible and for this purpose shall take all such actions as ESPL may request.

6. **Governing law**

Each TAISPL CCPS will be governed and construed in accordance with the laws of India.

7. **Amendments**

The rights, privileges and conditions attached to each TAISPL CCPS may be varied, modified or abrogated only with the prior consent of the holder of the TAISPL CCPS, in accordance with the terms of the articles of TAISPL and Applicable Law.

Niranjan Kumar

Registered Valuer- Securities and Financial Assets

Date: 08 February 2020

To,
The Board of Directors
Evolutionary Systems Private Limited
11th Floor, Kataria Arcade,
S.G. Highway, Makarba,
Ahmedabad- 380054, Gujarat

To,
The Board of Directors
Mastek Limited,
804/ 805 President House,
Near Ambawadi Circle,
Ahmedabad- 380006, Gujarat

To,
The Board of Directors
Trans American Information Systems Private Limited
B2/ 362, Tara Nagar, Old Palam Road, Kakrola,
New Delhi- 110078

Subject: Recommendation of fair share entitlement ratio of Compulsorily Convertible Preference Shares ('CCPS') for the proposed demerger of the Oracle Service Business of Evolutionary Systems Private Limited into Trans American Information Systems Private Limited.

Dear Sir,

We refer to the engagement letter and discussions held with the Management of Trans American Information Systems Private Limited (hereinafter referred to as 'TAISPL' or 'resulting company') and Mastek Limited (hereinafter referred to as 'Mastek'), wherein the Management of TAISPL and Mastek has requested Niranjan Kumar, Registered Valuer- Securities and Financial Assets ('NSK', 'we' or 'us') to recommend a fair share entitlement ratio with respect to Compulsorily Convertible Preference Shares ('CCPS') to be issued by TAISPL for the proposed demerger of the entire Oracle Service Business catering to the overseas market (hereinafter referred to as 'Oracle Service Business' or the 'Demerged Business') of Evolutionary Systems Private Limited (hereinafter referred to as 'ESPL' or 'demerged company') into TAISPL. Hereinafter the aforesaid proposed transaction shall be referred to as the 'proposed demerger', the Management including the Board of Directors of TAISPL and Mastek, together, shall be referred to as 'the Management'; and the resulting company and demerged company shall be referred to as 'Companies'.

Please find enclosed the report (comprising 14 pages) detailing our recommendation of fair share entitlement ratio with respect to CCPS to be issued by TAISPL for the proposed demerger and the assumptions used in our analysis.

This report sets out our scope of work, background, procedures performed by us, source of information and our recommendation of the share entitlement ratio.

BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT

Evolutionary Systems Private Limited ('ESPL' or 'demerged company') was incorporated on 12 September 2006 and is primarily engaged in the business of providing Oracle Cloud

implementation and consultancy solutions including Oracle HCM Cloud, Oracle ERP Cloud, Oracle SCM Cloud, Oracle CX, Oracle EPM Cloud, PaaS solutions (including custom-built solutions), AI, IoT and machine learning. ESPL provides these services from India as well as through various subsidiaries operating in countries such as UAE, USA, Saudi Arabia, Qatar, UK, Singapore, Egypt and Australia.

Mastek Limited ('Mastek') was incorporated on 14 May 1982 and is engaged in the business of providing enterprise technology solutions. Its service portfolio includes business and technology services, including information technology consulting, application development, systems integration, application management outsourcing, testing, data warehousing, business intelligence, application security etc. The equity shares of Mastek are listed on both BSE and NSE. Mastek holds 100% equity stake in Trans American Information Systems Private Limited (TAISPL)

Trans American Information Systems Private Limited ('TAISPL') was incorporated on 05 March 1999 and is engaged in the business of providing end-to-end e-commerce services including strategy, creative, design, implementation and managed services. It also provides support services to customers of its fellow subsidiary TaisTech LLC, USA. TAISPL is a wholly owned subsidiary of Mastek.

The Management of ESPL ('demerged company') alongwith that of TAISPL and Mastek (together hereinafter referred to as 'the Management') are contemplating a demerger proposal wherein they intend to demerge the Oracle Service Business which includes business undertaken in India and through its following subsidiaries: i) Evolutionary Systems Company Limited; ii) Evolutionary Systems Corp; iii) Evolutionary Systems (Singapore) Pte. Ltd; iv) Evolutionary Systems Pty Ltd; v) Evolutionary Systems Qatar WLL; and vi) Evolutionary Systems Saudi LLC located in UK, USA, Singapore, Australia, Qatar and Saudi Arabia respectively and include assets and liabilities mentioned in the demerger scheme (all together referred to as 'demerged business') of ESPL into TAISPL (transaction referred to as 'proposed demerger') in accordance with the provisions of sections 230 to 232 of the Companies Act, 2013 or any statutory modifications, re-enactment or amendments thereof for the time being in force ("the Act") read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("the Rules"), as amended from time to time and all other applicable provisions, if any, of the Act and any other applicable law for the time being in force including the applicable provisions of the SEBI Guidelines and the rules framed therein with respect to the proposed demerger and in a manner provided in the Scheme of Arrangement (hereinafter referred to as 'the Scheme'). As per the scheme, as a consideration for the proposed demerger, shareholders of ESPL will be issued 42,35,294 equity shares of the listed entity Mastek i.e. parent entity of TAISPL at an agreed price of INR 650/- per share and balance consideration shall be in the form of Compulsorily Convertible Preference Shares ('CCPS') of TAISPL in the share entitlement ratio as determined by the Board of Directors on the basis of share entitlement ratio report prepared by the Registered Valuer as required under the applicable provisions of SEBI Guidelines.



In connection with the above mentioned proposed demerger, the Management of Mastek has appointed Niranjn Kumar, Registered Valuer- Securities and Financial Assets ('NSK') to submit a report recommending a fair share entitlement ratio for issue of CCPS of TAISPL to the shareholders of ESPL as consideration for the proposed demerger.

We understand that the proposed appointed date for the demerger is 01 February 2020 or such other date as the competent authority may direct or approve.

The scope of our service is to conduct a relative (and not absolute) valuation of the business proposed to be demerged and the resulting company including the value post transfer of the demerged business and arrive at the share entitlement ratio with respect to the compulsory convertible preference shares proposed to be issued after considering terms of the same and other facts of the case in accordance with internationally accepted valuation standards including India Valuation Standards, 2018 issued by the Institute of Chartered Accountants of India (ICAI).

The Managements have informed us that:

- a) There would not be any capital variation in the Companies till the Proposed Demerger becomes effective without approval of the shareholders and other relevant authorities;
- b) Till the proposed Demerger becomes effective, neither Companies would declare any dividend which are materially different than those declared in the past few years.
- c) There are no unusual / abnormal events in the Companies since the last audited financials were declared till the Report Date materially impacting their operating / financial performance.

This report is our deliverable for the said engagement and is subject to the scope, assumptions, qualifications, exclusions, limitations and disclaimers detailed above and hereinafter. As such, the report is to be read in totality and in conjunction with the relevant documents referred to therein.

SHAREHOLDING PATTERN

a) Evolutionary Systems Private Limited ('ESPL' or 'the demerged company')

The equity shareholding pattern of ESPL as at the report date is set out below:

Name of the shareholder	Number of shares (Face Value INR 10 each)	Percentage %
Umang Nahata	36,16,000	36.2%
Ummed Nahata	27,12,000	27.1%
Rakesh Raman	27,12,000	27.1%
Yashodar Bhide	4,80,000	4.8%
Sunil Kothari	4,80,000	4.8%
Total	1,00,00,000	100.0%



Based on our discussion with the Management, we understand that ESPL currently has some outstanding Employee Stock Option Plans ('ESOP') all of which prior to the scheme being implemented would stand cancelled and none of the outstanding ESOP would get exercised. We have therefore not considered any dilution effect on account of the outstanding ESOP for the purpose of our value analysis.

b) Trans American Information Systems Private Limited ('TAISPL' or 'the resulting company')

The equity shareholding pattern of TAISPL as at the report date is set out below:

Name of the shareholder	Number of shares (Face Value INR 10 each)	Percentage %
Mastek Limited	34,519	100.0%
Others	1	0.0%
Total	34,520	100.0%

c) Mastek Limited ('Mastek')

The equity shareholding pattern of Mastek as at the report date is set out below:

Category of shareholder	Number of equity shares (Face Value INR 5 each)	Percentage %
Promoter and Promoter Group	1,09,53,660	45.2%
Public	1,33,01,573	54.8%
Total	2,42,55,233	100.0%

TERMS OF CCPS TO BE ISSUED BY TAISPL

Key terms of the CCPS to be issued by TAISPL to the shareholders of the Demerged Company for the proposed demerger is set out below:

Particulars	
Nature	Convertible, non-cumulative
Face Value	INR 10/-
Rate of dividend	0.001% non-cumulative
Conversion ratio	1:1*
Conversion terms	Convertible at the option of the holder at any time after the expiry of 6 years from the date of issue; or Automatically convertible upon the expiry of 8 years from the date of issue
Other key term	Apart from fixed dividend, the holders of CCPS shall have the right to receive dividend pari passu with the holders of other equity shares in TAISPL

* Every one CCPS shall (on the conversion date) be converted into one equity share



SOURCES OF INFORMATION

In connection with the valuation exercise, we have used and relied on the following sources of information:

A. Company specific information:

Information provided by the Management which includes:

- Audited financial statements of ESPL, Mastek and TAISPL for the year ended 31 March 2019 (FY19);
- Audited financial statements of subsidiaries, wholly owned subsidiaries; step down subsidiaries of ESPL (hereinafter referred to as 'investee companies') including carved out financial of the demerged business for the year ended 31 March 2019 (FY19);
- Latest shareholding pattern of ESPL, Mastek and TAISPL as at report date;
- Financial projections of TAISPL and demerged business from FY20 to FY25 ('Management Projections') which represent management's best estimate of the future financial performance of the Demerged business and TAISPL;
- Details with respect to the number of equity shares of Mastek proposed to be issued as part discharge of consideration and the price at which these shares shall be issued as agreed between ESPL promoters and the Management of Mastek and TAISPL.
- Terms of CCPS of TAISPL proposed to be issued as balance consideration for the proposed demerger including its dividend terms, duration, conversion terms etc;
- Draft scheme of arrangement; and
- Discussions and correspondence with the Management in connection with business operations, past trends, proposed future business plans and prospects of the Demerged Business and TAISPL etc.;

B. Industry and economy information:

- Information available in public domain and databases such as Moneycontrol, Capitaline, NSE, BSE etc.; and
- Such other information and documents as provided by the Management for the purpose of this engagement

Besides the above listing, there may be other information provided by the Management which may not have been perused by us in detail, if not considered relevant for our defined scope.

We have also considered/ obtained such other analysis, review, explanations and information considered reasonably necessary for our exercise, from the Management. The Management have been provided with the opportunity to review the draft report (excluding the share entitlement ratio) as part of our standard practice to make sure that factual inaccuracies/ omissions are avoided in our final report.



SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us.

This report, its contents and the results herein are specific and subject to:

- the purpose of valuation agreed as per the terms of this engagement;
- the date of this report;
- the part consideration discharged by way of issue of the defined number of equity shares of Mastek at the agreed price being the fair value of such consideration;
- terms of CCPS to be issued by TAISPL for balance consideration payable for the proposed demerger;
- realization of cash flow projections as provided by the Management;
- audited financial statements of ESPL and TAISPL as at 31 March 2019;
- identified assets and liabilities forming part of the Demerged Business;
- latest shareholding pattern of ESPL, Mastek and TAISPL; and
- data detailed in the section- Sources of Information.

We have been informed that the business activities of the Companies have been carried out in the normal course between 31 March 2019 and the report date and that no material changes have occurred in their respective operations and financial position between 31 March 2019 and the report date.

A value analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular. It is based on information made available to us as of the report date, events occurring after that date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The ultimate analysis will have to be tempered by the exercise of judicious discretion by the valuer and judgment taking into account the relevant factors. There will always be several factors e.g. Management capability, present and prospective yield on comparable securities, market sentiment etc., which are not evident on the face of the financial statement but which will strongly influence the value of the company and its securities.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Management till the date of this report and other sources, and the said recommendation(s) shall be considered to be in the nature of non-binding advice (our recommendation should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).



The determination of fair value is not a precise science and the conclusions arrived at in many cases, will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no indisputable single fair value. While we have provided our recommendation of the fair share entitlement ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion. The final responsibility for the determination of the share entitlement ratio for the proposed demerger shall be with the board of directors of the entities forming part of the transaction, who should take into account other factors such as their own assessment of the proposed transaction and input of advisors.

In the course of our analysis, we were provided with both written and verbal information, including market, technical, financial and operating data including information as detailed in the section – Sources of Information by the Management.

In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification of,

- the accuracy of information made available to us by the Management, which formed a substantial basis for this report; and
- the accuracy of information that was publicly available;

We have not carried out a due diligence or audit or review of the Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided.

We are not legal or regulatory advisors with respect to legal and regulatory matters for the proposed demerger. We do not express any form of assurance that the financial information or other information as prepared and provided by the Management is accurate. Also, with respect to explanations and information sought from the Management, we have been given to understand by the Management that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

Our conclusions are based on these assumptions and information given by/ on behalf of the Management. The Management of the Company has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our recommendation. Accordingly, we assume no responsibility for any errors in the information furnished by the Management and their impact on the report. Also, we assume no responsibility for technical information (if any) furnished by the Management. However, nothing has come to our attention to indicate that the information provided was materially misstated/ incorrect or would not afford reasonable grounds upon which to base the report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.



The report assumes that the Company complies fully with relevant laws and regulations applicable in all its areas of operations and that the Company will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration on to matters of a legal nature, including issues of legal title and compliance with local laws and litigation and other contingent liabilities that are not recorded in the financial statements of the Company.

This report does not look into the business/ commercial reasons behind the transaction nor the likely benefits arising out of the same. Similarly, the report does not address the relative merits of the transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. This report is restricted to recommendation of share entitlement ratio only.

We would like to emphasise that as part of the proposed transaction the Demerged Business including identified assets and liabilities mentioned in detail in the demerger scheme would be transferred to the resulting company and as a consideration certain equity shares of the listed entity Mastek, parent of the resulting entity would be issued to the existing shareholders of the demerged company, and therefore the resulting company has to issue shares only for the balance consideration for which the management has decided to issue compulsorily convertible preference shares ('CCPS'). Post the scheme implementation, the resulting company would have the entire demerged business housed in it but the consideration payable would only be equivalent to the difference between the value of the demerged business and value of equity shares issued of the listed entity. Therefore, while arriving at the share entitlement ratio, we have considered the value of the resulting entity to be equivalent to the value of the existing business being undertaken plus the value of equity shares issued of the listed entity as the part consideration for the proposed demerger and accordingly arrived at the value of the equity share of the resulting company.

We must emphasize that realization of free cash flow forecast or the realizability of the assets at the values considered in the analysis will be dependent on the continuing validity of assumptions on which they are based. Our analysis therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since the financial forecasts relate to the future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences could be material. To the extent that our conclusions are based on the forecasts, we express no opinion on achievability of those forecasts. The fact that we have considered the projections in this valuation exercise should not be construed or taken as our being associated with or a party to such projections.

No investigation of the Company's claim to title of assets has been made for the purpose of this report and the Company's claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts.

We must emphasize that since we were not provided with the latest financial statements of the Resulting and Demerged Company as at the report date, we have relied on the audited



financial statements as at 31 March 2019 for the purpose of our value analysis as the Management confirmed that there would not be any significant deviation in the financial position between 31 March 2019 and the report date.

We have relied on the Management projections for the period from FY20 to FY25, as prepared and provided to us by the Management. We did not carry out any validation procedures or due diligence with respect to the information provided/ extracted or carry out any verification of the assets or comment on the achievability of the assumptions underlying the Management Projections, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us during the course of this engagement.

The fee for the Engagement is not contingent upon the results reported.

We owe responsibility only to the Board of Directors of TAISPL and Mastek, who have appointed us, and nobody else.

We do not accept any liability to any third party in relation to the issue of this report. It is understood that this analysis does not represent a fairness opinion. In no circumstance shall the liability of NSK exceed the amount as agreed in our Engagement Letter.

This value analysis report is subject to the laws of India.

Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with relevant filings with the statutory authorities with respect to the proposed demerger, without our prior written consent.

VALUATION APPROACHES

It should be understood that the valuation of any company or business or its assets is inherently subjective and is subject to uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to the industry performance and general business and economic conditions, many of which are beyond the control of the company.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although, different values may exist for different purpose, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

The following are commonly used and accepted methods for determining the value of the equity shares/ convertible securities of a company:

- Asset Approach – Net Asset Value method
- Market Approach:



- a) Market Price method
- b) Comparable Companies/ Comparable Transaction Multiple method
- Income Approach – Discounted cash flow method

We have considered the following commonly used and accepted methods for determining the share entitlement ratio, to the extent relevant and applicable:

1. Asset Approach - Net Asset Value Method ('NAV')

The asset based value analysis technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This methodology is likely to be appropriate for business which derives value mainly from the underlying value of its assets rather than its earnings. This value analysis approach may also be used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominate earnings capability. It is also used where the main strength of the business is its asset backing rather than its capacity or potential to earn profits.

The resulting company and the demerged company presently operate as a going concern and are profitable and generate surplus cash and would continue to do so for the foreseeable future. NAV does not value the future profit generating ability of the business, we have therefore not used this method to value the Companies.

2. Market Approach

a) Market Price Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares

Since the equity shares of the demerged and resulting company are not listed on any stock exchange, we have not used this method to arrive at the equity value of the Company.

As part of the proposed demerger, equity shares of Mastek the listed entity are being issued to the shareholders of ESPL as part consideration. SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017 and SEBI Circular No. CFD/DIL3/CIR/2017/26 dated 23 March 2017 states that issuance of shares by a listed entity to a select group of shareholders or shareholders of unlisted companies pursuant to the scheme of arrangement/ amalgamation shall follow the pricing provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018

Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time prescribes that if the equity shares of the issuer have been listed on a recognised stock exchange for a period of twenty six weeks or



more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

a. the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty six weeks preceding the relevant date; or

b. the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.

The price (i.e. INR 650 per equity share) at which the proposed issue of equity shares of Mastek is being made is higher than the price arrived at using the above prescribed formula.

b) Comparable Companies Multiples ('CCM') / Comparable Transactions Multiples ('CTM') method

Under CCM, the value of shares/ business of a company is determined based on market multiples of publicly traded comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. CCM applies multiples derived from similar or 'comparable' publicly traded companies. Although no two companies are entirely alike, the companies selected as comparable companies should be engaged in the same or a similar line of business as the subject company. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Based on our discussion with the Management we understand that there are no comparable listed company providing similar nature of services, we have therefore not considered the same for our analysis.

Under CTM, the value of shares/ business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

Since there are no comparable transactions involving companies which operate in similar line of business and having similar operating metrics and financial performance as that of the demerged business or resulting company, we have therefore not used CTM.

3. Income Approach – Discounted Cash Flow Method ('DCF')

DCF method values a business based upon the available cash flow a prudent investor would expect the subject business to generate over a given period of time. This method is used to determine the



present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the explicit forecast period and the perpetuity value at an appropriate discount factor. Free cash flows are the cash flows expected to be generated by the company that are available to equity shareholders of the company. The terminal value represents the total value of the available cash flow for all periods subsequent to the forecast period. The terminal value of the business at the end of the forecast period is estimated and discounted to its equivalent present value and added to the present value of the explicit forecast period cash flow to estimate the value of the business.

The projected free cash flows to the firm over the explicit forecast period and terminal value are discounted using the Weighted Average Cost of Capital ('WACC'). The sum of the discounted value of such free cash flows to the firm is the value of the business

Using the DCF analysis involves determining the following:

Estimating future cash flows:

Free cash flows to the firm are the cash flows expected to be generated by the company that are available to equity shareholders and the lenders of the company.

Appropriate discount rate to be applied to cash flows i.e. Cost of equity ('WACC')

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to equity shareholders. The opportunity cost to the equity capital providers equals the rate of return the equity investor expects to earn on other investments of equivalent risk.

To arrive at the total value attributable to the equity shareholders of the business, value arrived through DCF method for the company is adjusted for the value of loans, excess cash, inflow on exercise of options, non-operating assets/ liabilities (e.g. fair value of investments, any contingent liabilities, etc.). The total value for equity shareholders is then divided by the total number of equity shares (on fully diluted basis) to arrive at the value per share of the business. For the purpose of DCF value analysis, the free cash flows are based on projections and other information provided by the Management.

The demerged business is a profitable business with surplus cashflow, similarly the resulting company also has a profitable business with positive cashflows both of which are expected to continue going forward, we have therefore used the DCF method to value the demerged business and the resulting company including the CCPS proposed to be issued based on the terms of issue.

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RECOMMENDATION OF SHARE ENTITLEMENT RATIO FOR THE PROPOSED SCHEME OF ARRANGEMENT

The share entitlement ratio has been arrived at on the basis of a relative (and not absolute) equity value of the resulting company and demerged business of the demerged company for the proposed scheme of arrangement based on the various methodologies mentioned herein earlier. Suitable rounding off have been carried out wherever necessary to arrive at the fair share entitlement ratio.

In light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above we recommend the share entitlement ratio with respect to the CCPS to be issued as follows:

Issue of CCPS of TAISPL to the equity shareholders of ESPL

15 (Fifteen) CCPS of Trans American Information Systems Private Limited of INR 10/- each fully paid up shall be issued for every 10,000 (Ten Thousand) equity shares of INR 10 each fully paid up held in Evolutionary Systems Private Limited.

Refer Annexure-1 for detailed share entitlement ratio workings

Respectfully submitted,



Niranjn Kumar
Registered Valuer- Securities and Financial Assets
IBBI Registration Number: IBBI/RV/06/2018/10137
ICAIRVO/06/RV-P000021/2018-19
UDIN: 20121635AAAAAW1029

Date: 08 February 2020
Place: Pune

Annexure – 1

Valuation Approach	Demerged Business (A)		TAISPL (B)	
	Value per share (INR)	Weight	Value per share (INR)	Weight
Asset Approach (Refer Note-1)	NA	0%	NA	0%
Income Approach	135.1 #	100%	92,705.2 *	100%
Market Approach (Refer Note-2)	NA	0%	NA	0%
Relative value per share		135.1		92,705.2
Share Entitlement Ratio (A/B)				0.0015
Recommended Share Entitlement Ratio: (For Every 10,000 Equity Shares)				15

NA: Not adopted

After reducing the part consideration received by way of equity shares of Mastek

* After adjusting for part consideration discharged by Mastek.

Note-1

Asset Approach – Net Asset Value (NAV) Method

The resulting company and the demerged company presently operate as a going concern and are profitable and generate surplus cash and would continue to do so for the foreseeable future. NAV does not value the future profit generating ability of the business, we have therefore not used this method to value either the demerged business or resulting company.

Note-2

Market Approach

a) Market Price Method

Since the equity shares of the demerged and resulting company are not listed on any stock exchange, we have therefore not used this method for the purpose of our value analysis.

b) Comparable Companies Multiples (CCM) Method

Since there are no comparable listed company providing similar nature of services as that of demerged business or resulting company, we have therefore not used this method for the purpose of our value analysis.

c) Comparable Transactions Multiples (CTM) Method

Since there are no comparable transactions involving companies which operate in similar line of business and having similar operating metrics and financial performance as that of the demerged business or resulting company, we have therefore not used this method for the purpose of our value analysis.



Date: 28 July 2020

To,
The Board of Directors
Evolutionary Systems Private Limited
11th Floor, Kataria Arcade,
S.G. Highway, Makarba,
Ahmedabad- 380054, Gujarat

To,
The Board of Directors
Mastek Limited,
804/ 805 President House,
Near Ambawadi Circle,
Ahmedabad- 380006, Gujarat

To,
The Board of Directors
Trans American Information Systems Private Limited
B2/ 362, Tara Nagar, Old Palam Road, Kakrola,
New Delhi- 110078

Subject: Addendum to the share entitlement ratio report dated 08 February 2020 with respect to Compulsorily Convertible Preference Shares ('CCPS') to be issued for the proposed demerger of the Oracle Service Business of Evolutionary Systems Private Limited into Trans American Information Systems Private Limited.

Dear Sir/ Madam,

This is an addendum to the report previously issued by us dated 08 February 2020 recommending a share entitlement ratio for the proposed demerger of the Oracle Service Business of Evolutionary Systems Private Limited (ESPL) into Trans American Information Systems Private Limited (TAISPL).

As part of the proposed demerger 42,35,294 equity shares of Mastek Limited ('Mastek'), the listed parent entity of TAISPL, against the total equity shares outstanding of 1,00,00,000 in ESPL (i.e. 4,235.294 fully paid up equity shares of face value of INR 5/- each of Mastek for every 10,000 equity shares of ESPL of face value of INR 10/- each), would be issued as part consideration for the demerger at an agreed price of INR 650 per share to the shareholders of ESPL.

It has been brought to our knowledge that NSE and BSE has sought clarification with respect to the fairness of the price of INR 650 per share from the perspective of Mastek's existing shareholders.

Please find below our clarification with respect to the same:

Market Approach

SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017 and SEBI Circular No. CFD/DIL3/CIR/2017/26 dated 23 March 2017 states that issuance of shares by a listed entity to a select group of shareholders or shareholders of unlisted companies pursuant to the scheme of

arrangement/ amalgamation shall follow the pricing provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time prescribes that if the equity shares of the issuer have been listed on a recognized stock exchange for a period of twenty six weeks or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

a. the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognized stock exchange during the twenty-six weeks preceding the relevant date; or

b. the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognized stock exchange during the two weeks preceding the relevant date.

The price computed based on the above formula is INR 438.4 whereas the price at which these shares are proposed to be issued is significantly higher at INR 650.0 per equity share which is at a premium of 48.3% to the price arrived at based on the above mentioned formula.

Asset Approach

The value per equity share computed under the asset approach based on the unaudited provisional consolidated financials as at 31 December 2019 is INR 346.8 per equity share. The price of INR 650.0 at which these shares are proposed to be issued is at a premium of 87.5% to the value arrived under the asset approach.

Income Approach

The value per equity share computed under Income Approach using Discounted Cash Flow Method is INR 590.4 per equity share. The price of INR 650.0 at which these shares are proposed to be issued is at a premium of 10.1% to the value arrived under the income approach.

Valuation Summary

Valuation Approach	Value per share (INR)	Premium vis-à-vis issue price (%)
Market Approach	438.4	48.3%
Asset Approach	346.8	87.5%
Income Approach	590.4	10.1%



It can be observed from the above table that the price at which the equity shares of Mastek are proposed to be issued (i.e. 4,235.294 fully paid up equity shares of face value of INR 5/- each of Mastek for every 10,000 equity shares of ESPL of face value of INR 10/- each) is at a significant

premium to the price arrived under each of the methods mentioned above and therefore it can be reasonably concluded that the price at which the share are proposed to be issued is fair and not detrimental to interest of the public shareholders of Mastek.

We would like to emphasize that there is no change in the valuation of the companies and fair share exchange ratio recommended from the previous report.

Respectfully Submitted,



Niranjn Kumar
Registered Valuer – Securities or Financial Assets
IBBI Registration Number: IBBI/RV/06/2018/10137
ICAI Registration No.: ICAIRVO/06/RVP000021/2018-19
UDIN : 20121635AAAADI5908

Date: 28 July 2020

Place: Pune



February 08, 2020

To,
The Board of Directors
Trans American Information Systems Private Ltd
B2/362, Tara Nagar, Old Palam Road,
Kakrola,
New Delhi- 110078

To,
The Board of Directors,
Mastek Limited,
804/805, President House,
Near Ambawadi Circle,
Ahmedabad- 380006, Gujarat

Sub: Fairness Opinion on the recommendation of the fair share entitlement ratio of Compulsory Convertible Preference ('CCSPS') for the proposed demerger of Oracle Service Business of Evolutionary Systems Private Limited into Trans American Information Systems Private Limited under Sections 230 to 232 and other applicable provisions of Companies Act, 2013.

Dear Sir,

This has reference to our Engagement Letter dated February 1, 2020 with you in the matter of providing fairness opinion on the share entitlement ratio of Compulsory Convertible Preference ('CCSPS') recommended by N S KUMAR & CO. and SMSR & CO. LLP vide their respective reports dated 08 February 2020 for the proposed demerger of Oracle Service Business of Evolutionary Systems Private Limited (**hereinafter referred to "ESPL" or "Demerged Company"**) into Trans American Information Systems Private Limited (**hereinafter referred to "TAISPL" or "Resulting Company"**), a wholly owned subsidiary of Mastek Limited (**hereinafter referred to "Mastek"**)

Company Background

ESPL is engaged in the business of Oracle cloud implementation and consultancy, providing a variety of solutions to diverse sectors such as healthcare, finance, logistics, manufacturing and distribution, etc.

Mastek is engaged in the business of providing information technology solutions. The equity shares of Mastek are listed on both NSE and BSE. Mastek has a wholly owned subsidiary i.e. Trans American Information Systems Private Limited (TAISPL).

TAISPL is engaged in the business of providing end-to-end e-commerce services.



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www.kunvarji.com

Kunvarji Finstock Pvt. Ltd.

Kunvarji, B - Wing, Siddhivinayak Towers, Off. S.G. Road, Makarba, Ahmedabad - 380 051
Phone:+91 79 6666 9000 | Fax : + 91 79 2970 2196 | Email: info@kunvarji.com
CIN - U65910GJ1986PTC008979
003127/2019

Scope and Purpose

We understand that the Board of Directors (**the "Board"**) of demerged company and resulting company are considering the demerger of Oracle Service Business of Evolutionary Systems Private Limited which includes business undertaken in India and through its identified subsidiaries into Trans American Information Systems Private Limited, through a Scheme of Arrangement amongst ESPL and TAISPL and their respective Shareholders and creditors under Section 230-232 and other applicable provisions of Companies Act, 2013 (**the proposed "Demerger "**).

Be advised that while certain provisions of the demerger are summarized below, the terms of proposed demerger including the business forming part of demerger will be more fully described in the Scheme Arrangement to be published in relation to the demerger (the **"Scheme Document"**). As a result, the description of the demerger and certain other information contained herein is qualified in its entirety by reference to the Scheme Document.

As per the scheme, the consideration for the proposed demerger will be discharged partly by issuing 42,35,294 equity shares of the Mastek i.e. holding company of TAISPL at an agreed price of INR 650/- per share and balance consideration shall be discharged by issuing Compulsorily Convertible Preference Shares ('CCPS') of TAISPL to the equity shareholders of ESPL

The Share Entitlement Ratio with respect to CCPS to be issued on the proposed demerger is based on the report dated February 08, 2020 prepared by N S KUMAR & CO., Independent Chartered Accountant, having Firm Registration No. 139792W and SMSR & Co. LLP, Independent Chartered Accountants, having Firm Registration No. 110592W both of whom have been appointed by the Board of Mastek.

In connection with the above proposed demerger, Board of Directors of Mastek have appointed Kunvarji Finstock Private Limited (**"KFPL"** or **"Kunvarji"** or **"We"** or **"us"**), to issue a fairness opinion to the shareholders of TAISPL and Mastek in relation to the share entitlement ratio of CCPS proposed to be issued by TAISPL based on the recommendations set out in the report issued by N S KUMAR & CO and SMSR & CO. LLP.

This Opinion is subject to the Scope, limitations and disclaimers detailed herein.

SCOPE OF OUR REVIEW:

In arriving at the opinion set out below, we have, among other things:

1. Reviewed the share entitlement ratio report by N S KUMAR & CO. and SMSR & CO. LLP dated 08 February 2020.
2. Reviewed the draft Scheme of arrangement including details of assets and liabilities forming part of demerged business;
3. Reviewed certain publicly available business information on the demerged Company and resulting Company;



4. Reviewed the audited financial statements of TAISPL and ESPL for the financial year ended 31 March 2019;
5. Reviewed the management projections of demerged business and TAISPL for the period from FY20-FY25;
6. Details with respect to the number of equity shares to be issued by Mastek as part consideration including the price agreed between the promoters of ESPL and Management of Mastek;
7. Terms of the CCPS to be issued by TAISPL for balance consideration for the proposed demerger;
8. Latest shareholding pattern of TAISPL, Mastek and ESPL as at the report date;
9. Used certain valuation methods commonly used for these types of analyses and taken into account such other matters as we deemed appropriate including our assessment of current conditions and prospects for the industry and general economic and market conditions.

We have also obtained necessary explanations and information, which we believe were relevant to the present exercise, from the representatives of the Company.

ASSUMPTIONS AND LIMITATIONS:

In giving our opinion:

1. We have relied on the assessment of TAISPL, Mastek and ESPL's management on the commercial merits of the arrangement, including that the demerger is in the best interests of the demerged Company, resulting company and its shareholders as a whole;
2. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of Companies. We have solely relied upon the information provided to us by the Management.
3. We have relied without independent verification, upon the accuracy and completeness of all of the information (including, without limitation, the share entitlement ratio) that was made available to us or publicly available or was discussed with or reviewed by us (including the information set out above) and have assumed such accuracy and completeness for the purpose of providing this fairness opinion;
4. While we have used various assumptions, judgments and estimates in our inquiry, which we consider reasonable and appropriate under the circumstances, no assurances can be given as to the accuracy of any such assumptions, judgments and estimates;



5. We have assumed that all governmental, regulatory, shareholder and other consents and approvals necessary for the demerger will be obtained in a timely manner without any adverse effect on the Resulting Company;
6. We have not made any independent evaluation or appraisal of the assets and liabilities of the demerged company and resulting company and we have not been furnished with any such evaluation or appraisal, nor have we evaluated the solvency or fair value of the demerged Company and resulting company under any laws relating to the bankruptcy, insolvency or similar matters;
7. We have not conducted any independent legal, tax, accounting, or other analysis of the resulting company or of the demerged company and when appropriate we have relied solely upon the judgments of the resulting company legal, tax, accountants and other professionals advisers who may have given such advice to the resulting company without knowledge or acceptance that it would be relied upon by us for the purpose of this opinion. We have not included the legal and tax effects of any reorganization or transaction costs that may arise as a result of the demerger in our analysis. In addition, we have not performed any independent analysis of the situation of the individual shareholders of the resulting company, including with respect to taxation in relation to the demerger and express no opinion thereon;
8. We have not undertaken independent analysis of any potential or actual litigation, regulatory action, possible un- asserted claims, or other contingent liabilities to which the demerged company or resulting company are or may be a party or are or may be subject, or of any government investigation of any possible un- asserted claims or other contingent liabilities to which the demerged company or resulting company are or may be a party or are or may be subject;
9. We have not conducted any physical inspection of the properties or facilities of the demerged Company and resulting Company;
10. We have assumed that the demerger will be consummated on the terms set forth in the scheme document and that the final version of scheme document will not change in any material respect from the draft version we have reviewed for the purpose of this opinion;
11. We have assumed that the management of the resulting company are not aware of any facts or circumstances that would make any information necessary for us to provide this opinion inaccurate or misleading and that the management have not omitted to provide us with any information which may be relevant to the delivery of this opinion;



12. The price at which equity shares of Mastek would be issued to the shareholders of ESPL has been commercially negotiated and agreed between the promoters of ESPL and Management of Mastek. Since the parties to this negotiation are independent third parties, the price agreed would have been arrived at after due deliberations and after considering all relevant factors. We therefore do not offer any opinion with respect to fairness of the price except confirming that it is above the SEBI Prescribed minimum price as per the applicable ICDR Regulations.

Our opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect the opinion and that we do not have any obligation to update, revise or reaffirm this opinion.

RELATIONSHIP WITH KFPL:

KFPL was not requested to, and did not, provide advice concerning the structure, the Share Entitlement Ratio or any other aspects of the demerger or to provide services other than the delivery of this Fairness opinion. KFPL did not participate in negotiations with respect to the terms of the demerger and any related transactions. Consequently, KFPL has assumed that such terms are the most beneficial terms from the TAISPL and Mastek's perspective that could under the circumstances be negotiated with ESPL.

We will receive a fee from the Mastek for rendering this opinion. The Fairness Opinion shall not be disclosed or referred to publicly or to any other third party, other than as required by Indian Law (in which case you would provide us a prior written intimation) without any prior written consent. The Fairness Opinion should be read in totality and not in parts. Further this Fairness Opinion should not be used or quoted for any purpose. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. Neither this Fairness Opinion nor its contents may be referred to or quoted to/by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third party.

In the past, KFPL and its affiliates have not provided any financing and other services to the demerged company or resulting company.

OTHER LIMITATIONS:

This opinion is addressed to and provided for the Board of Directors of TAISPL and Mastek exclusively in connection with and for the purposes of its evaluation of the fairness of the Share Entitlement Ratio with respect to CCPS proposed to be issued. This letter shall not confer rights or remedies upon, and may not be used or relied on by, and holder of Securities of ESPL, Mastek and TAISPL, any creditor of ESPL, Mastek and TAISPL or by any other person other than the Board of Directors of the TAISPL and Mastek and the regulatory authorities involved in connection to the proposed Scheme.



KFPL is acting for the Board of Directors of Mastek and TAISPL and no one else in connection with the demerger and will not be responsible to any person other than the Board of Directors of Mastek for providing this opinion. Neither the existence of this letter nor its contents may be copied in whole or in Part, or discussed with any other parties, or published or made public referred to in any way, without our prior written consent in each instance, except that this opinion may be described in and included in its entirety in the Scheme Document. We take no responsibility or liability for any claims arising out of any such disclosure and we specifically disclaim any responsibility to any third party to whom this opinion may be shown or who may acquire a copy of this opinion.

This report shall be governed by the laws of India.

Specifically, this opinion does not address the commercial merits of the demerger nor the underlying decision by the resulting company to proceed with the demerger nor does it constitute a recommendation to any shareholder or creditor of the resulting company as to how such shareholder or creditor should vote with respect to the demerger or any other matter. The ultimate responsibility for the decision to recommend the demerger rests solely with the Board of Directors of TAISPL and Mastek.

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CONCLUSIONS:

The independent valuers have both recommended the following share entitlement ratio for the proposed demerger:

15 (Fifteen) CCPS of Trans American Information Systems Private Limited of INR 10/- each fully paid up shall be issued for every 10,000 (Ten Thousand) equity shares of INR 10 each fully paid up held in Evolutionary Systems Private Limited.

Based on our independent calculation and on consideration of all the relevant factors and circumstances, we believe that the share entitlement ratio mentioned above as recommended by N S KUMAR & CO., Independent Chartered Accountant, having Firm Registration No. 139792W and SMSR & CO. LLP Independent Chartered Accountants, having Firm Registration No. 110592W for the proposed Scheme of Arrangement is fair, from financial point of view, to the shareholders of TAISPL and Mastek.

It should be noted that we have examined only the fairness of the share entitlement ratio of CCPS for the proposed demerger only for the Board of Directors/ Shareholders of Mastek and TAISPL and have not examined any other matter including economic rationale of the transfer per se or accounting and tax matters involved in the proposed demerger.

Yours faithfully,

For, Kunvarji Finstock Private Limited



Mr. Himanjal Brahmhatt
Director (DIN: 00049679)

Date: February 08, 2020
Place: Ahmedabad

Date: 29 July 2020

To,
The Board of Directors
Evolutionary Systems Private Limited
11th Floor, Kataria Arcade,
S.G. Highway, Makarba,
Ahmedabad- 380054, Gujarat

To, *Driven By Knowledge*
The Board of Directors
Mastek Limited,
804/ 805 President House,
Near Ambawadi Circle,
Ahmedabad- 380006, Gujarat

To,
The Board of Directors
Trans American Information Systems Private Limited
B2/ 362, Tara Nagar, Old Palam Road,
Kakrola,
New Delhi- 110078

Sub: Fairness Opinion on the price at which shares of Mastek Ltd, are proposed to be issued to the shareholders of Evolutionary Systems Private Limited (ESPL) in consideration for the proposed demerger of its Oracle Services Business Division and merger of the same into Trans American Information Systems Private Limited (TAISPL), wholly Owned Subsidiary of Mastek Limited.

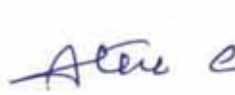
Dear Sir/ Madam,

1. We, M/s Kunvarji Finstock Pvt. Ltd, a SEBI registered Category I Merchant Banker having Registration No. INM000012564, have been approached by M/s Mastek Ltd, the listed parent entity of TAISPL, for providing our Fairness opinion on fairness of the agreed price of INR 650/- at which 42,35,294 shares of Mastek Ltd are proposed to be issued to the shareholders of ESPL (i.e. 4,235.294 fully paid up equity shares of face value of INR 5/- each of Mastek for every 10,000 equity shares of ESPL of face value of INR 10/- each), in accordance with the scheme of Arrangement.

2. **Scope of Our Review**

In this regard, we have reviewed the following documents as presented to us by M/s Mastek Ltd.

- (A) Valuation reports of N S KUMAR & CO., Chartered Accountants and SMSR & CO LLP, Chartered Accountants (the "Valuers") dated February 08, 2020.
- (B) Queries from NSE and BSE seeking clarification from Mastek Ltd with opinion from merchant banker with respect to the fairness of the price at which shares of Mastek Ltd are proposed to be issued to shareholders of ESPL in consideration for the proposed demerger of its Oracle Services Business Division into TAISPL.

Alex  



www.kunvarji.com

Kunvarji Finstock Pvt. Ltd.

Kunvarji, B - Wing, Siddhivinayak Towers, Off. S.G. Road, Makarba, Ahmedabad - 380 051

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CIN - U65910GJ1986PTC008979

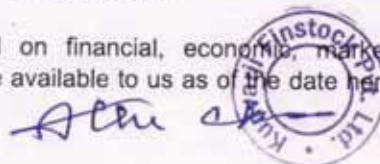
004171/2019

- (C) Signed addendum prepared by M/s N S KUMAR & CO., Chartered Accountants dated 28 July 2020 and SMSR & CO LLP, Chartered Accountants dated 28 July 2020 to be submitted with NSE and BSE with respect to the clarification sought from Mastek Limited.

1. **Assumptions and Limitations**

We are providing our opinion based on following assumptions and subject to following limitations.

- (A) Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of Companies. We have solely relied upon the information provided to us by the Management.
- (B) We have relied without independent verification, upon the accuracy and completeness of all of the information that was made available to us or publicly available or was discussed with or reviewed by us and have assumed such accuracy and completeness for the purpose of providing this fairness opinion;
- (C) While we have relied on various assumptions, judgments and estimates of the management of Mastek Ltd., no assurances can be given as to the accuracy of any such assumptions, judgments and estimates;
- (D) We have assumed that all governmental, regulatory, shareholder and other consents and approvals necessary for the issue of shares will be obtained in a timely manner.
- (E) We have not made any independent evaluation or appraisal of the assets and liabilities of the Mastek Ltd and we have not been furnished with any such evaluation.
- (F) We have not conducted any independent legal, tax, accounting, or other analysis of the affairs of Mastek Ltd and we have relied solely upon the details and data made available to us.
- (G) We have not undertaken independent analysis of any potential or actual litigation, regulatory action, possible un- asserted claims, or other contingent liabilities of Mastek Ltd.
- (H) We have not conducted any physical inspection of the properties or facilities of the Company.
- (I) We have assumed that the management of Mastek Ltd has provided all material and accurate information required by us in forming our opinion; and that, no information, which is material and necessary for us to arrive at the opinion about fairness of the price, is omitted to be provided to us.
- (J) Our opinion is necessarily based on financial, economic, market and other conditions and the information made available to us as of the date hereof. It should



be understood that subsequent developments may affect the opinion and that we do not have any obligation to update, revise or reaffirm this opinion.

2. Basis of our Fairness Opinion

Our opinion is based on the Addendum dated 28 July 2020 by M/s N S KUMAR & CO., Chartered Accountant and the Addendum dated 28 July 2020 by M/s SMSR & CO. LLP, Chartered Accountants and the information and explanations along with the details of their computation of fair value of shares of M/s Mastek Ltd based on all three established and accepted approach for valuation of equity shares; viz. market approach, asset approach and income approach. We have solely relied on the data and information furnished and have not extended our enquiry further into the basis of assumptions, forecasts, projections and valuations of assets.

2.1 Market Approach

4.1.1 Valuation In accordance with Regulation 164(5) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, which defines:

"frequently traded shares" means the shares of the issuer, in which the traded turnover on any recognised stock exchange during the twelve calendar months preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the issuer."

Based on above criteria, the shares of Mastek limited are frequently traded shares on both exchanges –BSE and NSE. Hence pricing methodology is adopted as prescribed in the regulation 164 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 for frequently traded shares.

4.1.2 Pricing of frequently traded shares

Regulation 164(1) of SEBI (ICDR) Regulations, 2018 state that:

"If the equity shares of the issuer have been listed on a recognised stock exchange for a period of twenty six weeks or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

- a. the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty six weeks preceding the relevant date; or***
- b. the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date."***

4.1.3 For equity shares of Mastek Limited, the price computed as per Regulation 164(10)(a) & (b) is INR 371.5 and INR 438.4 respectively. The price at which these shares are proposed to be issued is significantly higher at INR 650.0 per equity share which is at a premium of 48.3% to the price arrived at based on the above mentioned formula



2.2 Asset Approach

Based on the provisional consolidated financials of Mastek Ltd as at 31st December, 2019 and the computation provided by M/s N S KUMAR & CO., Chartered Accountants and M/s SMSR CO LLP, Chartered Accountants with their addendum and verified by us, the value per equity share works out to INR. 346.8. The proposed issue price of INR 650/- is at a premium of 87.5% to the fair value computed under the asset approach.

4.3 Income Approach

Under the Income Approach, the equity shares are valued using DCF – Discounted Cash Flow Method. Relying upon the projections provided and assumptions made by the valuers, the value per equity share is INR 590.4 as arrived by M/s N S KUMAR & CO. and INR 570.6 as arrived by M/s SMSR CO LLP respectively. The price of INR 650.0 at which these shares are proposed to be issued is at a premium of 10.1% and 13.9% to the value arrived by M/s N S KUMAR & CO. and M/s SMSR CO LLP respectively under the income approach.

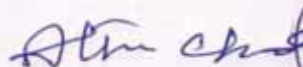

3. Conclusion

Based on our independent calculations under all the three accepted approach to valuation, we are of the opinion that the proposed issue price of INR 650/- at which the 42,35,294 equity shares of Mastek Ltd are proposed to be issued to the shareholders of ESPL (i.e. 4,235,294 fully paid up equity shares of face value of INR 5/- each of Mastek for every 10,000 equity shares of ESPL of face value of INR 10/- each) pursuant to the Scheme of Arrangement is fair to the existing shareholders of Mastek Ltd as the said price of INR 650/- is at a premium of 48.3% compared to fair value as per Market Approach, at a premium of 87.50% as compared to the fair value as per Asset Approach and at a premium of 10.1% and 13.9% as compared to fair value arrived by M/s N S KUMAR & CO. and M/s SMSR & CO LLP respectively as per Income Approach.

In issuing the above opinion, we have not evaluated the other aspects of the transaction detailed in the scheme of arrangement including the fairness of the value of the assets transferred pursuant to the said scheme of arrangement.

Yours faithfully,

For, Kunvarji Finstock Private Limited

Mr. Atul Chokshi

Director (DIN: 00929553)

Period of Complaints Report: August 14, 2020 till September 4, 2020

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/ comments received (1+2)	Nil
4.	Number of complaints resolved	Nil
5.	Number of complaints pending	Nil

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/ Pending)
1.		N.A.	

For Mastek Limited


Dinesh Kalani
 Company Secretary



Date: September 8, 2020
Place: Mumbai

Period of Complaints Report: August 12, 2020 till September 2, 2020**Part A**

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/ comments received (1+2)	Nil
4.	Number of complaints resolved	Nil
5.	Number of complaints pending	Nil

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/ Pending)
1.		N.A.	

For Mastek Limited


Dinesh Kalani
Company Secretary



Date: September 4, 2020
Place: Mumbai



DCS/AMAL/JR/R37/1907/2020-21

“E-Letter”

February 26, 2021

The Company Secretary,
MASTEK LTD
 804 / 805, President House, Opp C N Vidyalaya,
 Near Ambawadi Circle, Ahmedabad, Gujarat, 380006

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement amongst Evolutionary Systems Private Limited (ESPL), Trans American Information Systems Private Limited (TAISPL) and Mastek Limited and their respective shareholders and creditors.

We are in receipt of the Draft Composite Scheme of Arrangement by Mastek Limited filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated February 26, 2021 has inter alia given the following comment(s) on the draft Composite Scheme of Arrangement:

- **“In view of the Mastek’s letter dated Feb 15, 2021 wherein it has inter alia stated that “we hereby undertake to apply the provisions of Paragraph 1(A)(9)(a) and 1(A)(9)(b) of Annexure 1 of SEBI circular to the proposed Scheme and shall accordingly update the Scheme document to reflect the aforesaid while filing the same with the NCLT”. Accordingly, Company shall ensure that they file updated draft scheme of arrangement before the Hon’ble National Company Law Tribunal (NCLT).”**

Also, any approval for listing of shares issued by Mastek through the instant scheme of arrangement shall be subject to compliance with Paragraph 1(A)(9)(a) and 1(A)(9)(b) of Annexure I of SEBI circular.

- **“Company shall ensure that they separately and prominently disclose to the shareholders and NCLT via the draft scheme of arrangement documents following information/facts”:**

i. To arrive at the entitlement ratio for CCPS, for the purpose of valuation of the demerged business of ESPL and TAISPL only one method (i.e. Income Approach) has been used and other methods such as Market Approach and Asset Approach were not used.

ii. In the draft scheme of arrangement, it has been proposed that Mastek shall issue equity shares in the ratio of 4235.294: 10,000 to ESPL at a price of Rs 650 per share. Details of premium arrived via different valuation approaches is given below:

Approach	Method	Value per share	Premium (%)
Cost Approach	Net Asset Method	346.8	87.5
Income Approach	Discounted Cash Flow Method	590.4	10.1
Market Approach	Market Price Method	438.4	48.3

However, it is observed that share price of Mastek on Feb 25, 2021¹ is Rs 1191.40 which is significantly higher than the price at which shares are being issued to ESPL.

¹ Checked on BSE website between 12:10 to 12:15 PM

iii. “Further, Mastek in the notice to shareholders seeking approval for the scheme shall also disclose the share price of Mastek, as on the date of dispatch of notice to shareholders.”

- **“Company shall ensure that suitable disclosure about the latest financials of the companies involved in the Scheme being not more than 6 months old is done before filing the same with the Hon’ble NCLT.”**
- **“Company shall ensure that the proposed scheme is acted upon only if approved by the NCLT and if the majority votes cast by the public shareholders are in favour of the proposal.”**
- **“Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”**
- **“Company shall duly comply with various provisions of the Circular.”**
- **“Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT.”**
- **“It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon’ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its ‘No adverse observation’ at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Sd/-

Nitinkumar Pujari
Senior Manager



National Stock Exchange Of India Limited

Ref: NSE/LIST/24129_II

March 01, 2021

The Company Secretary
Mastek Limited
804/805, President House,
Opp. C N Vidyalaya,
Near Ambawadi Circle,
Ahmedabad - 380006

Kind Attn.: Mr. Dinesh Kalani

Dear Sir,

Sub: Observation Letter for Draft Scheme of Arrangement between Evolutionary Systems Private Limited, Trans American Information Systems Private Limited, Mastek Limited and their respective shareholders and creditors

We are in receipt of the Draft Scheme of Arrangement between Evolutionary Systems Private Limited (“ESPL”), Trans American Information Systems Private Limited (“TAISPL”), Mastek Limited (“Mastek”) (“Collectively referred as Resulting Companies”) and their respective shareholders and creditors vide application dated July 01, 2020.

Based on our letter reference no Ref: NSE/LIST/24129 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (‘Circular’), kindly find following comments on the draft scheme:

a. *In view of the Mastek’s letter dated February 15, 2021 wherein it has inter alia stated that “we hereby undertake to apply the provisions of Paragraph I(A)(9)(a) and I(A)(9)(b) of Annexure I of SEBI Circular to the proposed Scheme and shall accordingly update the Scheme document to reflect the aforesaid while filing the same with the NCLT”. Accordingly the Company is advised to file updated draft scheme of arrangement before the Hon’ble National Company Law Tribunal (NCLT).*

Also, any approval for listing of shares issued by Mastek through the instant scheme of arrangement shall be subject to compliance with Paragraph I(A)(9)(a) and I(A)(9)(b) of Annexure I of SEBI Circular.

b. *Mastek is advised to disclose separately and prominently to the shareholders and NCLT via the draft scheme of arrangement documents following information/facts:*

i. *To arrive at the entitlement ratio for CCPS, for the purpose of valuation of the demerged business of ESPL and TAISPL only one method (i.e. Income approach) has been used and other methods such as Market Approach and Asset Approach were not used.*

- ii. In the draft scheme of arrangement, it has been proposed that Mastek shall issue equity shares in the ratio of 4235.294: 10,000 to ESPL at a price of Rs. 650 per share. Details of premium arrived via different valuation approaches is given below:

Approach	Method	Value per share	Premium (%)
Cost Approach	Net Asset Method	346.8	87.5
Income Approach	Discounted Cash Flow Method	590.4	10.1
Market Approach	Market Price Method	438.4	48.3

However it is observed that share price of Mastek on Feb 25, 2021 is Rs. 1191.40 which is significantly higher than the price at which shares are being issued to ESPL.

- iii. Further, Mastek in the notice to shareholders seeking approval for the scheme shall also disclose the share price of Mastek, as on the date of dispatch of notice to shareholders.
- c. The Company shall ensure that suitable disclosures about the latest financials of the Companies involved in the Scheme being not more than 6 months old is done before filing the same with the Hon'ble NCLT.
- d. The Company shall ensure that the proposed scheme is acted upon only if approved by the NCLT and if the majority votes cast by the public shareholders are in favour of the proposal.
- e. The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter, is displayed on the websites of the listed company.
- f. The Company shall duly comply with various provisions of the Circular.
- g. The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT.
- h. It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations.

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.



Continuation Sheet

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No-objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from March 01, 2021 within which the scheme shall be submitted to NCLT.

Yours faithfully,
For National Stock Exchange of India Limited

Jiten Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF EVOLUTIONARY SYSTEMS PRIVATE LIMITED ON 08TH FEBRUARY 2020 PURSUANT TO SECTION 232(2) OF THE COMPANIES ACT, 2013

The Scheme of Arrangement between of Mastek Limited (“Mastek”), Trans American Information Systems Private Limited (“TAISPL”) and Evolutionary Systems Private Limited (“ESPL” or “Company”) and their respective shareholders and creditors (“the Scheme” or “the Scheme of Amalgamation”), is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“the Act”) and was approved and deliberated by the Board at its captioned meeting.

While deliberating on the Scheme, the Board had, inter alia, considered and taken on record:

- Draft of the proposed Scheme;
- Memorandum of Association and Article of Association of the Companies involved in Scheme of Arrangement;
- That the Scheme does not affect rights and interest of the Promoters and Non-Promoter Shareholders and key managerial personnel of the Company prejudicially;
- Upon the effectiveness of the Scheme, based on the Valuation report, the consideration would be issued to the shareholders of ESPL as under and more particularly and in the manner as stipulated in clause 11 of the Scheme:
 - 42,35,294 (forty two lakhs thirty five thousand two hundred and ninety four) fully paid up equity shares of face value INR 5/- (Indian Rupees Five) each, of Mastek (“Mastek Consideration Securities”) against the total equity shares outstanding i.e. 1,00,00,000 (one crore) equity shares of ESPL of face value of INR 10/- (Indian Rupees Ten) each; (i.e. "4,235.294 (four thousand two hundred and thirty five decimal two nine four) fully paid up equity shares of face value of INR 5/- (Indian Rupees Five) each of Mastek ("Mastek Consideration Securities") for every 10,000 (ten thousand) equity shares of ESPL of face value of INR 10/- (Indian Rupees Ten) each, held by such shareholder."); and
 - 15 (fifteen) compulsorily convertible preference shares (issued on terms and conditions set out in Schedule I hereto) of INR 10/- (Indian Rupees Ten) each of TAISPL (“TAISPL CCPS”) for every 10,000 (ten thousand) equity shares of ESPL of face value of INR 10/- (Indian Rupees Ten) each, held by such shareholder
- No special valuation difficulties were faced in determining the share exchange ratio

For Evolutionary Systems Private Limited

**UMANG NAHATA
CHIEF EXECUTIVE OFFICER
DIN: 00323145**

Place: Ahmedabad

Date: 8th February, 2020

Evolutionary Systems Pvt. Ltd.

11th Floor Kataria Arcade, Beside Adani Vidhya Mandir, Behind Adani CNG pump SG Highway, Makarba- Ahmedabad -380051. INDIA.
Tel +91 79 66823300, 66823301. Fax +91 79 66823399. Email: contact@evosysglobal.com. Web: www.evosysglobal.com.
CIN: U17122GJ2006PTC049073



Trans American Information Systems Private Limited
Unit Nos. 101, 101A, 102A and 102B, IRIS Tech Park, Wing A, First Floor, Sector
48, Sohna Road, Gurgaon - 122 018 . T +91-124-4231-653

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED ON FEBRUARY 8, 2020 PURSUANT TO SECTION 232(2) OF THE COMPANIES ACT, 2013

The Scheme of Arrangement between of Mastek Limited (“Mastek”), Trans American Information Systems Private Limited (“TAISPL” or “Company”) and Evolutionary Systems Private Limited (“ESPL”) and their respective shareholders and creditors (“the Scheme” or “the Scheme of Arrangement”), is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“the Act”) and was approved and deliberated by the Board at its captioned meeting.

While deliberating on the Scheme, the Board had, inter alia, considered and taken on record:

- Draft of the proposed Scheme;
- Memorandum of Association and Article of Association of the Companies involved in Scheme of Arrangement;
- That the Scheme does not affect rights and interest of the Promoters and Non-Promoter Shareholders and key managerial personnel of the Company prejudicially;
- Upon the effectiveness of the Scheme, based on the Valuation report, the consideration would be issued to the shareholders of ESPL as under and more particularly and in the manner as stipulated in clause 11 of the Scheme:
 - 42,35,294 (forty two lakhs thirty five thousand two hundred and ninety four) fully paid up equity shares of face value INR 5/- (Indian Rupees Five) each, of Mastek (“Mastek Consideration Securities”) against the total equity shares outstanding i.e. 1,00,00,000 (one crore) equity shares of ESPL of face value of INR 10/- (Indian Rupees Ten) each; (i.e. “4,235.294 (four thousand two hundred and thirty five decimal two nine four) fully paid up equity shares of face value of INR 5/- (Indian Rupees Five) each of Mastek (“Mastek Consideration Securities”) for every 10,000 (ten thousand) equity shares of ESPL of face value of INR 10/- (Indian Rupees Ten) each, held by such shareholder.”); and
 - 15 (fifteen) compulsorily convertible preference shares (issued on terms and conditions set out in Schedule I hereto) of INR 10/- (Indian Rupees Ten) each of TAISPL (“TAISPL CCPS”) for every 10,000 (ten thousand) equity shares of ESPL of face value of INR 10/- (Indian Rupees Ten) each, held by such shareholder .
- No special valuation difficulties were faced in determining the share exchange ratio.

For Trans American Information Systems Private Limited

Ashank Desai
Director
DIN: 00017767

Place: Mumbai
Date: February 8, 2020

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF MASTEK LIMITED ON FEBRUARY 8, 2020 PURSUANT TO SECTION 232(2) OF THE COMPANIES ACT, 2013

The Scheme of Arrangement between of Mastek Limited (“Mastek” or “Company”), Trans American Information Systems Private Limited (“TAISPL”) and Evolutionary Systems Private Limited (“ESPL”) and their respective shareholders and creditors (“the Scheme” or “the Scheme of Arrangement”), is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“the Act”) and was approved and deliberated by the Board at its captioned meeting.

While deliberating on the Scheme, the Board had, inter alia, considered and taken on record:

- Draft of the proposed Scheme;
- Memorandum of Association and Article of Association of the Companies involved in Scheme of Arrangement;
- That the Scheme does not affect rights and interest of the Promoters and Non-Promoter Shareholders and key managerial personnel of the Company prejudicially;
- Upon the effectiveness of the Scheme, based on the Valuation report, the consideration would be issued to the shareholders of ESPL as under and more particularly and in the manner as stipulated in clause 11 of the Scheme:
 - 42,35,294 (forty two lakhs thirty five thousand two hundred and ninety four) fully paid up equity shares of face value INR 5/- (Indian Rupees Five) each, of Mastek (“Mastek Consideration Securities”) against the total equity shares outstanding i.e. 1,00,00,000 (one crore) equity shares of ESPL of face value of INR 10/- (Indian Rupees Ten) each; (i.e. “4,235.294 (four thousand two hundred and thirty five decimal two nine four) fully paid up equity shares of face value of INR 5/- (Indian Rupees Five) each of Mastek (“Mastek Consideration Securities”) for every 10,000 (ten thousand) equity shares of ESPL of face value of INR 10/- (Indian Rupees Ten) each, held by such shareholder.”); and
 - 15 (fifteen) compulsorily convertible preference shares (issued on terms and conditions set out in Schedule I hereto) of INR 10/- (Indian Rupees Ten) each of TAISPL (“TAISPL CCPS”) for every 10,000 (ten thousand) equity shares of ESPL of face value of INR 10/- (Indian Rupees Ten) each, held by such shareholder .
- No special valuation difficulties were faced in determining the share exchange ratio.

For Mastek Limited



Ashank Desai
Director
DIN: 00017767



Place: Mumbai
Date: February 8, 2020

“Annexure 11”



Date: April 19, 2021

To

The Board of Directors

Mastek Limited

804/805 President House, Opposite C N Vidyalaya,
Near Ambawadi Circle,
Ahmedabad- 380006,
Gujarat, India

Dear Sir,

Sub: Certificate on adequacy and accuracy of disclosure of information pertaining to the Evolutionary Systems Private Limited in the Abridged Prospectus in compliance with SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 for the purpose of Scheme of Arrangement between Evolutionary Systems Private Limited (“ESPL”), Trans American Information Systems Private Limited (“TAISPL”) and Mastek Limited (“Mastek”) and their respective shareholders and creditors under section 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Scheme”).

We, M/s Kunvarji Finstock Private Limited (“KFPL”, “Kunvarji”, “We” or “us”), a Category I Merchant Banker registered with SEBI, having registration no. MB/INM000012564 have been appointed by Board of Directors (the “Board”) of Mastek Limited (Mastek) for the purpose of certifying the adequacy and accuracy of disclosure of information provided in its Abridged Prospectus in connection with the Scheme of Arrangement between Evolutionary Systems Private Limited (“ESPL”), Trans American Information Systems Private Limited (“TAISPL”) and Mastek Limited (“Mastek”).

1. Scope and Purpose of the Certificate:

SEBI vide Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“SEBI Circular”) inter alia prescribed that the listed entity (in the present case “Mastek Limited” (Mastek)) shall include the applicable information pertaining to the unlisted entity involved in the scheme (in the present certificate, “ESPL”) in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”), in the explanatory statement or notice or proposal accompanying resolution to be passed, sent to the shareholders while seeking

approval of the scheme. SEBI Circular further prescribes that the accuracy and adequacy of such disclosures shall be certified by a SEBI Registered Merchant Banker after following the due diligence process.

This certificate is being issued in compliance of above mentioned requirement under the SEBI Circular.

This certificate is restricted to meet the above mentioned purpose only and may not be used for any other purpose whatsoever or to meet the requirement of any other laws, rules, regulations and statutes.

2. Certification:

We state and confirm as follows:

- 1) We have examined various documents and other materials made available to us by the management of Mastek and ESPL in connection with finalization of Abridged Prospectus dated April 19, 2021 pertaining to ESPL which will be circulated to the members of all the companies i.e. ESPL, TAISPL and Mastek at the time of seeking their consent to the Scheme of Arrangement between ESPL, TAISPL and Mastek as a part of explanatory statement to the notice.
- 2) On the basis of such examination and the discussion with the management of Mastek and ESPL, we confirm that:
 - A. The information contained in the Abridged Prospectus is in conformity with the relevant documents, materials and other papers related to ESPL.
 - B. The Abridged Prospectus contains applicable information pertaining to ESPL as required in terms of SEBI Circular which, in our view is fair, adequate and accurate to enable the members to make an informed decision on the Scheme of Arrangement.

3. Disclaimer:

Our scope of work did not include the following:-

- An audit of the financial statements of ESPL.
- Carrying out a market survey / financial feasibility for the Business of ESPL.
- Financial and Legal due diligence of ESPL.

It may be noted that in carrying out our work we have relied on the integrity of the information provided to us for the purpose, and other than reviewing the consistency of such information, we have not sought to carry out an independent verification, thereof we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the management of ESPL and Mastek.

We do not assume any obligation to update, revise or reaffirm this certificate because of events or transactions occurring subsequent to the date of this certificate.

We understand that the management of ESPL and Mastek, during our discussions with them would have drawn our attention to all such information and matters, which may have impact on our Certificate.

The fee for our services is not contingent upon the result of the Scheme of Arrangement.

The management of ESPL and Mastek or their related parties are prohibited from using this opinion other than for its sole limited purpose and not to make a copy of this certificate available to any party other than those required by statute for carrying out the limited purpose of this certificate.

Our certificate is not, nor should it be constructed as our opinion or certification of the compliance of the Scheme of Arrangement with the provision of any law including Companies Act, taxation laws, capital market laws and related laws.

We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/investors should buy, sell or hold any stake in the Company or any of its related parties (holding companies/subsidiaries/associates etc.)

In no event, KFPL, its Directors and employees will be liable to any party for any indirect, incidental, consequential, special or exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provision of this opinion.

Yours faithfully,

For, Kunvarji Finstock Private Limited

ATUL
MANHARLA
L CHOKSHI

Digitally signed by
ATUL MANHARLAL
CHOKSHI
Date: 2021.04.19
15:21:34 +05'30'

Mr. Atul Chokshi
Director (DIN: 00929553)

Date: April 19, 2021

Place: Ahmedabad

**APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS
(AS PROVIDED IN PART E OF SCHEDULE VI OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE
REQUIREMENT) REGULATIONS, 2018)**

This Document contains information pertaining to unlisted entity involved in the proposed Scheme of Arrangement between Evolutionary Systems Private Limited (“ESPL” or “**Demerged Company**”), Trans American Information Systems Private Limited (“TAISPL”) and Mastek Limited (“**Mastek**”) and their respective shareholders and creditors pursuant to Sections 230-232 of the Companies Act, 2013 and rules framed thereunder (“**Scheme**”). TAISPL and Mastek are hereinafter collectively referred to as the “**Resulting Companies**”. This Abridged Prospectus has been prepared in terms of the requirements specified in SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“**SEBI Circular**”). Copies of the documents as mentioned under the title “Any Other Important Information of ESPL” on page 6 shall be available for inspection at Mastek’s Registered Office situated at 804/805 President House, Opposite C N Vidyalaya, Near Ambawadi Circle, Ahmedabad – 380006, Gujarat, India during working hours on all working days from the date of this Abridged Prospectus till the completion of arrangement.

**THIS ABRIDGED PROSPECTUS CONTAINS 7 PAGES
PLEASE MAKE SURE YOU HAVE RECEIVED ALL THE PAGES**

<p>Evolutionary Systems Private Limited Registered Office: 11th Floor, Kataria Arcade, Beside Adani Vidya Mandir School, S.G. Highway, Makarba, Ahmedabad – 380054, Gujarat, India Telephone: +91 79 66823300; Fax: +91 79 66823399; Email: dishashah@evosysglobal.com CIN: U17122GJ2006PTC049073 Contact Person: Mrs. Disha Shah, Company Secretary</p>
<p>PROMOTERS OF EVOLUTIONARY SYSTEMS PRIVATE LIMITED</p>
<p>The promoters of Evolutionary Systems Private Limited are Umang Tejkaran Nahata, Ummed Singh Nahata and Rakesh Raman.</p>
<p>SCHEME DETAILS, LISTING AND PROCEDURE</p>
<p>The Scheme of Arrangement provides for Demerger of the Demerged Undertaking as defined in the Scheme of Arrangement from ESPL into TAISPL under the provisions of Sections 230 to 232 of the Companies Act, 2013 and rules framed thereunder. As a consideration for the demerger, listed equity shares would be issued by Mastek and unlisted compulsorily convertible preference shares would be issued by TAISPL to the shareholders of ESPL.</p> <p>Such equity shares (issued by the Mastek to the relevant equity shareholders of ESPL) will be listed and admitted for trading on the Stock Exchanges.</p> <p align="center">PROCEDURE</p> <p>The procedure with respect to public issue/offer would not be applicable as the Scheme does not involve issue of any equity shares to public at large. The issue of equity shares by Mastek is only to the shareholders of the Demerged Company, in accordance with the Scheme. Hence, the procedure with respect to GID (General Information Document) is Not Applicable.</p>
<p>STATUTORY AUDITORS OF ESPL</p>
<p>Walker Chandiook & Co. LLP, Chartered Accountants, Firm Registration No. 001076N/N500013 Address: 16th floor, Tower II, Indiabulls Finance Centre, SB Marg, Prabhadevi (W), Mumbai – 400 013, India. Phone: +91 22 6626 2699</p>
<p>ELIGIBILITY FOR THE ISSUE</p>
<p>Whether the company is compulsorily required to allot at least 75% of the net public offer to public, to qualified institutional buyers – Not Applicable</p>
<p>INDICATIVE TIMELINE</p>
<p>The Abridged Prospectus is issued pursuant to the Scheme and is not an offer to public at large. The time frame cannot be established with absolute certainty, as the Scheme is subject to approvals from regulatory authorities, including the National Company Law Tribunal, Ahmedabad Bench at Ahmedabad (“NCLT”).</p>

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in the equity of the Issuing Company unless they can afford to take the risk of losing their entire investment. Shareholders are advised to read the risk factors carefully before taking an investment decision in relation to the Scheme. For taking an investment decision, shareholders must rely on their own examination of the Company and the Scheme including the risks involved. The equity shares being offered in the Scheme have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of the Abridged Prospectus. The Scheme does not envisage any issue to the public at large. **Shareholders are advised to refer the title “Internal Risk Factors” on Page No. 6 of the Abridged Prospectus before making an investment in this Scheme.**

PRICE INFORMATION OF ESPL

Not Applicable, since this abridged prospectus is prepared in relation to the Scheme.

PROMOTERS OF ESPL

The promoters of Evolutionary Systems Private Limited are Umang Tejkaran Nahata, Ummed Singh Nahata and Rakesh Raman.

Sr. No.	Name	Qualification	Experience including current / past position held in other firms
1.	Mr. Umang Tejkaran Nahata	Chartered Accountant	Mr. Umang Nahata is the founder and promoter of Evosys. He is a member of The Institute of Chartered Accountants of India. Mr. Nahata has held Senior Management positions in some of the well-known IT & Consulting companies. Mr. Nahata has always delivered beyond expectations & shown his outstanding consulting and business skills. Mr. Nahata, with his continuous effort & zeal, has consistently achieved success in all projects till date. He is presently the Chief Executive Officer (CEO) of the Company and handles all the management of the Company.
2.	Mr. Ummed Singh Nahata	Diploma in Finance Management	Mr. Ummed Singh Nahata is a former Director and the senior-most member of the Company. He is a Commerce graduate from the Bombay University and also Diploma in Finance Management. He has a diverse experience of more than three decades in the field of Finance Management and Social Work. He is lately associated with the Company for social causes and CSR activities.
3.	Mr. Rakesh Raman	Bachelor in Technology	Mr. Raman is a Director and Co-founder of Evosys. He is an Engineering Graduate from VJTI University, Mumbai. He has an experience of more than a decade in IT and ITES Industry and has also served in GTL Limited in his initial days. He specializes in Oracle Applications, Database Administration and Business Intelligence Implementations. His expertise in the area of technology & its implications on business scenarios has always made it possible to deliver beyond the expectations of clients. He currently heads the entire operations of the AMEA region handles all the operational aspects of the Company.

BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY

ESPL was incorporated on 12th day of September, 2006 as Evolutionary Systems Private Limited, a private limited company, with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 1956. The Registered Office of ESPL is currently situated at 11th Floor, Kataria Arcade, Beside Adani Vidya Mandir School, S.G. Highway, Makarba, Ahmedabad- 380054, Gujarat, India.

ESPL is engaged in the business of marketing, distributing, implementing and supporting the licensed Oracle based products and other business solutions all over the world.

BOARD OF DIRECTORS OF ESPL

Board of Directors of ESPL:

Sr. No.	Name	Designation	Experience including current / past position held in other firms
1.	Ashank Desai	Chairman	Mr. Desai is the Principal Founder and Former Chairman of Mastek and has more than 4 decades of rich and diverse experience in IT industry. Mr. Desai having been the CMD of Mastek and currently serving as Vice Chairman & Managing Director of Mastek, brings with him valuable experience in managing the issues faced by large and complex organisations. Mr. Desai also holds Directorship Position in Majesco Limited, NRB Bearings Limited, the listed Companies and also is a Director in Santacruz Electronics Export Manufacturers Association, National Association of Software and Service Companies, Indian Federation Against Software Theft, Wheels Global Foundation, Gurukul Knowledge Foundation, Pan IIT Alumni Reach for INDIA Foundation. Also, he is/ had been associated with different Associations, Foundations viz; Mastek Foundation, Avanshali Foundation, Founder Member of NASSCOM etc.; Mr. Desai was also the President of Asian-Oceanic Computing Industry Organization (ASOCIO). He has rich experience in various areas of business, technology, operations, societal and governance matters.
2.	Umang Nahata	CEO	Mr. Umang Nahata is the founder and promoter of Evosys. He is a member of The Institute of Chartered Accountants of India. Mr. Nahata has held Senior Management positions in some of the well-known IT & Consulting companies. Mr. Nahata has always delivered beyond expectations & shown his outstanding consulting and business skills. Mr. Nahata was previously employed with GTL Limited and KPIT Commins. Mr. Nahata, with his continuous effort & zeal, has consistently achieved success in all projects till date. He is presently the Chief Executive Officer (CEO) of the Company and handles all the management of the Company.
3.	S. Sandilya	Director	Mr. S. Sandilya is a Commerce Graduate from Madras University and holds an MBA from the Indian Institute of Management (IIM), Ahmedabad and he holds almost 5 (five) decades of rich and diverse professional experience. Mr. Sandilya is presently the Non-Executive Chairman of Eicher Group. He joined Eicher Group in 1975 and has held various responsibilities in the areas of Group Finance including Information Technology, Strategy and Planning, Manufacturing and General Management. Mr. Sandilya also holds directorship position in, GMR Infrastructure Limited, Rane Brake Lining Limited, the listed Companies and also is a Director in Lean Management Institute of India (Section 8 Company) and Mastek (UK) Limited. In past he had held Directorship Position in AIAM Private Limited, GMR Generation Assets Limited, Tube Investments of India Limited and Cholamandalam Financial Holdings Limited. He was the Group Chairman and Chief Executive for 6 (six) years before becoming the Non-Executive Chairman, the post he continues to hold.

Sr. No.	Name	Designation	Experience including current / past position held in other firms
4.	Rajeev Grover	Director	Mr. Grover is a B. Com (Hons.) graduate from Shri Ram College of Commerce, University of Delhi. He is a member of The Institute of Chartered Accountants of India and The Institute of Company Secretaries of India and has over 3 decades of rich and diverse experience across Finance, Operations, General Management & Business Transformation across Professional Services and Financial Services organizations like Mercer Consulting, Hewitt Associates (now Aon Hewitt), eFunds Corp. (now part of FIS), GE Capital International Services (now Genpact) and American Express. He also holds directorship position in ExempServ Professional Services Private Limited and SOS Children's Villages of India.
5.	Rakesh Raman	Director	Mr. Raman is a Director and Co-founder of Evosys. He is an Engineering Graduate from VJTI University, Mumbai. He has an experience of more than a decade in IT and ITES Industry and has also served in GTL Limited in his initial days. He specializes in Oracle Applications, Database Administration and Business Intelligence Implementations. His expertise in the area of technology & its implications on business scenarios has always made it possible to deliver beyond the expectations of clients. He currently heads the entire operations of the AMEA region handles all the operational aspects of the Company.

OBJECTS/RATIONALE OF THE SCHEME

1. The Demerged Company having interests in various businesses, through itself or through its subsidiaries, which has been nurtured over a period of time and has significant potential for growth. The Demerged Company is one of the leading and fastest-growing oracle cloud premier platinum partners and has proven expertise in all oracle solutions including ERP, HCM, Hyperion & BI, CX and PaaS through multiple success stories with marquee clients.
2. The Demerged Company has strong presence in India and in the rest of the world which include United States, Europe, Middle East and Asia and has customers in various verticals such as professional services, healthcare, financial services, public sector, life sciences, engineering and construction, etc. TAISPL and Mastek, on the other hand, have strong client relationships in India and aforesaid jurisdictions.
3. The proposed demerger of the Demerged Undertaking from the Demerged Company to the Resulting Companies pursuant to this Scheme is expected, inter alia, to result in:
 - i. more industry-specific value propositions and the local and global presence of the Demerged Company will enable rapid, cost-effective Oracle Cloud solutions across verticals.
 - ii. realisation of benefits of greater synergies between the businesses of the Demerged Company and Resulting Companies and use of the financial, managerial, technical and marketing resources of each other towards maximising stakeholder value;
 - iii. synergy of operations will result in incremental benefits through sustained availability and better procurement terms of components, pooling of resources, thus leading to better utilisation and avoidance of duplication;
 - iv. creation of focused platform for future growth of TAISPL and Mastek being engaged, among other things, in the business of Oracle Services Business;
 - v. opportunities for employees of the Demerged Company and TAISPL to grow in a wider field of business;
 - vi. improvement in competitive position and also achieving economies of scale including enhanced access to marketing networks/customers; and

The proposed Scheme is in the interest of the shareholders, creditors, employees, and other stakeholders in the Demerged Company and the Resulting Companies.

SHAREHOLDING PATTERN OF ESPL (Pre and Post Arrangement)

Shareholding Pattern of ESPL

Sr. No.	Particular	Number of Equity Shares Held	% of Holding
1.	Umang Tejkaran Nahata	36,16,000	36.16
2.	Ummed Singh Nahata	27,12,000	27.12
3.	Rakesh Raman	27,12,000	27.12
4.	Sunil Kothari	4,80,000	4.80
5.	Yashodhar Bhide	4,80,000	4.80
	Total	1,00,00,000	100.00

Note: Since no shares are being issued by ESPL pursuant to the Scheme, the pre and post shareholding pattern of ESPL shall remain the same.

AUDITED FINANCIALS OF ESPL

Standalone (Figures in INR)	As on 31 st December, 2020 [@]	FY2019-20	FY2018-19	FY2017-18 [#]	FY2016-17	FY2015-16
Total Income from Operations (net)	96,61,37,898	1,43,53,40,037	97,29,11,281	71,20,69,358	53,67,49,085	44,10,92,538
Profit/(Loss) before Tax and Extraordinary Items	15,86,85,728	4,59,73,32,095	12,57,45,331	9,60,19,407	2,19,27,630	4,25,14,607
Profit/(Loss) after Tax and Extraordinary Items	11,77,00,703	3,79,16,04,105	8,55,77,922	6,75,34,345	1,03,72,705	2,64,18,018
Equity Share Capital	10,00,00,000	10,00,00,000	10,00,00,000	10,00,00,000	10,00,00,000	10,00,00,000
Reserves and Surplus	40,15,32,420	28,99,18,009	33,89,21,605	23,26,61,908	15,64,65,419	12,72,08,273
Net Worth	50,15,32,420	38,99,18,009	43,89,21,605	33,26,61,908	25,64,65,419	22,72,08,273
Basic Earnings per share	11.77	379.16	8.56	6.75	1.04	2.64
Diluted Earnings per Share	11.77	379.16	8.56	6.75	1.04	2.64
Return on Net Worth	23.47%	972.14%	19.50%	19.29%	4.04%	11.63%
Net Asset Value per share	50.15	38.99	43.89	33.27	25.64	22.72

Consolidated (Figures in INR)	As on 31 st December, 2020 [@]	FY2019-20	FY2018-19	FY2017-18 [#]	FY2016-17	FY2015-16
Total Income from Operations (net)	N.A.*	N.A.*	41,791,68,632	2,96,97,19,311	1,81,62,57,665	1,59,47,60,495
Profit/(Loss) before Tax and Extraordinary Items			95,16,72,724	22,07,64,334	23,25,670	21,91,89,675
Profit/(Loss) after Tax and Extraordinary Items			78,19,12,171	16,12,01,765	(1,19,46,432)	19,45,70,514
Equity Share Capital			10,00,00,000	10,00,00,000	10,00,00,000	10,00,00,000
Reserves and Surplus			1,82,84,17,632	1,16,89,51,818	99,88,18,886	1,03,08,51,835
Net Worth			1,92,84,17,632	1,26,89,51,818	1,09,88,18,886	1,13,08,51,835
Basic Earnings per share (Rs.)			78.19	16.12	(1.19)	19.46
Diluted Earnings per Share (Rs.)			78.19	16.12	(1.19)	19.46
Return on Net Worth (%)			40.55	12.72	(1.09)	17.21
Net Asset Value per share (Rs.)			192.84	126.90	109.88	113.08

* Pursuant to the ongoing scheme of arrangement entered by the Company with Mastek Limited, Trans American Information Systems Private Limited (TAISPL) and its creditors and shareholders, the financial statements of the Company along with its subsidiaries as on March 31, 2020 were consolidated with Mastek Limited.

The Financials mentioned were prepared in accordance with old accounting standards whereas the same financials were again prepared in the next financial year for the purpose of comparison and calculated as per the Ind-AS accounting standards. Hence, there is the difference between the financials of the same year but prepared in different years.

@ Standalone financials dated December 31, 2020 are for nine months and un-audited in nature and not annualised.

NOTE: Net Worth is computed as defined under Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

NOTE: Return on Net Worth is calculated as Profit after Tax divided by Net Worth.

NOTE: Net Asset Value per share is calculated as difference between Total Assets and Total Liabilities, which is divided by the number of shares issued, subscribed and paid-up.

INTERNAL RISK FACTORS

Implementation of the Scheme completely depends upon the approval of the regulatory authorities. Any modification / revision by the competent authorities may delay the completion of the process.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against and by ESPL and amount involved are as under –

Type of Cases	Number of cases	Amount involved (Rs Lakhs)
Civil and Economic Matters	1	-
Criminal Matters	-	
Labor Claims, Winding up petitions or closure	15	32.95
Overseas Litigation matters	3	827.90
SEBI or other regulatory matters	-	
Security Matters	-	
Statutory Obligations	-	
Total	19	860.85

ANY OTHER IMPORTANT INFORMATION OF ESPL

- **Authority for the issue** – The Scheme was approved by the Board of Directors of ESPL, TAISPL and Mastek on February 08, 2020 respectively. The Scheme is subject to approvals from the SEBI, Shareholders, Stock Exchanges, National Company Law Tribunal, Regional Director & Registrar of Companies.
- **Expert Opinion obtained, if any** – Valuation Report and Fairness Opinion
- **Material Contracts and Documents for Inspection:**
 1. Memorandum & Articles of Association
 2. Financial Statements & latest Shareholding Pattern
 3. Draft Scheme of Arrangement
 4. Valuation Report and Fairness Opinion pursuant for the Scheme

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 1956 & Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this abridged prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Abridged Prospectus are true & correct.

For Evolutionary Systems Private Limited

 Umang Nahata Chief Executive Officer	 Signature: Dinesh Kalani Company Secretary – Mastek Limited
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Place: Ahmedabad

Date: April 19, 2021

Date: April 15, 2021

To

The Board of Directors

Mastek Limited

804/805 President House, Opposite C N Vidyalaya,
Near Ambawadi Circle,
Ahmedabad- 380006,
Gujarat, India

Dear Sir,

Sub: Certificate on adequacy and accuracy of disclosure of information pertaining to the Trans American Information Systems Private Limited in the Abridged Prospectus in compliance with SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 for the purpose of Scheme of Arrangement between Evolutionary Systems Private Limited (“ESPL”), Trans American Information Systems Private Limited (“TAISPL”) and Mastek Limited (“Mastek”) and their respective shareholders and creditors under section 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Scheme”).

We, M/s Kunvarji Finstock Private Limited (“KFPL”, “Kunvarji”, “We” or “us”), a Category I Merchant Banker registered with SEBI, having registration no. MB/INM000012564 have been appointed by Board of Directors (the “Board”) of Mastek Limited (Mastek) for the purpose of certifying the adequacy and accuracy of disclosure of information provided in its Abridged Prospectus in connection with the Scheme of Arrangement between Evolutionary Systems Private Limited (“ESPL”), Trans American Information Systems Private Limited (“TAISPL”) and Mastek Limited (“Mastek”).

1. Scope and Purpose of the Certificate:

SEBI vide Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“SEBI Circular”) inter alia prescribed that the listed entity (in the present case “Mastek Limited” (Mastek)) shall include the applicable information pertaining to the unlisted entity involved in the scheme (in the present certificate, “TAISPL”) in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”), in the explanatory statement or notice or proposal accompanying resolution to be passed, sent to the shareholders

while seeking approval of the scheme. SEBI Circular further prescribes that the accuracy and adequacy of such disclosures shall be certified by a SEBI Registered Merchant Banker after following the due diligence process.

This certificate is being issued in compliance of above mentioned requirement under the SEBI Circular.

This certificate is restricted to meet the above mentioned purpose only and may not be used for any other purpose whatsoever or to meet the requirement of any other laws, rules, regulations and statutes.

2. Certification:

We state and confirm as follows:

- 1) We have examined various documents and other materials made available to us by the management of Mastek and TAISPL in connection with finalization of Abridged Prospectus dated April 15, 2021 pertaining to TAISPL which will be circulated to the members of all the companies i.e. ESPL, TAISPL and Mastek at the time of seeking their consent to the Scheme of Arrangement between ESPL, TAISPL and Mastek as a part of explanatory statement to the notice.
- 2) On the basis of such examination and the discussion with the management of Mastek and TAISPL, we confirm that:
 - A. The information contained in the Abridged Prospectus is in conformity with the relevant documents, materials and other papers related to TAISPL.
 - B. The Abridged Prospectus contains applicable information pertaining to TAISPL as required in terms of SEBI Circular which, in our view is fair, adequate and accurate to enable the members to make an informed decision on the Scheme of Arrangement.

3. Disclaimer:

Our scope of work did not include the following:-

- An audit of the financial statements of TAISPL.
- Carrying out a market survey / financial feasibility for the Business of TAISPL.
- Financial and Legal due diligence of TAISPL.

It may be noted that in carrying out our work we have relied on the integrity of the information provided to us for the purpose, and other than reviewing the consistency of such information, we have not sought to carry out an independent verification, thereof we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the management of TAISPL and Mastek.

We do not assume any obligation to update, revise or reaffirm this certificate because of events or transactions occurring subsequent to the date of this certificate.

We understand that the management of TAISPL and Mastek, during our discussions with them would have drawn our attention to all such information and matters, which may have impact on our Certificate.

The fee for our services is not contingent upon the result of the Scheme of Arrangement.

The management of TAISPL and Mastek or their related parties are prohibited from using this opinion other than for its sole limited purpose and not to make a copy of this certificate available to any party other than those required by statute for carrying out the limited purpose of this certificate.

Our certificate is not, nor should it be constructed as our opinion or certification of the compliance of the Scheme of Arrangement with the provision of any law including Companies Act, taxation laws, capital market laws and related laws.

We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/investors should buy, sell or hold any stake in the Company or any of its related parties (holding companies/subsidiaries/associates etc.)

In no event, KFPL, its Directors and employees will be liable to any party for any indirect, incidental, consequential, special or exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provision of this opinion.

Yours faithfully,

For, Kunvarji Finstock Private Limited

ATUL

MANHARLA

L CHOKSHI

Digitally signed by ATUL
MANHARLAL CHOKSHI
Date: 2021.04.15 14:04:19 +05'30'

Mr. Atul Chokshi

Director (DIN: 00929553)

Date: April 15, 2021

Place: Ahmedabad

**APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS
(AS PROVIDED IN PART E OF SCHEDULE VI OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE
REQUIREMENT) REGULATIONS, 2018)**

This Document contains information pertaining to an unlisted entity involved in the proposed Scheme of Arrangement between Evolutionary Systems Private Limited (“ESPL” or “Demerged Company”), Trans American Information Systems Private Limited (“TAISPL”) and Mastek Limited (“Mastek”) and their respective shareholders and creditors pursuant to Sections 230 to 232 of the Companies Act, 2013 and Rules framed thereunder (“Scheme”). TAISPL and Mastek are hereinafter collectively referred to as the “Resulting Companies”. This Abridged Prospectus has been prepared in terms of the requirements specified in SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“SEBI Circular”). Copies of the documents as mentioned under the title “Any Other Important Information of TAISPL” on page no. 5 shall be available for inspection at Mastek’s Registered Office situated at 804/805 President House, Opposite C N Vidyalaya, Near Ambawadi Circle, Ahmedabad - 380006, Gujarat, India during working hours on all working days from the date of this Abridged Prospectus till the arrangement.

**THIS ABRIDGED PROSPECTUS CONTAINS 6 PAGES
PLEASE MAKE SURE YOU HAVE RECEIVED ALL THE PAGES**

<p>Trans American Information Systems Private Limited Registered Office: 804/805 President House, Opposite C N Vidyalaya, Near Ambawadi Circle, Ahmedabad-380006, Gujarat, India Telephone: 91-79-2656-4337; Email: rmahato@taistech.com CIN: U51505GJ1999PTC112745 Contact Person: Rabindar Kumar Mahato</p>
<p>PROMOTERS OF TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED</p>
<p>The promoter of Trans American Information Systems Private Limited is Mastek Limited since it is a wholly-owned subsidiary of Mastek Limited.</p>
<p>SCHEME DETAILS, LISTING AND PROCEDURE</p>
<p>The Scheme of Arrangement provides for Demerger of the Demerged Undertaking as defined in the Scheme of Arrangement from ESPL into TAISPL under the provisions of Sections 230 to 232 of the Companies Act, 2013 and rules framed thereunder. As a consideration for the demerger, listed equity shares would be issued by Mastek and unlisted compulsorily convertible preference shares would be issued by TAISPL to the shareholders of ESPL.</p> <p>Such equity shares (issued by the Mastek to the relevant equity shareholders of ESPL) will be listed and admitted for trading on the Stock Exchanges.</p> <p align="center">PROCEDURE</p> <p>The procedure with respect to public issue/offer would not be applicable as the Scheme does not involve issue of any equity shares to public at large. The issue of equity shares by Mastek is only to the shareholders of the Demerged Company, in accordance with the Scheme. Hence, the procedure with respect to GID (General Information Document) is Not Applicable.</p>
<p>STATUTORY AUDITORS OF TAISPL</p>
<p>Walker Chandiok & Co. LLP, Chartered Accountants, Firm Registration No. 001076N/N500013 Address: 16th floor, Tower II, Indiabulls Finance Centre, SB Marg, Prabhadevi (W), Mumbai – 400 013, India. Phone: +91 22 6626 2699</p>
<p>ELIGIBILITY FOR THE ISSUE</p>
<p>Whether the Company is compulsorily required to allot at least 75% of the net public offer to public, to qualified institutional buyers – Not Applicable</p>
<p>INDICATIVE TIMELINE</p>
<p>The Abridged Prospectus is issued pursuant to the Scheme and is not an offer to public at large. The time frame cannot be established with absolute certainty, as the Scheme is subject to approvals from regulatory authorities, including the National Company Law Tribunal, Ahmedabad Bench at Ahmedabad (“NCLT”).</p>

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in the equity of the Issuing Company unless they can afford to take the risk of losing their entire investment. Shareholders are advised to read the risk factors carefully before taking an investment decision in relation to the Scheme. For taking an investment decision, shareholders must rely on their own examination of the Company and the Scheme including the risks involved. The equity shares being offered in the Scheme have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of the Abridged Prospectus. The Scheme does not envisage any issue to the public at large. **Shareholders are advised to refer the title “Internal Risk Factors” on Page No. 5 of the Abridged Prospectus before making an investment in this Scheme.**

PRICE INFORMATION OF TAISPL

Not Applicable, since this abridged prospectus is prepared in relation to the Scheme.

PROMOTERS OF TAISPL

The promoter of Trans American Information Systems Private Limited is Mastek Limited since it is a wholly-owned subsidiary of Mastek Limited.

Sr. No.	Name	Qualification	Experience including current/ past position held in other firms
1.	Mr. Ashank Desai as Nominee of Mastek Limited	Mr. Ashank Desai, is an Information Technology (IT) Industrialist and has done B.E. from Mumbai University and had secured the second rank in the University. He holds a M. Tech Degree from the Indian Institute of Technology (IIT), Mumbai. He also holds Post Graduate Diploma in Business Management (PGDBM) from IIM Ahmedabad.	<p>Mr. Desai is the Principal Founder and Former Chairman of Mastek and has more than 4 decades of rich and diverse experience in IT industry. Mr. Desai having been the CMD of Mastek and currently serving as Vice Chairman & Managing Director of Mastek, brings with him valuable experience in managing the issues faced by large and complex organisations Mr. Desai has significant experience due to his status as a prominent figure in both India and global IT arena. Mr. Desai, a founding member of NASSCOM, was also the President of Asian-Oceanic Computing Industry Organization (ASOCIO). He has rich experience in various areas of business, technology, operations, societal and governance matters.</p> <p>Mr. Desai also holds Directorship Position in Majesco Limited, NRB Bearings Limited, the listed Companies and also is a Director in Evolutionary Systems Private Limited, Santacruz Electronics Export Manufacturers Association, National Association of Software and Service Companies, Indian Federation Against Software Theft, Wheels Global Foundation, Gurukul Knowledge Foundation, Pan IIT Alumni Reach for INDIA Foundation. Also, he is/ had been associated with different Associations, Foundations viz; Mastek Foundation, Avanshali Foundation, Founder Member of NASSCOM etc.;</p>
2.	Mastek Limited	NA	NA

BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY

TAISPL was incorporated on 5th day of March, 1999 as Trans American Information Systems Private Limited, a private limited company, with the Registrar of Companies, New Delhi, under the provisions of the Companies Act, 1956. The Registered Office of TAISPL is currently situated at 804/805 President House, Opposite C N Vidyalaya, Near Ambawadi Circle, Ahmedabad, Gujarat - 380006. TAISPL is a wholly-owned subsidiary of Mastek Limited.

TAISPL is engaged in the business of providing IT services in the areas like e-commerce website implementation, support, maintenance, and other complimentary services.

BOARD OF DIRECTORS OF TAISPL

Sr. No.	Name	Designation	Experience including current / past position held in other firms
1.	Ashank Datta Desai	Director	<p>Mr. Desai is the Principal Founder and Former Chairman of Mastek and has more than 4 decades of rich and diverse experience in IT industry. Mr. Desai having been the CMD of Mastek and currently serving as Vice Chairman & Managing Director of Mastek, brings with him valuable experience in managing the issues faced by large and complex organisations Mr. Desai has significant experience due to his status as a prominent figure in both India and global IT arena. Mr. Desai, a founding member of NASSCOM, was also the President of Asian-Oceanic Computing Industry Organization (ASOCIO). He has rich experience in various areas of business, technology, operations, societal and governance matters.</p> <p>Mr. Desai also holds Directorship Position in Majesco Limited, NRB Bearings Limited, the listed Companies and also is a Director in Evolutionary Systems Private Limited, Santacruz Electronics Export Manufacturers Association, National Association of Software and Service Companies, Indian Federation Against Software Theft, Wheels Global Foundation, Gurukul Knowledge Foundation, Pan IIT Alumni Reach for INDIA Foundation. Also, he is/ had been associated with different Associations, Foundations viz; Mastek Foundation, Avanshali Foundation, Founder Member of NASSCOM etc.;</p>
2.	Rabindar Kumar Mahato	Director	<p>Mr. Rabindar Kumar Mahato was appointed as Board Member of the Company in the year 2000. Mr. Mahato, is a Commerce graduate from University of Calcutta and he has 26 years of professional experience with various responsibilities of supporting and managing all hands - on operational aspects of the Company's business. Currently, he is handling issues related to Accounts, banking, Legal matters and related issues.</p>
3.	Rakesh Chandra Singh	Director	<p>Mr. Rakesh Chandra Singh was appointed as a Board Member of the Company in the year 2000. Mr. Singh is a graduate from Garhwal University and he has 25 years of professional experience and has handled various responsibilities of supporting and managing all hands-on operational aspects of the Company's IT related business. Currently, he is managing the integration and streamlining of the support systems and services, ensuring compliances, assures protection for the assets of the business through internal control & efficient administration.</p>

OBJECTS/ RATIONALE OF THE SCHEME

- The Demerged Company having interests in various businesses, through itself or through its subsidiaries, which has been nurtured over a period of time and has significant potential for growth. The Demerged Company is one of the leading and fastest-growing oracle cloud premier platinum partners and has proven expertise in all oracle solutions including ERP, HCM, Hyperion & BI, CX and PaaS through multiple success stories with marquee clients.

2. The Demerged Company has strong presence in India and in the rest of the world which include United States, Europe, Middle East and Asia and has customers in various verticals such as professional services, healthcare, financial services, public sector, life sciences, engineering and construction, etc. TAISPL and Mastek, on the other hand, have strong client relationships in India and aforesaid jurisdictions.
3. The proposed demerger of the Demerged Undertaking from the Demerged Company to the Resulting Companies pursuant to this Scheme is expected, inter alia, to result in:
 - i. more industry-specific value propositions and the local and global presence of the Demerged Company will enable rapid, cost-effective Oracle Cloud solutions across verticals.
 - ii. realisation of benefits of greater synergies between the businesses of the Demerged Company and Resulting Companies and use of the financial, managerial, technical and marketing resources of each other towards maximising stakeholder value;
 - iii. synergy of operations will result in incremental benefits through sustained availability and better procurement terms of components, pooling of resources, thus leading to better utilisation and avoidance of duplication;
 - iv. creation of focused platform for future growth of TAISPL and Mastek being engaged, among other things, in the business of Oracle Services Business;
 - v. opportunities for employees of the Demerged Company and TAISPL to grow in a wider field of business;
 - vi. improvement in competitive position and also achieving economies of scale including enhanced access to marketing networks/customers; and

The proposed Scheme is in the interest of the shareholders, creditors, employees, and other stakeholders in the Demerged Company and the Resulting Companies.

EQUITY SHAREHOLDING PATTERN OF TAISPL (Pre and Post Arrangement)

Sr. No.	Name of Shareholder	TAISPL			
		Pre-arrangement		Post-arrangement	
1	Mastek Ltd	34,519	99.997	34,519	99.997
2	Mr. Ashank Datta Desai (Nominee of Mastek Limited)	1	0.003	1	0.003
	Total	34,520	100.00	34,520	100.00

CCPS SHAREHOLDING PATTERN OF TAISPL (Pre and Post Arrangement)

Sr. No.	Name of Shareholder	TAISPL			
		Pre-arrangement		Post-arrangement	
1	Umang Nahata	-	-	5,424	36.16
2	Ummed Nahata	-	-	4,068	27.12
3	Rakesh Raman	-	-	4,068	27.12
4	Yashodhar Bhide	-	-	720	4.80
5	Sunil Kothari	-	-	720	4.80
	Total	-	-	15,000	100.00

AUDITED FINANCIALS OF TAISPL

Standalone (Figures in INR)	As on 31th December 2020 @	FY2019-20	FY2018-19	FY2017-18	FY2016-17	FY2015-16
Total Income from Operations (net)	26,05,26,600	41,23,74,800	41,17,73,000	33,97,68,000	31,89,47,008	20,53,20,086
Profit/(Loss) before Tax and Extraordinary Items	4,98,71,700	8,55,89,400	6,82,72,000	4,92,31,000	5,40,02,535	1,55,72,272
Profit/(Loss) after Tax and Extraordinary Items	3,70,93,550	4,13,32,209	5,02,92,903	3,41,58,000	3,50,47,400	94,73,990
Equity Share Capital	345,200	3,45,200	3,45,200	3,45,200	3,45,200	1,00,200
Reserves and Surplus	24,88,89,845	18,14,61,195	15,87,79,000	10,86,59,000	7,56,24,042	4,05,76,641
Net Worth	24,92,35,045	18,18,06,395	15,91,24,200	10,90,04,200	7,59,69,242	4,06,76,841
Basic Earnings per share (Rs.)	1074.55	1197.33	1456.92	989.51	1,015	946
Diluted Earnings per Share (Rs.)	1074.55	1197.33	1456.92	989.51	1,015	946
Return on Net Worth (%)	14.88%	22.73%	31.61%	31.33%	46.13%	23.29%
Net Asset Value per share	7220.0187	5266.6974	4609.6234	3157.71147	2200.7312	4059.5649

@ For Nine months and Un-Audited in nature and not annualised.

NOTES:

1. Net Worth is computed as defined under Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
2. Return on Net Worth is calculated as Profit after Tax divided by Net Worth.
3. Net Asset Value per share is calculated as difference between Total Assets and Total Liabilities, which is divided by the number of shares issued, subscribed and paid-up.

INTERNAL RISK FACTORS

Implementation of the Scheme completely depends upon the approval of the regulatory authorities. Any modification / revision by the competent authorities may delay the completion of the process.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against and by TAISPL and amount involved are as under –

Type of Cases	Number of cases	Amount involved (Rs Lakhs)
Civil and Economic Matters	0	NA
Criminal Matters	0	NA
Labour Claims, Winding up petitions or closure	0	NA
Overseas Litigation matters	0	NA
SEBI or other regulatory matters	0	NA
Security Matters	0	NA
Statutory Obligations	0	NA
Total	0	NA

ANY OTHER IMPORTANT INFORMATION OF TAISPL

- **Authority for the issue** – The Scheme was approved by the Board of Directors of ESPL, TAISPL and Mastek on February 08, 2020 respectively. The Scheme is subject to approvals from the SEBI, Shareholders, Stock Exchanges, National Company Law Tribunal, Regional Director & Registrar of Companies.
- **Expert Opinion obtained, if any** – Valuation Report and Fairness Opinion
- **Material Contracts and Documents for Inspection:**
 1. Memorandum & Articles of Association
 2. Financial Statements & latest Shareholding Pattern
 3. Draft Scheme of Arrangement
 4. Share Valuation Report and Fairness Opinion pursuant for the Scheme

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 1956 & Companies Act, 2013 and the guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this abridged prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Abridged Prospectus are true & correct.

For Trans American Information Systems Private Limited



Ashank Desai
Director
(DIN: 00017767)



Dinesh Kalani
Company Secretary – Mastek Limited

Place: Mumbai
Date: April 15, 2021

PARIKH & MAJMUDAR

CHARTERED ACCOUNTANTS

CA. (DR). HITEN PARIKH
M.Com., LL.B., FCA., PH.D.
CA. SANJAY MAJMUDAR
B.Com., LL.B., FCA.



Independent Auditors' Report

To the Members of M/s EVOLUTIONARY SYSTEMS PRIVATE LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of M/s EVOLUTIONARY SYSTEMS PRIVATE LIMITED ("the Company"), which comprise the standalone balance sheet as at March 31, 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 accounting principles generally accepted in India including Indian Accounting standards (Ind AS) specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2020, and its Profits (financial performance including other comprehensive income), its Cash flows and changes in equity for the year ended on that date.

Basis for Opinion

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 Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



303, "B" Wing, GCP Business Center, Opp Memnagar Fire Station, Nr. Vijay Cross Roads, Navrangpura,
Ahmedabad - 380 009. Phones :- +91 79 26401701/02/03 Fax: - + 91 79 40092628
Email : audit@smajmudar.com

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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



Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The standalone Balance Sheet, the standalone Statement of Profit and Loss including other Comprehensive Income, standalone Statement of Changes in Equity and the standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations, received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.



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

- I. The Company has disclosed the impact of pending litigations on its financial position in the standalone Ind AS Financial Statements (Refer Note No -33 to the Standalone Ind AS Financial Statements.)
- II. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W
UDIN: 20040230AAAAEP7964

Place: Ahmedabad
Date: 11-06-2020




[C.A (Dr) Hiten M. Parikh]
PARTNER
Membership No. 40230

**ANNEXURE A –TO THE INDEPENDENT AUDIT REPORT
OF EVEN DATE TO THE MEMBERS OF EVOLUTIONARY SYSTEMS PRIVATE
LIMITED :ON THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST MARCH 2020**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
- (b) According to the information and explanations given to us, the Property, plant & Equipment are verified in a phased manner by the management, during the year which, in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The nature of the business of the Company is that of providing of Software Technology Enabled services. As there is no inventory and hence, Clause 3(ii) of the Order is not applicable
- (iii) The company has not granted any loans secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.(the Act). Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable.
- (iv). In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to investments made during the year .
- (v) The Company has not accepted any deposits from the public.
- (vi). As explained to us, the Central Government has not prescribed the maintenance of Cost records under sub section (1) of section 148 of the companies Act 2013.



- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, Employee State insurance ,income-tax, Goods & Service tax,sales tax, value added tax, duty of customs, duty of excise, service tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the, sales tax , value added tax and duty of excise are not applicable to the company.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, Employee State insurance income tax, Goods & Service tax,duty of customs, service tax, cess and other material statutory dues were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.

- b) According to the information & explanations given to us, there were no material dues of Income Tax, Duty of Customs , Goods & Service Tax,Service Tax which have not been deposited with the appropriate authorities on account of any disputes.
- (viii) According to information & explanations given to us, the company has not defaulted in repayment of its dues to Banks. The company does not have any borrowings from debenture holders or financial institutions or government.
- (ix) According to the information & explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year under review Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.



- (xi) As explained to us, as the company being Private limited Company and Accordingly, paragraph 3(xi) of the Order is not applicable
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

Place : Ahmedabad

Date : 11-06-2020

For Parikh & Majmudar

Chartered Accountants

Firm Reg No. 107525W

UDIN: 20040230AAAAEP7964

[C.A. (Dr. Hiten M. Parikh)]

PARTNER

M. No. 040230



Annexure B to the Independent Auditor's Report of Even Date to the Members of M/s EVOLUTIONARY SYSTEMS PRIVATE LIMITED on the Standalone Ind AS Financial Statements for the year ended on 31st March 2020

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the standalone Ind AS financial statements of M/s EVOLUTIONARY SYSTEMS PRIVATE LIMITED ("the Company") as at and for the year ended 31st March 2020, We have audited the internal financial controls over financial reporting of the company as of that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to 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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting and the Guidance Note issued by 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

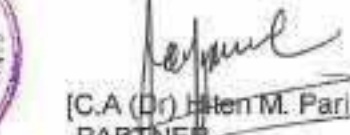
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Place: Ahmedabad
Date: 11-06-2020



For Parikh & Majmudar
Chartered Accountants
FR No. 107525W
UDIN: 20040230AAAAEP7964


[C.A (Dr) Hiten M. Parikh]
PARTNER
Membership No. 40230

EVOLUTIONARY SYSTEMS PRIVATE LIMITED
CIN : U17122GJ2006PTC049073
Standalone Balance Sheet as at 31st March, 2020

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non-current Assets			
Property, Plant and Equipment	1	100,965,460	83,101,570
Capital work-in-progress		-	-
Right of use Assets	1	66,244,080	-
Other intangible assets		-	-
Financial Assets			
(i) Investments	2	13,526,123	8,915,098
(ii) Trade receivables		-	-
(iii) other financial assets	3	4,407,845	-
Deferred Tax Assets		18,188,558	19,778,386
Other non-current assets	4	484,500	10,527,550
Total Non-current Assets		203,836,565	122,322,604
Current Assets			
Financial Assets			
(i) Current Investments	5	-	60,674,325
(ii) Trade receivables	6	251,284,158	292,400,558
(iii) Cash and cash equivalents	7	170,133,767	43,573,082
(iv) Bank balances other than (iii) above	8	35,383,586	31,741,755
(v) Loans	9	8,143,037	8,129,181
(vi) Other financial assets	9a	1,344,210	12,278,613
Other current assets	10	40,725,731	20,122,218
Current tax assets (net)	11	24,323,355	-
Total Current Assets		529,337,823	466,919,733
Total Assets :		733,174,389	589,242,337
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	12	100,000,000	100,000,000
(b) Other Equity	13	289,918,009	338,921,605
Total Equity		389,918,009	438,921,605
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	14	-	87,852
(ii) Lease Liabilities	15	48,468,675	-
Provisions	16	53,751,066	31,383,767
Deferred tax liabilities (Net)		-	-
Other non-current liabilities	17	-	-
Total Non-Current Liabilities		102,217,751	31,481,619
Current liabilities			
Financial Liabilities			
(i) Borrowings	18	-	45,566,486
(ii) Trade payables	19	-	-
Total Outstanding dues of micro enterprises and small enterprises		-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises		13,190,852	3,423,407
(ii) Other financial liabilities	20	201,275,352	21,458,220
(iii) Lease Liabilities	20a	21,606,118	-
Other current liabilities	21	4,041,895	38,708,506
Provisions	22	1,024,402	637,848
Current Tax Liabilities (Net)	23	-	9,044,648
Total Current Liabilities		241,038,619	118,839,113
Total Equity and Liabilities :		733,174,389	589,242,337



The accompanying Notes 1 to 47 are integral part of these Financial Statements.
As per our report of even date attached.

For Parikh & Majmudar
Chartered Accountants
(Firm Regn.No.107525W)
UDIN:20040230AAAAEP7964

CA Dr. Hiten Parikh
Partner
Membership No.040230

For and on behalf of the Board of Directors,
EVOLUTIONARY SYSTEMS PRIVATE LIMITED

[Umang Nahata]
Director
DIN : 00323145

[Rakesh Raman]
Director
DIN : 00708387

[Nisha Khatri]
Chief Financial Officer

[DISHA SHAM]
Company Secretary

PLACE : AHMEDABAD
DATE : 11-06-2020

PLACE : AHMEDABAD
DATE : 11-06-2020



M/s EVOLUTIONARY SYSTEMS PRIVATE LIMITED
CIN : U17122GJ2006PTC049073
Standalone Statement of Profit and Loss for the year ended 31st March, 2020

(Amount in Rs.)

Sr. No	Particulars	Note No.	Year ended 31st March, 2020	Year ended 31st March, 2019
I	Revenue from Operations	24	1,435,340,037	972,911,281
II	Other Income	25	4,523,212,557	45,294,337
III	Total income (I + II)		5,958,552,594	1,018,205,618
IV	Expenses:			
	Purchase of Stock in Trade	26	-	210,480
	Employee Benefits Expense	27	1,056,872,413	667,928,152
	Finance Costs	28	5,647,073	2,851,897
	Depreciation and Amortization Expense		51,390,701	21,283,408
	Other Expenses	29	247,310,312	200,186,350
	Total Expenses (IV)		1,361,220,499	892,460,287
V	Profit before tax (III- IV)		4,597,332,095	125,745,331
VI	Tax expense:	30		
	(1) Current Tax		800,000,000	51,200,000
	(2) Short/excess provision		1,516,149	-
	(3) Deferred Tax		4,211,841	(11,032,592)
	Total Tax Expenses (VI)		805,727,990	40,167,408
VII	Profit for the period (V -VI)		3,791,604,105	85,577,922
VIII	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		10,418,041	4,530,788
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(2,622,013)	(1,260,460)
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total Other Comprehensive Income (VIII)		7,796,028	3,270,308
IX	Total Comprehensive Income for the period (VII + VIII) (Comprising Profit and Other Comprehensive Income for the period)		3,799,400,133	88,848,230
X	Earnings per equity share (Face Value of ₹ 10/- each)			
	Basic & Diluted	31	379.16	6.56

The accompanying Notes 1 to 47 are integral part of these Financial Statements.

As per our report of even date attached.

For Parikh & Majumdar
Chartered Accountants
(Firm Regn.No.107525W)
UDIN:20040230AAAAEP7964

CA Dr. Hiten Parikh
Partner
Membership No.040230

For and on behalf of the Board of Directors,
M/s EVOLUTIONARY SYSTEMS PRIVATE LIMITED

[Umang Nahata]
Director
DIN : 00323145

[Rakesh Raman]
Director
DIN : 00708387

[Niraj K Shah]
Chief Financial Officer

[DISHA SHAH]
Company Secretary

PLACE : AHMEDABAD
DATE : 11-06-2020

PLACE : AHMEDABAD
DATE : 11-06-2020



M/s EVOLUTIONARY SYSTEMS PRIVATE LIMITED
CIN : U17122GJ2006PTC049073
STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st March, 2020

Particulars	31.03.2020	31.03.2019
(A) Cash Flow From Operating Activities		
Profit before tax	4,597,332,095	125,745,331
Adjustments for		
Re-measurement gain/(loss) on defined benefit plans	(10,418,041)	(4,530,758)
ESOP Outstanding Adjustments	(72,111,572)	37,821,253
Depreciation and amortization expense	51,350,701	21,263,408
Interest and Finance cost	5,647,073	2,851,897
(Profit)/Loss on disposal of Property, Plant and Equipment	(25,491,939)	57,425,821
Operating Profit Before Working Capital Changes	4,571,840,156	183,171,152
Adjustment for Change in:		
(Increase) / Decrease in Trade Receivables	41,116,400	83,922,473
(Increase) / Decrease in Other Assets	(28,357,259)	(23,254,653)
Increase / (Decrease) in Trade Payables	9,767,446	(5,890,292)
Increase / (Decrease) in Other Liabilities	138,105,872	24,232,815
Increase / (Decrease) in Provisions	22,743,875	5,875,505
	181,376,335	84,888,848
Direct Taxes Paid (Net of Refunds)	4,753,216,491	263,060,000
Net Cash Generated From Operations	3,961,700,342	216,860,000
(B) Cash flow from Investing activities		
Increase in Investments	58,063,300	(60,674,325)
Purchase of Property, Plant and Equipment	(135,518,670)	(31,954,010)
Sale of Property, Plant and Equipment	-	-
Loans (Given)	(13,856)	(4,763,630)
Changes in Non Current Assets	-	(5,543,840)
Net Cash Generated From Investing Activities	(79,469,225)	(103,955,805)
(C) Cash Flow From Financing Activities		
Increase / (Decrease) in Long term borrowings (including lease liability)	48,378,823	(247,356)
Increase / (Decrease) in Short term borrowings (including lease liability)	(24,080,388)	(51,026,321)
Interest and Finance cost	(5,647,073)	(2,851,897)
Dividend Paid (including Tax On Dividend)	(3,780,700,000)	(11,798,445)
Net Cash Generated From Financing Activities	(3,742,028,618)	(65,924,019)
Net Increase in Cash & Cash Equivalents	130,202,497	46,980,175
Cash & Cash Equivalents At		
The Beginning of the Year	75,314,836	28,334,661
The End of the Year	205,517,334	75,314,836
1. Note cash and cash Equivalent includes:		
a) Cash on Hand	125,500	81,240
b) Balance in current account with schedule banks	152,742,976	43,491,015
c) Debit balance in OD /Cash Credit Account	17,265,291	827
d) Fixed deposit with bank	35,383,566	31,741,755
	205,517,333	75,314,837

As per our separate report of even date attached.

For Parikh & Majmudar
 Chartered Accountants
 (Firm Regn.No.107525W)
 UDIN:20040230AAAEP7964

CA Dr. Hiten Parikh
 Partner
 Membership No.040230

PLACE : AHMEDABAD
 DATE : 11-06-2020



[Umang Nahata]
 Director
 DIN :00323145

For and on behalf of the Board
 EVOLUTIONARY SYSTEMS PRIVATE LIMITED

[Rakesh Raman]
 Director
 DIN :00708387

[Nirav Khatri]
 Chief Financial Officer
 PLACE : AHMEDABAD
 DATE : 11-06-2020

[Disha Shrivastava]
 DASHA SHRIVASTAVA
 COMPANY SECRETAR

EVOLUTIONARY SYSTEMS PVT LTD
NOTES TO STANDALONE FINANCIAL STATEMENTS

A. OVERVIEW

(a) Corporate Information

The Company is a Private Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company is engaged in the business of acting primarily as an implementation partner of a suite of software solutions developed by Oracle Corporation. The Company presently has offices at Ahmedabad (Gujarat).

(b) Basis of preparation of Financial Statements :

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared under the historical cost basis.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Company's management evaluates all recently issued or revised accounting standards on an on-going basis.

The financial statements are presented in Indian Rupees ('INR'). Where changes are made in presentation, the comparative figures of the previous year are regrouped and re-arranged accordingly.

(c) Use of Estimates and Judgements :

The estimates and judgements used in the preparation of financial statements are continuously evaluated by the company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.



EVOLUTIONARY SYSTEMS PVT LTD
NOTES TO STANDALONE FINANCIAL STATEMENTS

(d) Critical Accounting Estimates

(i) Revenue Recognition

The company uses significant judgements while determining the transaction price allocated to performance obligations using the expected costs plus margin approach.

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

(ii) Income taxes

In assessing the realizability of deferred income tax assets, the Management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax asset is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The management considers the schedule reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making the assessment.

(iii) Property Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life.

(iv) Non-current assets held for sale

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of the Management's estimates and assumptions.

(v) Staff end-of-service gratuity

The company computes the provision for the liability to staff end-of-service gratuity assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.



EVOLUTIONARY SYSTEMS PVT LTD
NOTES TO STANDALONE FINANCIAL STATEMENTS

(vi) Unbilled revenue

Where the outcome of a contract can be estimated reliably, contract revenue and costs are recognized by reference to the stage of completion. The management makes estimates of the cost incurred, to the extent of the revenue recognized and makes provision for unbilled revenue or excess billings on the basis of actual revenue recognized on those contracts. Since the percentage of completion method uses current estimates of contract revenue and expenses, it is normal to encounter changes in estimates of contract revenue and costs.

B. SIGNIFICANT ACCOUNTING POLICIES

1. Property, Plant and Equipment:

- (i) Property, Plant and Equipment are stated at original cost (net of tax / duty credit availed) less accumulated depreciation and impairment losses. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, and pre-operative expenses including attributable borrowing costs incurred during pre-operational period.
- (ii) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.
- (iii) Assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.
- (iv) Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013
- (v) Property, Plant and Equipment are depreciated and/or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.



EVOLUTIONARY SYSTEMS PVT LTD
NOTES TO STANDALONE FINANCIAL STATEMENTS

- (VI) Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use.
- (VII) An asset's carrying amount is written down immediately on discontinuation to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit/ Loss on Sale and Discard of Fixed Assets.
- (VIII) Useful lives of the Property, Plant and Equipment as notified in Schedule II to the Companies Act, 2013 are as follows :
- Buildings - 30 to 60 years
Plant and Equipments - 15 years
Furniture and Fixtures - 10 years
Vehicles - 8 years
Office Equipments - 5 years
Computers- 3 years
- (IX) At each balance sheet date, the Company reviews the carrying amount of property, plant and equipment to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

2. INTANGIBLE ASSETS:

- (i) Intangible assets are carried at cost, net of accumulated amortization and impairment loss, if any.
- (ii) Intangible assets are amortised on respectively useful lives on a straight-line method.
- (iii) At each balance sheet date, the Company reviews the carrying amount of intangible assets to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.



EVOLUTIONARY SYSTEMS PVT LTD
NOTES TO STANDALONE FINANCIAL STATEMENTS

3. Investments :

- (i) Investments of the company comprise of long term investments in subsidiaries. Investment in Equity instruments in Subsidiaries are carried at its acquisition Cost.
- (ii) Current investments comprise of Mutual Funds which have been valued at Fair Value as on reporting date and taken through Profit and Loss account.

4. Financial assets:

- i) The Company classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those to be measured at amortised cost.
- ii) Trade receivables represent receivables for goods sold by the Company upto to the end of the financial year. The amounts are generally unsecured and are usually received as per the terms of payment agreed with the customers. The amounts are presented as current assets where receivables due within 12 months from the reporting date.
- iii) Trade receivables are impaired using the lifetime expected credit loss model under simplified approach. The Company uses a matrix to determine the impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates. At every reporting date, the impairment loss allowance is determined and updated and the same is deducted from Trade Receivables with corresponding charge/credit to Profit and Loss.
- iv) A financial asset is derecognized only when the Company has transferred the rights to receive cash flows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.

5. Financial liabilities:

- i) Borrowings are initially recognised and subsequently measured at amortised cost, net of transaction costs incurred. The transaction costs is amortised over the period of borrowings using the effective interest method in Capital Work in Progress upto the commencement of related Plant, Property and Equipment and subsequently under finance costs in profit and loss account.



EVOLUTIONARY SYSTEMS PVT LTD
NOTES TO STANDALONE FINANCIAL STATEMENTS

- ii) Borrowings are removed from balance sheet when the obligation specified in the contract is discharged, cancelled or expired.
- iii) Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.
- iv) Trade Payables represent liabilities for goods and services provided to the Company upto to the end of the financial year. The amounts are unsecured and are usually paid as per the terms of payment agreed with the vendors. The amounts are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially and subsequently measured at amortised cost.
- v) 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.
- vi) Derivative financial instruments are in the nature of Forward contracts. Forward contracts are executed to hedge the foreign exchange rate with respect to liabilities for goods and services in foreign currencies.
- vii) Derivative financial instruments are recognized initially and subsequently at fair value through mark to market valuation obtained from Forex Advisors. Gain or loss arising from the changes in fairvalue of derivatives are debited to the foreign exchange fluctuations in the statement of profit and loss.

6. Revenue Recognition:

- i) Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products Or services.
- ii) Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.
- iii) Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time, and where there is no uncertainty as to measurement and collectability of consideration, is recognized as per percentage-of-completion method.
- iv) Where there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.



EVOLUTIONARY SYSTEMS PVT LTD
NOTES TO STANDALONE FINANCIAL STATEMENTS

- v) Efforts or costs expended have been used to measure progress towards completion as there is direct relationship between input and productivity. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

7. Employee Benefits:

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- ii) Post Employment and Retirement benefits in the form of Gratuity are considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972.
- iii) The present value of the defined benefit obligation is determined by discounting the estimated future cash out flows by reference to market yields at the end of reporting period on government bonds that have terms approximating to the terms of the related obligation.
- iv) Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organization established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid.

8. CASH FLOW STATEMENT:

- i) Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company is segregated.
- ii) Cash and cash equivalents in the balance sheet comprise cash at bank, cash / cheques in hand and short term investments with an original maturity of three months or less.



EVOLUTIONARY SYSTEMS PVT LTD
NOTES TO STANDALONE FINANCIAL STATEMENTS

9. FOREIGN CURRENCY TRANSACTIONS:

- i) The Company's financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency.
- ii) Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.
- iii) Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

10. BORROWING COSTS:

- i) Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.
- ii) General and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use.
- iii) All other borrowing costs are expensed in the period in which they are incurred.

11. ACCOUNTING FOR TAXES ON INCOME:

- i) Tax expenses comprise of current tax and deferred tax including applicable surcharge and cess.
- ii) Current Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.



EVOLUTIONARY SYSTEMS PVT LTD
NOTES TO STANDALONE FINANCIAL STATEMENTS

- iii) Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profits against which the deductible temporary differences, and the carry forward unused tax credits and unused tax losses can be utilised.
- iv) The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognized to the extent that it is become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.
- v) Deferred tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income. As such, deferred tax is also recognized in other comprehensive income.
- vi) Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the Deferred Tax Assets and Deferred Tax Liabilities relate to taxes on income levied by same governing taxation laws.

12. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

- i) Provisions are made when (a) the Company has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate is made of the amount of the obligation.
- ii) Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts. Contingent liabilities is disclosed in case of a present obligation from past events (a) when it is not probable that an outflow of resources will be required to settle the obligation; (b) when no reliable estimate is possible; (c) unless the probability of outflow of resources is remote.



EVOLUTIONARY SYSTEMS PVT LTD
NOTES TO STANDALONE FINANCIAL STATEMENTS

- iii) Contingent assets are not accounted but disclosed by way of Notes on Accounts where the inflow of economic benefits is probable.

13. CURRENT AND NON-CURRENT CLASSIFICATION:

- i) The Normal Operating Cycle for the Company has been assumed to be of twelve months for classification of its various assets and liabilities into "Current" and "Non-Current".
- ii) The Company presents assets and liabilities in the balance sheet based on current and non-current classification.
- iii) An asset is current when it is (a) expected to be realised or intended to be sold or consumed in normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realised within twelve months after the reporting period; (d) Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.
- iv) An liability is current when (a) it is expected to be settled in normal operating cycle; (b) it is held primarily for the purpose of trading; (c) it is due to be discharged within twelve months after the reporting period; (d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

14. FAIR VALUE MEASUREMENT:

- i) The Company measures financial instruments such as derivatives at fair value at each balance sheet date.
- ii) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.
- iii) The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
- iv) A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



EVOLUTIONARY SYSTEMS PVT LTD
NOTES TO STANDALONE FINANCIAL STATEMENTS

- v) The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
- vi) The assets and liabilities which has been measured at fair value are, Derivatives and Land.

15. EARNINGS PER SHARE:

- i) Basic earnings (loss) per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- ii) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

16. LEASE

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Transition

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on- balance sheet lease accounting model for lessees.



EVOLUTIONARY SYSTEMS PVT LTD
NOTES TO STANDALONE FINANCIAL STATEMENTS

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information.

As a lessee:

Operating leases

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. Accordingly, a right-of-use asset of Rs 307.47 lakhs and a corresponding lease liability of Rs 307.47 Lakhs has been recognized. The principle portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.



M/s EVOLUTIONARY SYSTEMS PRIVATE LIMITED
Notes forming part of Standalone financial statements

Particulars	Buildings	Computers	Office Equipments	Furniture and Fixtures	Vehicles	Right of use assets	TOTAL
NOTE NO : 1 Property, Plant and Equipment and Capital work-in-progress Cost of Assets							
As at 1st April 2019	85,965,850	73,490,858	16,113,891	22,358,321	6,758,471	307,465,45	235,433,936
Addition	2,040,940	30,366,522	11,479,599	10,173,841	786,523	49,924,710	104,772,125
Disposal / Adjustments							
As at 31st March 2020	88,006,790	103,857,380	27,593,480	32,532,162	7,544,994	80,671,255	340,206,061
Depreciation							
As at 1st April 2019	37,590,801	55,672,204	11,641,079	14,271,412	2,410,324	-	121,585,821
Charge for the period	4,631,309	21,076,140	5,741,806	3,710,422	1,603,849	14,427,175	51,390,701
Disposal / Adjustments							
Transfer	42,422,110	76,748,344	17,382,885	17,981,834	4,014,173	14,427,175	172,976,521
As at 31st March 2020	48,375,049	17,818,654	4,472,812	8,086,909	4,348,147	30,746,545	113,846,115
Net Book							
As at 31st March 2019	48,375,049	17,818,654	4,472,812	8,086,909	4,348,147	30,746,545	113,846,115
As at 31st March 2020	45,584,680	27,109,036	10,210,595	14,550,326	3,530,821	66,244,080	167,229,540



M/s EVOLUTIONARY SYSTEMS PRIVATE LIMITED
CIN : U17126GJ2006PTCO49073
Statement of Changes in Equity

Note: No 47

A) EQUITY SHARE CAPITAL

Particulars	(Amount in ₹)
For the year ended 31st March, 2020	
Balance as at 1st April 2019	100,000,000
Changes in equity share capital during the year	-
Issued during the year	100,000,000
Balance as at 31st March 2020	200,000,000
For the year ended 31st March, 2020	
Balance as at 1st April 2019	100,000,000
Changes in equity share capital during the year-	-
Balance as at 31st March 2020	100,000,000

B) OTHER EQUITY

Particulars	(Amount in ₹)			
	ESOP Outstanding	General Reserve	Retained Earnings	Other Comprehensive Income
Balance at the beginning of the reporting period	34,290,389	12,270,000	181,006,444	3,024,120
Issued during the period	37,821,283	-	(11,798,445)	-
Dividend on Equity Shares	-	-	-	(3,270,308)
Reimbursement of Employee Benefit (Net of tax)	-	-	85,577,922	-
Profit for the year	-	-	-	-
Balance at the end of the reporting period	72,111,672	12,270,000	254,785,921	(245,988)
(Amount in ₹)				
				230,591,153
				37,821,283
				(11,798,445)
				(3,270,308)
				85,577,922
				338,921,605

Reconciliation of Other Equity as at 31st March 2020

Particulars	(Amount in ₹)			
	ESOP Outstanding	General Reserve	Retained Earnings	Other Comprehensive Income
Balance at the beginning of the reporting period	72,111,672	12,270,000	254,785,921	(245,988)
less transferred to Profit and loss account as no longer payable	(37,821,632)	-	-	-
Dividend on Equity Shares	-	-	(3,796,700,000)	-
Reimbursement of Employee Benefit (Net of tax)	-	-	3,791,604,105	(7,796,028)
Profit for the year	-	-	-	-
Balance at the end of the reporting period	34,290,040	12,270,000	285,690,026	(6,042,017)
(Amount in ₹)				
				338,921,605
				(72,111,672)
				(3,796,700,000)
				(7,796,028)
				3,791,604,105
				289,218,009



The accompanying Notes 1 to 47 are integral part of these Financial Statements.
As per our report of even date attached.

Fog Parikh & Majmudar
Chartered Accountants
(Firm Regn. No. 107515W)
UDIN:20040230AAAAEP7964

CA ~~Pravin~~
Partner
Membership No. 0440230

PLACE : AHMEDABAD
DATE : 11-06-2020

[Unang Nabata] [Rakesh Chaman]
Director
DIN : 00225145 DIN : 00708387

[Harve Khajri]
Chief/Principal office
PLACE : AHMEDABAD
DATE : 11-05-2020

[DISHA SHAH]
Company Secretary



EVOLUTIONARY SYSTEMS PRIVATE LIMITED
Notes forming part of Standalone financial statements

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 2				
Investments (At amortised cost):				
(a) Investment in Evolutionary Systems Company Limited- UK 100 shares (P.Y 100 shares) of GBP 1 each		8,306		8,306
(b) Investment in Evolutionary Systems Arabia FZ LLC- 60 shares (P.Y 60 shares) of AED 1000		690,000		690,000
(c) Investment in Evolutionary Systems Qatar WLL- 98 shares (P.Y 98 shares) of QR 1000 each		1,419,040		1,419,040
d) Investments in Evolutionary Systems Company Singapore (pte) ltd. 100000 Shares (10000 shares)of Singapore Dollar 1 Per share		5,106,592		495,567
e) Investments in Evolutionary Systems Pty ltd (50 Shares(P.Y 50 shares) of SR 5000)		2,577,185		2,577,185
f) Investments in Evolutionary Systems Saudi LLC- Saudi (50 Shares(P.Y 50 shares) of SR 5000)		3,725,000		3,725,000
		13,526,123		8,915,098

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 3				
Other Financial assets				
(a) Security Deposit		4407845		-
Unsecured, considered good		4407845		-

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 4				
Other non-current assets :				
(a) Security Deposit		484,500		10,627,550
Unsecured, considered good		484,500		10,527,550



EVOLUTIONARY SYSTEMS PRIVATE LIMITED
Notes forming part of Standalone financial statements

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 5				
Current investments				
Investments in Mutual Fund				-
HDFC Liquid Fund [(No of units NIL (P.Y 59386.859 UNITS) (Market Value NIL (P.Y RS 80563906)]		-		60,563,904
ICICI Prudential Liquid Fund (No of units NIL (P.Y 1102.148 UNITS) (Market Value NIL (P.Y		-		110,422
		-		<u>60,674,325</u>

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO 6 :				
Trade receivables :				
un Secured, considered good		251,284,158		292,400,558
Un secured Considered Doubtful		265,854		-
Less : Provision for Doubtful debts		(265,854)		-
TOTAL		<u>251,284,158</u>		<u>292,400,558</u>

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 7				
Cash and cash equivalents				
(a) Balances with Scheduled Banks				
On current Account		152,742,978		43,491,015
(b) Debit Balance in O/D and Cash Credit account with Schedule bank		17,265,291		827
(C) Cash on hand		125,500		81,240
		<u>170,133,767</u>		<u>43,573,082</u>

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 8				
Other Bank balances				
(a) Fixed Deposit with Banks		35,383,566		31,741,755
		<u>35,383,566</u>		<u>31,741,755</u>



EVOLUTIONARY SYSTEMS PRIVATE LIMITED
Notes forming part of Standalone financial statements

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 09				
Loans				
(a) Loans to Employees		684,708		1,092,565
(b) Inter corporate Loan		5,458,329		5,036,816
		6,143,037		6,129,181

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 09A				
Other Financial Assets				
Provision for Gain in Forward Contracts		-		12,278,613
Security Deposits		1,344,210		-
		1,344,210		12,278,613

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 10				
Other current assets :				
Balance with government authorities		27,790,311		15,339,206
Prepaid Expenses		5,493,306		4,783,013
Unbilled Debtors		7,421,389		-
Advance to suppliers		20,725		-
		40,725,731		20,122,218

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 11				
Current Tax Assets (Net)				
Advance tax and TDS (Net of Provision for tax)		24,323,355		-
		-		-
		-		-
		24,323,355		(0)



EVOLUTIONARY SYSTEMS PRIVATE LIMITED
Notes forming part of Standalone financial statements

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 12 Share Capital : Authorised : 11000000 (p.y 11000000) Equity Shares of ` 10/- each		110,000,000		110,000,000
		110,000,000		110,000,000
Issued & Subscribed and Paid up : 10000000 (P.Y 10000000)Equity Shares of ` 10/- each fully paid up		100,000,000		100,000,000
		100,000,000		100,000,000

1) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year	In numbers	31.03.2020 (in Rs)	In numbers	31.03.2019 (in Rs)
At the beginning of period	10,000,000	100,000,000	10,000,000	100,000,000
Issued during the year	-	-	-	-
Outstanding at the end of year	10,000,000	100,000,000	10,000,000	100,000,000

Note : The company has only one class of shares having Par value of ` 10 per share Each Share Holder is eligible for one vote Per Share.

2) Details of shares held by each shareholder holding more than 5% shares:	As at 31 March, 2020	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2019
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Ummed Nahata	2712000	27.12%	2712000	27.12%
Umang Nahata	3616000	36.16%	3616000	36.16%
Rakesh Raman	2712000	27.12%	2712000	27.12%

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 13 General Reserve Opening Balance	12,270,000		12,270,000	
Add : Addition during the year	-	12,270,000	-	12,270,000
ESOP Outstanding Op. balance	72,111,672		34,290,389	
Add: Addition during the year(Transferred to Profit and loss account)	(72,111,672)		37,821,263	
Closing Balance	-	-	72,111,672	72,111,672
Retained Earnings Balance Brought Forward From Previous Year	254,785,922		131,006,445	
Add: Profit/(Loss) for the year	3,791,604,105		85,577,922	
	3,791,604,105		85,577,922	
Less : DIVIDED PAID	3,760,700,000	285,600,027	11,798,445	254,785,922
			-	
Other Comprehensive Income (a) Remeasurements of Defined Benefit Plans Balance as per last Financial year	(245,989)		3,024,319	
Add: For the Year	(7,795,028)	(8,042,018)	(3,270,306)	(245,989)
Closing Balance	-			
		289,918,009		338,921,605



EVOLUTIONARY SYSTEMS PRIVATE LIMITED
Notes forming part of Standalone financial statements

	31.03.2020 (in Rs)	31.03.2020 (in Rs)	31.03.2019 (in Rs)	31.03.2019 (in Rs)
	Current maturities	Non-Current Portion	Current maturities	Non-Current Portion
NOTE NO : 14 Borrowings :				
(c) From Others Vehicle Loans (refer note 1 below)	87,852		247,356	87,852
	87,852	-	247,356	87,852

Note : 1 Secured by hypothecation on vehicle purchased under hire purchase agreements.Repayment schedule is as under:-

Name of Bank	Monthly installments including
Vehicle loan from axis bank commencing from 01/08/2015	22575

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
	Current maturities	Non-Current Portion	Current maturities	Non-Current Portion
NOTE NO : 15 Lease Liabilities				
(a) Lease Liabilities	21,506,118	48,466,675	-	-
	21,506,118	48,466,675		-

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 16 Long term provisions :				
(a) Provision for Gratuity		46,436,947		27,313,027
(b) Provision for Leave Encashment		7,314,139		4,060,740
		53,751,086		31,373,767

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 17 Other non-current liabilities :				
		Non-Current Portion		Non-Current Portion
		-		-



EVOLUTIONARY SYSTEMS PRIVATE LIMITED
Notes forming part of Standalone financial statements

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 28				
Borrowings :				
Current Borrowings				
(a) Loans repayable on demand				
Working Capital From Banks				
CC Limit from Axis Bank		-		44,541,114
(b) Unsecured Loan from Directors		-		1,025,372
		-		45,566,486

Note:1

Working Capital facility from Axis Bank

(SECURED BY FIRST WAY OF EQUITABLE MORTGAGE OF OFFICE PREMISES SITUATED AT 1101 & 1102 11TH FLOOR, KATARIA ARCADE, BEHIND ADANI PETROL PUMP, OFF S. G. HIGHWAY, MAKARBA, AHMEDABAD, ADMEASURIG 11727SQ FEET BELONGING TO THE COMPANY, AND ALSO SECURED BY WAY OF *Personal Guarantee of the Director of the Company*)

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 19				
Trade payables				
Total outstanding dues of micro enterprises and		-		-
Total outstanding dues of creditors other than		13,190,852		3,423,407
(Refer Note No 42)		13,190,852		3,423,407

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 20				
Other financial liabilities :				
(a) Current maturities of long-term debt;		87,852		247,358
(b) Provision for expenses		201,187,500		21,210,864
		201,275,352		21,458,220
NOTE NO : 20a				
(a) Lease Liabilities				
Lease Liabilities		21,506,118		-
		21,506,118		-

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 21				
Other Current Liabilities :				
Duties and taxes		2,505,915		25,206,034
Provision for forward Contract		1,230,044		-
unearned debtors		305,938		13,502,472
		4,041,895		38,708,506



EVOLUTIONARY SYSTEMS PRIVATE LIMITED
Notes forming part of Standalone financial statements

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 22 Provisions				
Provision for Leave Encashment		25,072		15,576
Provision for Gratuity		999,330		622,270
		1,024,402		637,846

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 23 Current Tax Liabilities (Net):				
Provision of Income tax (Net of Advance Tax & TDS)		-		9,044,648
		-		9,044,648

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 24 I. Revenue from operations				
A. Sale of Services				
Direct Export Turnover- Offsite Services		1,406,111,590		948,198,247
Domestic Turnover		29,228,447		24,713,034
Gross Turnover		1,435,340,037		972,911,281
B. Other Revenue from operations				
Total Revenue from operations		1,435,340,037		972,911,281

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 25 Other Income :				
Dividend from Mutual Fund		2,293,079		654,338
Dividend from Subsidiary Company		4,491,642,079		6,798,448
Foreign Exchange Gain		23,398,000		36,087,609
Interest Income		5,843,749		1,753,910
Other Miscellaneous Income		33,650		-
Kasar and Discounts		2,000		38
		4,523,212,557		45,294,337



EVOLUTIONARY SYSTEMS PRIVATE LIMITED
Notes forming part of Standalone financial statements

		31.03.2020 (in Rs)		31.03.2019 (in Rs)
NOTE NO : 26				
Purchase of Stock in Trade		-		210,480
Total		-		210,480

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 27				
Employee benefits expenses				
Salary & Bonus		1,021,228,624		603,426,518
Other Employee Benefits		35,643,790		26,680,351
Employee Stock Options Expenses		-		37,821,283
		1,056,872,413		667,928,152

	Amount (in Rs)	31.03.2020 (in Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 28				
Finance Costs				
Interest on Bank Loan		14,549		1,750,841
Interest on Vehicle loan		23,544		48,126
Interest on TDS		2,002		-
Interest on GST		-		10,000
Other Financial Charges(*) (Includes Finance charges ROU of Rs 5844827 (P.Y NIL))		5,606,978		1,042,930
		5,647,073		2,851,897



EVOLUTIONARY SYSTEMS PRIVATE LIMITED
Notes forming part of Standalone financial statements

	Amount (In Rs)	31.03.2020 (In Rs)	Amount (In Rs)	31.03.2019 (In Rs)
NOTE NO : 29				
Other Expenses				
Repairs & Maintenance		3,556,052		3,263,206
Office Expenses (Including office maintenance)		11,331,010		9,122,319
Guest house expenses		150,460		82,927
Travelling Expenses		157,516,127		133,678,938
Conveyance & Vehicle expenses		3,870,332		2,493,717
House keeping expenses		5,134,331		2,972,492
Business Development expenses		5,229,848		3,970,847
Postage & Telephone expenses		5,988,793		6,470,531
Legal and Professional charges		13,015,667		7,685,856
Stationary and Printing Expense		619,251		469,835
Insurance Expense		6,534,527		4,225,316
Donation Expenses		17,000		-
Corporate Social Responsibility		1,624,616		1,111,000
Recruitment Expenses		2,505,043		2,536,972
Rent, Rates & Taxes Exp.		10,089,754		16,646,028
Electricity Expense		6,828,730		4,943,625
Membership fees		3,000		38,000
Training Expense		18,987		375,939
Software expenses		9,264,113		-
Penalty		4,717,797		-
Provision for Bad Debts		265,854		-
		247,310,312		200,186,350

	Amount (In Rs)	31.03.2020 (In Rs)	Amount (In Rs)	31.03.2019 (In Rs)
As auditors - Statutory audit		225,000		165,000
Tax audit		75,000		75,000
Taxation Matters		50,000		50,000
Management Services		-		-
Company Law Matters		-		-
Certification fees & other services		-		-
Reimbursement of expenses		-		-
		350,000		290,000



EVOLUTIONARY SYSTEMS PRIVATE LIMITED
Notes forming part of Standalone financial statements

	Amount (In Rs)	31.03.2020 (In Rs)	Amount (in Rs)	31.03.2019 (in Rs)
NOTE NO : 30				
Tax expense :				
Reconciliation of the Income Tax Expense (Current Tax + Deferred Tax) amount considering the enacted Income Tax Rate and effective Income Tax Rate of the Company as follows.				
Enacted Income Tax Rate in India applicable to the Company	25.168%		27.820%	
Accounting Profit Before Tax	4,697,332,095		125,745,331	
Current Tax expenses on Profit before tax expenses at the enacted income tax rate in India	797,365,844		34,982,351	
Non deductible expenses for Tax Purpose	18,703,964		19,221,834	
Deductible Expenses for Tax purposes	15,988,016		3,003,985	
Excess Provision of earlier years written back	1,516,149			
A : Current tax as reported in the Statement of Profit and Loss		801,597,941		51,200,000
Reconciliation of Deferred Tax Liability				
Timing Difference of Depreciation	2,921,206		(1,898,297)	
Gratuity Payment	1,208,843		12,930,889	
B : Deferred tax as reported in the Statement of Profit and Loss		4,130,049		(11,032,592)
C : Total Tax expense as reported in the Statement of Profit and Loss C=A+B		805,727,990		40,167,408
		0		0
		Year ended 31st March, 2020		Year ended 31st March, 2019
NOTE NO : 31				
Earnings Per Share :				
Basic/Diluted Earnings per Share		1000000		1000000
Number of Equity Shares at the beginning of the year		10000000		10000000
Number of Equity Shares allotted during the year		0		0
Number of Equity Shares at the end of the year		10000000		10000000
Weighted average number of equity shares		10000000		10000000
Profit for the year (after tax, available for equity shareholders) in		3791604105		85677922
Basic and Diluted Earnings Per Share		579.16		8.56



M/S EVOLUTIONARY SYSTEMS PVT LTD
NOTES FORMING PARTS TO STANDALONE FINANCIAL STATEMENTS

32. DEFERRED TAX

The break- up of deferred tax liability as at 31st March, 2020 is as under:-

	31-03-20 (Amt. In Rs.)	31-03-19 (Amt. In Rs.)
Depreciation Difference	--	--
Deferred Tax liabilities (A)	--	--
Depreciation Difference	43,35,753	8,86,440
43B & Other Disallowance	1,38,52,805	1,88,91,946
Deferred Tax Assets (B)	1,81,88,558	1,97,78,386
Net Deferred Tax Assets (A-B)	1,81,88,558	1,97,78,386

33. Contingent Liabilities:

Corporate Guarantee given to Bank for Loan by taken By Evolutionary Systems Arabia FZ-LLC Rs 26,58,00,000 (P.Y Rs 26,58,00,000)

34. In the opinion of the Board, current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business and that the provision for depreciation and all known and ascertained liabilities are adequate and not in excess of the amount reasonably necessary.

35. Balances of Sundry Debtors, creditors and other receivables and payables are subject to confirmation from respective parties.

36. RELATED PARTY INFORMATION

The company has transactions with following related parties

a) Key Management Personal	1. Rakesh Raman 2. Umang Nahata 3. Ummed Nahata(resigned w.e.f 01/03/2020) 4. Ashank Desai (appointed w.e.f 01/03/2020) 5. Sudhakar Ram (appointed w.e.f 01/03/2020) 6. Srinivasan Sandilya (appointed w.e.f 01/03/2020) 7. Nirav Khatri
b) Associate Concern	Evosys Consultancy Services Pvt Ltd
c) Subsidiary Company	Evolutionary Systems Arabia FZ-LLC Evolutionary Systems Company Limited- UK Evolutionary Systems Qatar WLL Evolutionary Systems Saudi LLC Evolutionary Systems Singapore (pte) Ltd Evolutionary Systems Corp. -USA Evolutionary Systems PTY LTD
c) Relative of Key Management Personal	Tarun Nahata

Note: Related Parties have been identified by the management



M/S EVOLUTIONARY SYSTEMS PVT LTD
NOTES FORMING PARTS TO STANDALONE FINANCIAL STATEMENTS

Name of Party	Nature of relationship	Nature of Transaction	Transactions during the year (in Rs.)	Balance at the end of the year
Rakesh Raman	Director	Remuneration	NIL (NIL)	NIL (NIL)
Umang Nahata	Director	Remuneration	2,22,12,500/- (72,00,000/-)	NIL (NIL)
		Loan Taken	13,86,996/- (8,26,784/-)	NIL
		Loan repaid	24,12,368/- (22,65,168/-)	(10,25,372/-)
UMMED NAHATA	Director	Remuneration	40,00,000/- (NIL)	NIL (NIL)
Evolutionary Systems Arabia FZ-LLC	Subsidiary Company	Sales	21,87,15,294/- (15,41,02,358/-)	2,53,44,310/- (NIL)
		Investments	NIL (NIL)	6,90,000/- (6,90,000/-)
		Corporate Gaurantee	Rs NIL	Rs 26,58,00,000
Evolutionary Systems Company UK	Subsidiary Company	Investments	NIL (NIL)	8,306/- (8,306/-)
		Sales	44,36,53,198/- (32,37,61,126/-)	6,10,42,504/- (2,92,42,036/-)
Evolutionary Systems Qatar WLL	Subsidiary Company	Investments	NIL (NIL)	14,19,040/- (14,19,040/-)
		Sales	9,46,41,918/- (12,64,36,305/-)	2,28,70,321/- (8,85,22,172/-)
Evolutionary Systems Saudi LLC	Subsidiary Company	Investments	NIL	37,25,000/- (37,25,000/-)
Tarun Nahata	Brother of Director	Salary	24,93,522/- (21,84,000/-)	NIL (NIL)
Evolutionary Systems Singapore (pte)Ltd	Subsidiary Company	Investments	46,11,025/- (NIL)	51,06,592/- (4,95,567/-)
		Sales	9,06,33,314/- (9,94,34,695/-)	1,37,79,254/- (2,54,05,307/-)
Evolutionary Systems Corp. - USA	Subsidiary Company	Sales	15,48,56,616/- (13,11,53,989/-)	4,36,02,647/- (8,60,56,294/-)
		Reimbursement of Expenses	3,41,96,800/- (1,62,47,579/-)	
Evolutionary Systems pty ltd	Subsidiary Company	INVESTMENT	NIL (NIL)	25,77,185 (25,77,185/-)
		Sales	4,90,39,683/- (2,81,76,721/-)	1,66,91,996/- (59,17,627/-)



M/S EVOLUTIONARY SYSTEMS PVT LTD
NOTES FORMING PARTS TO STANDALONE FINANCIAL STATEMENTS

Evosys Consultancy Services Pvt Ltd	Associate Concern	Sale of Service	1,03,76,000/- (2,25,70,500/-)	31,25,000 Cr Balance (33,16,140/-)
Nirav Khatri	CFO	Salary	1,43,21,515/- (15,60,000/-)	NIL (NIL)

The remuneration of directors and other members of Key management personal during the year is as follows :

(Amount In Rs)

Particulars	2019-20	2018-19
Short term Benefits	4,30,27,537	1,09,44,000

37. Previous year figures have been re-arranged and re-grouped, wherever necessary to make them comparable with those of current year figures.

38. **Defined Contribution Plan:**

Contribution to Defined Contribution Plan, recognized as expense for the year is as under:

(RS.)

	2019-20	2018-19
Employer's Contribution to Provident Fund	1,00,38,906	66,39,332

(i) Defined Contribution Plan: Employee benefits in the form of Provident Fund are considered as defined contribution plan and the contributions to Employees Provident Fund Organization established under The Employees Provident Fund and Miscellaneous Provisions Act 1952 and Employees State Insurance Act, 1948, respectively, are charged to the profit and loss account of the year when the contributions to the respective funds are due.

(ii) Defined Benefit Plan: Retirement benefits in the form of Gratuity are considered as defined benefit obligation and are provided for on the basis of third-party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.

As the Company has not funded its liability, it has nothing to disclose regarding plan assets and its reconciliation.



M/S EVOLUTIONARY SYSTEMS PVT LTD
NOTES FORMING PARTS TO STANDALONE FINANCIAL STATEMENTS

(iii) Major risk to the plan

I have outlined the following risks associated with the plan:

A. Interest Rate Risk:

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

B. Salary Risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

C. Asset Liability Matching Risk:

The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.

D. Mortality Risk:

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

(iv) **Defined Benefit Cost**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	Amount (in Rs `)	Amount (in Rs `)
Current Service Cost	6551991	4883555
Past Service Cost	3558264	--
Net Interest Cost	2170573	1479016
Defined Benefit Cost included in Profit and Loss		
Remeasurements - Due to Financial Assumptions	6753015	(192810)
Remeasurements - Due to Experience Assumptions	3665026	4696578
Defined Benefit Cost included in Other Comprehensive Income	10418041	4503768
Total Defined Benefit Cost in Profit and Loss and OCI	22698869	10866339



M/S EVOLUTIONARY SYSTEMS PVT LTD
NOTES FORMING PARTS TO STANDALONE FINANCIAL STATEMENTS

Movement in Defined benefit liability:

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	Amount (in Rs `)	Amount (in Rs `)
Opening Defined Benefit Obligation	27935297	19133448
Interest Cost	2170573	1479016
Current Service Cost	6551991	4883555
Past Service Cost	3558264	--
Total Remeasurements included in OCI	10418041	4503768
Less: Benefits paid	(3197889)	(2064490)
Closing benefit obligation	47436277	27935297

(v) **Sensitivity Analysis of Defined Benefit Obligation:**

Amount (in Rs)

Under Base Scenario	2019-20	2018-19
(A) Discount Rate Sensitivity		
Increase by 0.5%	(3808155)	(2266414)
Decrease by 0.5%	4275648	2544221
(B) Salary Growth Rate Sensitivity		
Increase by 0.5%	3477049	2303433
Decrease by 0.5%	(3278167)	(2167421)
(C) Employer Turnover Rate Sensitivity		
Increase by 0.5%	488734	518685
Decrease by 0.5%	(547854)	(575418)



M/S EVOLUTIONARY SYSTEMS PVT LTD
NOTES FORMING PARTS TO STANDALONE FINANCIAL STATEMENTS

(vi) Actuarial assumptions:

Amount (inRs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Rate of Discounting	6.84%	7.77%
Rate of Salary Increase	6.00%	6.00%
Rate of Employer Turnover	For service 4 years and below 18.00% p.a. For service 5years and above 2.00% p.a	For service 4 years and below 18.00% p.a. For service 5years and above 2.00 % p.a
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality(2006-08)
Mortality Rate After Employment	N.A	N.A

39. Financial and derivative instruments

- **Capital Management**

The company's objective when managing capital is to:

- Safeguard its ability to continue as a going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital.

The company's Board of directors reviews the capital structure on regular basis. As part of this review the board considers the cost of capital risk associated with each class of capital requirements and maintenance of adequate liquidity.



M/S EVOLUTIONARY SYSTEMS PVT LTD
NOTES FORMING PARTS TO STANDALONE FINANCIAL STATEMENTS

Disclosures

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

(i) Categories of Financial Instruments

Particulars	As at 31st March, 2020	As at 31st March, 2019
Financial Assets		
Measured at Amortised Cost		
(i) Trade and Other Receivables	251284158	292400558
(ii) Cash and Cash Equivalents	205517333	75314837
(iii) Loans	6143037	6129181
(iv) Other Financial Assets	1344210	12278613
Financial Liabilities		
Measured at Amortised Cost		
(i) Borrowings	--	45654338
(ii) Trade Payables	13190852	3423407
(iii) Other Financial Liabilities	201275352	21458220
(iv) Lease Liabilities	69972793	--

(ii) Fair Value Measurement

This note provides information about how the Company determines fair values of various financial assets.



M/S EVOLUTIONARY SYSTEMS PVT LTD
NOTES FORMING PARTS TO STANDALONE FINANCIAL STATEMENTS

Fair Value of financial assets and liabilities that are not measured at fair value (but fair value disclosures are required).

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

(iii) Financial Risk Management Objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's financial management committee also monitors and manages key financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate, currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, etc.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company monitors the foreign exchange fluctuations on continuous basis and advises the management of any material adverse effect on the Company.

Interest Rate Risk

The Company's interest rate risk arises from the Long Term Borrowings with fixed rates. The Company's fixed rates borrowings are carried at amortised cost.



M/S EVOLUTIONARY SYSTEMS PVT LTD
NOTES FORMING PARTS TO STANDALONE FINANCIAL STATEMENTS

Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due.

Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

(Amount in Rs.)

Particulars	Due in 1 Year	1 Year - 3 Years	More than 3 Years	Total
As at 31st March, 2020				
Borrowings	0	0	0	0
Trade Payables	13190852	0	0	13190852
Lease Liabilities	21506118	48466675	0	69972793
Other Financial Liabilities	201275352	0	0	201275352
Total	235972322	48466675	0	284438997
As at 31st March, 2019				
Borrowings	45566486	87852	0	45654338
Trade Payables	3423407	0	0	3423407
Lease Liabilities	0	0	0	0
Other Financial Liabilities	21458220	0	0	21458220



M/S EVOLUTIONARY SYSTEMS PVT LTD
NOTES FORMING PARTS TO STANDALONE FINANCIAL STATEMENTS

Total	70448113	87852	0	70535965
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Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivables

An impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 6, as the Company does not hold collateral as security. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions.

The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

(Amount in Rs.)

Particulars	Upto 1 Year	1 Year - 3 Years	More Than 3 Years	Total
As at 31st March,2020				
Loans	6143037	0	0	6143037
Trade Receivables	251284158	0	0	251284158
Other Financial Assets	1344210	0	0	1344210
Total	258771405	0	0	258771405
As at 31st March,2019				
Loans	6129181	0	0	6129181
Trade Receivables	292400558	0	0	292400558
Other Financial Assets	12278613	0	0	12278613
Total	310808352	0	0	310808352



M/S EVOLUTIONARY SYSTEMS PVT LTD
NOTES FORMING PARTS TO STANDALONE FINANCIAL STATEMENTS

Derivative Contract entered into by the company and outstanding as at March 31, 2020.

a) For hedging currency

Particulars	As at March 31, 2020 (Rs in Lacs)	As at March 31, 2019 (Rs in Lacs)
Out Standing Forward Contract	291.74	2181.64

b) The Company enters in to forward contracts to hedge its risk associated with foreign currency fluctuation. The Company does not enter in to forward contracts for speculative purposes.

40. SEGMENT INFORMATION

Primary Segment – Business Segment

The Company's operation predominantly comprise of only one segment. In view of the same, separate segmental information is not required to be disclosed as per the requirement of Ind AS 108 – Operating Segments.

Secondary Segment – Geographical Segment

The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

Particulars	Year ended 31-Mar-20	Year ended 31-Mar-19
Within India	1,03,76,000/-	2,25,70,500/-
Within India – Other than Evosys	1,88,52,447/-	21,42,534/-
UAE	54,62,01,839/-	22,45,42,956/-
SINGAPORE	9,06,33,314/-	9,94,34,695/-
USA	15,48,56,616/-	13,11,53,989/-
UK	44,36,53,198/-	31,88,78,271/-
QATAR	9,46,41,918/-	12,64,36,305/-
Australia	4,90,39,683/-	2,81,76,721/-
FIJI	2,70,85,022/-	1,95,75,310/-



M/S EVOLUTIONARY SYSTEMS PVT LTD
NOTES FORMING PARTS TO STANDALONE FINANCIAL STATEMENTS

41. Corporate Social Responsibility contribution-

- (a) Gross amount required to be spent by the company during the year Rs 16,24,616/-
- (b) Amount spent during the year on:

	Particulars	Year	Amount spent ('Rs)	Amount yet to be spent ('Rs)	Total ('Rs)
(i)	Construction/acquisition of any asset	2019-20	Nil	Nil	Nil
(ii)	On purposes other than (i) above	2019-2020	16,24,616/-	Nil	16,24,616/-

42. The Company has not received information from the Suppliers regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006. Hence, disclosures, if any, relating to amounts unpaid as at the balance sheet date together with interest paid or payable as per the requirement under the said Act, have not been made.
43. During the Year under review the assessee company has discontinued the Employees Stock Option Scheme (ESOP) and hence credited Rs 7,21,11,672 being balance outstanding to ESOP Scheme to the statement of Profit and loss for the year under review.
44. Company has given a corporate guarantee of amount Rs 26,58,00,000 to a bank for a loan facility availed by its subsidiary(Evolutionary Systems Arabia FZ LLC). The subsidiary already has margin money in place with the bank equal to the loan facility availed and hence there is no expected credit loss to the guarantor. Therefore, the fair value of the guarantee is zero and hence no guarantee commission has been accounted for during the year.
45. During the year under review, the shareholders in their Extraordinary General Meeting held on 08.02.2020 approved the Scheme of arrangement between the company and Trans American Information Systems Private Limited (a wholly owned subsidiary of Mastek Limited) and Mastek Limited and the respective shareholders and creditors; involving de-merger of the company's Oracle services business undertaking catering to the overseas market outside India, except for the excluded assets as mentioned in the aforesaid scheme. Since one of the companies involved in the scheme of de-merger viz. Mastek Limited is a listed company, as per the information made available to us, the said company is in the process of submitting



M/S EVOLUTIONARY SYSTEMS PVT LTD
NOTES FORMING PARTS TO STANDALONE FINANCIAL STATEMENTS

the required applications to the respective Stock Exchanges/SEBI for approval of the draft scheme of de-merger and upon receipt of the requisite approval of the draft scheme from the respective Stock Exchanges/SEBI the required applications/petitions will be filed by the company before the Hon'ble NCLT Ahmedabad for the approval of the said scheme. However, till such final approval is received from the Hon'ble NCLT no effect thereof has been given in the financial statements.

46. The Company and its Directors have received show cause notice from "Government of India Ministry of Commerce office of the Additional Director General of Foreign Trade" dated 08th January 2020 stating that why action should not be taken against company and directors under section 11 of the Foreign Trade (Development and regulation) Act,1992 and section 7 and section 10 of the Foreign Trade (Regulation) Rules ,1993 by cancelling the SEIS Scrip issued by DGFT ab initio in respect and as to why the company and its directors should not be placed in the Denied Entities List. The company has submitted its reply to DGFT and the matter is pending.

Significant Accounting policies (B)
Notes on financial Statements (1 to 47)

PLACE: - AHMEDABAD

for PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS
FR No. 07525W
UDIN: 20040230AAAAEP7964

DATE: 11-06-2020

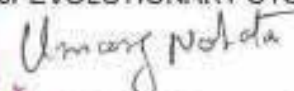

CA (Dt.) HITEN PARIKH
PARTNER
M. No 40230

PLACE: - AHMEDABAD

For EVOLUTIONARY SYSTEMS PVT LTD.

DATE: 11-06-2020




UMANG NAHTA
DIN: 00323145


RAKESH RAMAN
DIN: 00708387


COMPANY SECRETARY
(DISHA SHAH)
CFO
(NIRAV KHATRI)



EVOLUTIONARY SYSTEMS PRIVATE LIMITED
CIN : U17122GJ2006PTC049073
Standalone Division wise Balance Sheet as at 31st March, 2020

Particulars	Note No.	Proposed Demerged Undertaking(*)	Proposed Resultant Company(*)	As at 31st March, 2020
ASSETS				
Non- current Assets				
Property, Plant and Equipment		100,552,763	432,694	100,985,460
Capital work-in-progress				-
Right of use Assets		66,244,081	-	66,244,080
Other intangible assets				-
Financial Assets				
(i) Investments		12,836,123	690,000	13,526,123
(ii) Trade receivables				
(iii) other financial assets		4,407,845	-	4,407,845
Deferred Tax Assets		18,150,371	32,189	18,188,568
Other non-current assets		486,500	18,000	484,500
Total Non-current Assets		202,663,683	1,172,880	203,836,565
Current Assets				
Financial Assets				
(i) Current Investments				-
(ii) Trade receivables		248,517,289	2,766,869	251,284,158
(iii) Cash and cash equivalents		170,133,767	-	170,133,767
(iv) Bank balances other than (iii) above		35,383,566	-	35,383,566
(v) Loans		684,708	5,629,049	6,143,037
(vi) Other financial assets		1,344,210	-	1,344,210
Other current assets		36,962,228	15,707,667	40,725,731
Current tax assets (net)		(9,644,954)	33,968,320	24,323,356
Total Current Assets		483,380,803	58,071,805	529,337,824
Total Assets :		686,044,486	59,244,685	733,174,389
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share capital			100,000,000	100,000,000
(b) Other Equity		21,824,666	268,093,342	289,918,000
(c) Demerger Adjustment account		309,160,458	(309,160,458)	-
Total Equity		330,985,124	58,932,884	389,918,009
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
(i) Borrowings		-	-	-
(ii) Lease Liabilities		48,466,675	-	48,466,675
Provisions		53,593,897	157,189	53,751,086
Deferred tax liabilities (Net)				-
Other non-current liabilities				-
Total Non-Current Liabilities		102,060,572	157,189	102,217,761
Current liabilities				
Financial Liabilities				
(i) Borrowings				-
(ii) Trade payables				-
Total Outstanding dues of micro enterprises and small enterprises				-
Total Outstanding dues of creditors other than micro enterprises and small enterprises		25,305,637	-	13,190,852
(ii) Other financial liabilities		201,169,099	106,253	201,275,352
(ii) Lease Liabilities		21,506,118	-	21,506,118
Other current liabilities		3,993,535	48,360	4,041,895
Provisions		1,024,402	-	1,024,402
Current Tax Liabilities (Net)				-
Total Current Liabilities		252,998,790	154,613	241,038,619
Total Equity and Liabilities :		686,044,486	59,244,685	733,174,389



The above has been prepared from books of accounts and balances found correct

For Parikh & Majmudar
Chartered Accountants
(Firm Regn.No.107525W)
UDIN:20040230AAAAEQ5057

CA Dhiren Parikh
Partner
Membership No.040230

For and on behalf of the Board of Directors,
EVOLUTIONARY SYSTEMS PRIVATE LIMITED

Umang Nahata

[Umang Nahata]
Director
DIN ::00323145

[Rajesh Raman]

[Rajesh Raman]
Director
DIN :00706387

[Nirav Khatni]

[Nirav Khatni]
Chief Financial Officer

Disha

[DISHA SHAH]
Company Secretary

PLACE : AHMEDABAD
DATE : 11-06-2020



M/s EVOLUTIONARY SYSTEMS PRIVATE LIMITED
CIN : U17122GJ2006PTC049073

Standalone Divisionwise Statement of Profit and Loss for the year ended 31st March, 2020

Sr. No	Particulars	Note No.	Proposed Demerged Undertaking(*)	Proposed Resultant Company(*)	Year ended 31st March, 2020
I	Revenue from Operations		219,987,089	1,215,352,948	1,435,340,037
II	Other Income		10,097,732	4,513,114,825	4,523,212,557
III	Total Income (I +II)		230,084,821	5,728,467,773	5,958,552,594
IV	Expenses:				
	Purchase of Stock in Trade		-	-	-
	Employee Benefits Expense		151,388,382	905,484,031	1,056,872,413
	Finance Costs		1,075,747	4,571,325	5,647,073
	Depreciation and Amortization Expense		9,224,421	42,166,280	51,390,701
	Other Expenses		31,066,296	215,644,017	247,310,312
	Total Expenses (IV)		193,354,846	1,167,865,654	1,361,220,499
V	Profit before tax (III- IV)		36,729,975	4,560,602,119	4,597,332,095
VI	Tax expense :				
	(1) Current Tax		11,500,000	788,500,000	800,000,000
	(2) Short/excess provision			1,516,149	1,516,149
	(3) Deferred Tax		(829,137)	5,040,978	4,211,841
	Total Tax Expenses (VI)		10,670,863	795,057,127	805,727,990
VII	Profit for the period (V -VI)		26,059,112	3,765,544,992	3,791,604,105
VIII	Other Comprehensive Income:				
	A (i) Items that will not be reclassified to profit or loss		5,658,603	4759438	10,418,041
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(1,424,157)	(1,197,855)	(2,622,013)
	B (i) Items that will be reclassified to profit or loss				
	(ii) Income tax relating to items that will be reclassified to profit or loss				
	Total Other Comprehensive Income (VIII)		4,234,446	3,561,583	7,796,028
IX	Total Comprehensive Income for the period (VII + VIII) (Comprising Profit and Other Comprehensive Income for the period)		21,824,666	3,761,983,410	3,783,808,076

The above has been prepared from books of accounts and balances found correct.

(*) On the basis of Scheme of Demerger approved by EGM and submitted before us.

For Parikh & Majmudar
Chartered Accountants
(Firm Regn.No.107525W)
UDIN:20040230AAAAEQ5057

CA Dr. Hiren Parikh
Partner
Membership No.040230

For and on behalf of the Board of Directors,
M/s EVOLUTIONARY SYSTEMS PRIVATE LIMITED

[Umang Nahata] [Rakesh Raman]
Director Director
DIN :00323145 DIN :00708387

[Nirav Khatri]
Chief Financial Officer

[Disha Shah]
[DISHA SHAH]
Company Secretary

PLACE : AHMEDABAD
DATE : 11-06-2020



Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
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One International Center,
SB Marg, Prabhadevi (W)
Mumbai – 400 013
India
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Independent Auditor's Report

To the Members of Trans American Information Systems Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Trans American Information Systems Private Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, 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 Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

4. The Company's Board of Directors is responsible for the other information. The other information does not include the financial statements and our auditor's report thereon.

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



Walker Chandiook & Co LLP

Trans American Information Systems Private Limited Independent Auditor's Report on the Audit of the Financial Statements

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

The other information is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to 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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
10. 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.

11. 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.

Report on Other Legal and Regulatory Requirements

12. 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.
13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. Further to our comments in Annexure A 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 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 financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid 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 2020 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls with reference to financial statements of the Company as at 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report as per Annexure B expressed an unmodified opinion; and



Walker Chandiook & Co LLP

Trans American Information Systems Private Limited Independent Auditor's Report on the Audit of the Financial Statements

- 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 2020;
 - ii. the Company has made provision as at 31 March 2020, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

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



Adi P. Sethna
Partner
Membership No:108440

UDIN:20108840AAAAEY6196

Place: Mumbai
Date: 26 October 2020

Annexure A to the Independent Auditor's Report of even date to the members of Trans American Information Systems Private Limited, on the financial statements for the year ended 31 March 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All fixed assets have not been physically verified by the management during the year, however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 of the Act in respect of investments, the company has not entered into any other transaction covered under section 185 and 186 of the Act;
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, cess 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 become payable.
 - (b) There are no dues in respect of income-tax, sales-tax, service tax, goods and service tax, duty of customs and duty of excise that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.



Walker Chandiook & Co LLP

Trans American Information Systems Private Limited Independent Auditor's Report on the Audit of the Financial Statements

Annexure A (Contd)

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid / provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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



Adi P. Sethna
Partner
Membership No:108440

UDIN:20108840AAAAEY6196

Place: Mumbai
Date: 26 October 2020

Annexure B to the Independent Auditor's Report of even date to the members of Trans American Information Systems Private Limited on the financial statements for the year ended 31 March 2020

Independent Auditor's Report on the internal financial controls with reference to the 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 financial statements of (Trans American Information Systems Limited) ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

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

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

2. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') 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 on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
3. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to 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 financial statements, whether due to fraud or error.
4. 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 financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

5. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Walker Chandio & Co LLP

Trans American Information Systems Private Limited Independent Auditor's Report on the Audit of the Financial Statements

Annexure B (Contd)

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

7. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI).

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



Adi P. Sethna
Partner
Membership No:108440

UDIN:20108840AAAAEY6196

Place: Mumbai
Date: 26 October 2020

TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2020

(₹ in thousands)

	Note	As at	
		March 31, 2020	March 31, 2019
ASSETS			
Non-current assets			
Property plant and equipment, net	3(a)	5,858	10,756
Right-of-use assets	3(c)	14,688	-
Intangible assets, net	3(b)	1,307	1,382
Financial assets			
Loans	4	4,820	7,933
Deferred tax assets, net	23(c)	20,879	6,962
Current tax assets, net		3,697	540
Total non-current assets		51,249	27,573
Current assets			
Financial assets			
Investments	5(a)	124,408	83,260
Trade receivables	5(b)	54,702	66,772
Cash and cash equivalents	5(c)	49,043	8,893
Loans	5(d)	3,741	-
Other financial assets	5(e)	2,974	-
Other current assets	6	26,915	14,878
Total current assets		261,783	173,803
Total Assets		313,032	201,376
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	7	345	345
Other equity	8	181,461	158,779
Total Equity		181,806	159,124
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Other non-current financial liabilities	9	23,577	-
Provisions	10	26,074	19,730
Total non-current liabilities		49,651	19,730
Current liabilities			
Financial liabilities			
Trade payables	11(a)	-	-
Dues of micro and small enterprises		303	3,939
Dues of creditors other than micro and small enterprises		-	-
Other financial liabilities	11(b)	73,486	13,654
Other current liabilities	12	6,704	4,120
Provisions	13	1,082	809
Total current liabilities		81,575	22,522
Total Liabilities		131,226	42,252
Total Equity and Liabilities		313,032	201,376

See accompanying notes to the financial statements
This is the Balance Sheet referred to in our report of even date

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013


Adi P. Sethua
Partner

Membership No: 108840
Place: Mumbai
Date: October 26, 2020



For and on behalf of the Board of Directors of TRANS AMERICAN
INFORMATION SYSTEMS PRIVATE LIMITED


Rabindar Kumar Mahato
Director

DIN: 00262957


Rakesh Chandra Singh
Director

DIN: 00263089

Place: New Delhi
Date: October 26, 2020



TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in thousands)

	Note	Year ended	
		March 31, 2020	March 31, 2019
INCOME			
Revenue from operations	14	412,375	411,773
Other income	15	16,409	13,619
Total income		428,784	425,392
EXPENSES			
Employee benefits expenses	16	289,474	296,310
Finance costs	17	2,715	102
Depreciation and amortisation expenses	18	20,051	11,622
Other expenses	19	30,955	49,086
Total expenses		343,195	357,120
Profit before tax and exceptional items		85,589	68,272
Exceptional items - loss	20	29,412	-
Profit before tax		56,177	68,272
Tax expense/(credit)			
Current tax	23(a)	22,521	21,179
Deferred tax		(7,708)	(1,523)
Income tax relating to earlier years		32	(1,677)
Total tax expense		14,845	17,979
Profit after tax for the year		41,332	50,293
Other comprehensive income			
Items that will not be reclassified subsequently to the statement of profit and loss, (losses)/gains:			
Defined benefit plan actuarial gain / (losses)		172	(240)
Income tax relating to above item (expenses) / credit		(91)	67
Items that will be reclassified subsequently to the statement of profit and loss, (losses)/gains:			
Net change in fair value of forward contracts designated as cash flow hedges		(25,031)	-
Income tax relating to above item credit / (expenses)		6,300	-
Total other comprehensive loss for the year, net of taxes		(18,650)	(173)
Total comprehensive income for the year		22,682	50,120
Earnings per equity share	21		
(Equity shares of face value ₹ 10/- each)			
Basic and Diluted (in ₹)		1,197.33	1,456.92

See accompanying notes to the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For Walker Chandniok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



Adi P. Sethna

Partner

Membership No.: 108840

Place: Mumbai

Date: October 26, 2020



For and on behalf of the Board of Directors of TRANS AMERICAN
INFORMATION SYSTEMS PRIVATE LIMITED



Rabindar Kumar Mahato

Director

DIN: 00262957

Rakesh Chandra Singh

Director

DIN: 00263089

Place: New Delhi

Date: October 26, 2020



TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020

(₹ in thousands)

	Year ended	
	March 31, 2020	March 31, 2019
Cash flows from operating activities		
Profit for the year	41,332	50,293
Adjustments:		
Depreciation and amortisation	20,051	11,622
Tax expense	14,845	17,979
Profit on sale of current investments	(5,148)	(3,260)
Interest income on fixed deposits	(1,071)	-
Exceptional item - loss	29,412	-
Finance cost due to Ind AS 116 Adjustment	2,356	-
Changes in operating assets and liabilities	101,777	76,634
Decrease / (increase) in trade receivables	12,070	(9,000)
(Increase) in loans and advances and other assets	(14,567)	(7,278)
Increase in trade payables, other liabilities and provisions	18,911	19,492
Cash generated from operating activities before taxes	118,191	79,849
Income taxes (paid)/refund, net	(25,709)	(18,340)
Net cash generated from operating activities	92,482	61,509
Cash flows from investing activities		
Purchase of property, plant and equipment and software	(2,213)	(10,814)
Purchase of current investments	(106,500)	(85,001)
Proceeds from current investments	70,500	5,000
Net cash (used in) investing activities	(38,213)	(90,815)
Cash flows from financing activities		
Payment of lease liability	(14,119)	-
Net cash (used in) financing activities	(14,119)	-
Net increase / (decrease) in cash and cash equivalents during the year	40,150	(29,306)
Cash and cash equivalents at the beginning of the year	8,893	38,199
Cash and cash equivalents at the end of the year	49,043	8,893

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

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

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



Adi P. Sethna

Partner

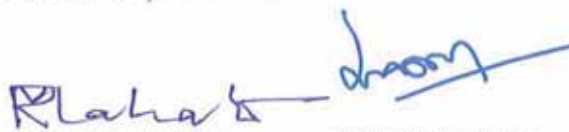
Membership No: 108840

Place: Mumbai

Date: October 26, 2020



For and on behalf of the Board of Directors of TRANS AMERICAN
INFORMATION SYSTEMS PRIVATE LIMITED



Rabindar Kumar Mahato

Director

DIN: 00262957

Place: New Delhi

Date: October 26, 2020

Rakesh Chandra Singh

Director

DIN: 00263089



TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(a) Equity share capital	(₹ in thousands)
Balance as at April 1, 2018	345
Add: changes in equity share capital	-
Balance as at March 31, 2019	345
Balance as at April 1, 2019	345
Add: changes in equity share capital	-
Balance as at March 31, 2020	345

Particulars	(₹ in thousands)			Total other equity
	Reserve and surplus	Other comprehensive income		
	Retained earnings	Employee benefit expenses	Fair value of cash flow hedges	
Balance as at April 1, 2018	109,773	(1,114)	-	108,659
Profit for the year	50,293	-	-	50,293
Other comprehensive income/loss (net of taxes)	-	(173)	-	(173)
Balance as at March 31, 2019	160,066	(1,287)	-	158,779
Balance as at April 1, 2019	160,066	(1,287)	-	158,779
Profit for the year	41,332	-	-	41,332
Other comprehensive income/loss (net of taxes)	-	81	(18,731)	(18,650)
Balance as at March 31, 2020	201,398	(1,206)	(18,731)	181,461

See accompanying notes to the financial statements
This is the Statement of changes in equity referred to in our report of even date

For Walker Chandok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013



Adi P. Sethna
Partner
Membership No: 108840
Place: Mumbai
Date: October 26, 2020



For and on behalf of the Board of Directors of TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED



Rabindar Kumar Mahato
Director
DIN: 00262957

Rakesh Chandra Singh
Director
DIN: 00263089

Place: Mumbai
Date: October 26, 2020



1 Company overview

Trans American Information Systems Private Limited, India, a wholly owned subsidiary of Mastek Limited is a Company with deep rooted capability in providing high skilled resources and end-to-end e-commerce services including strategy, creative design, and implementation and managed services having presence in India and supporting TALSTech US Customers.

2 Basis of Preparation and Presentation

a) Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

These financial statements of the Company as at and for the year ended March 31, 2020 (including Comparatives) were approved and authorized by the Company's board of directors as on September 9, 2020.

All amounts included in financial statements are reported in Indian Rupees (in thousands) except share and per share data and unless otherwise stated and "0" denotes amounts less than one thousand rupees. The Company has decided not to prepare and present its consolidated financial statements by opting to avail the exemption given under Rule 6 of Companies (Accounts) Rules, 2014 (as amended) read with Section 129(3) of the Companies Act, 2013.

b) Basis of Preparation

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

- i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);
- ii. Defined benefit and other long-term employee benefits, and
- iii. Derivative financial instruments

All assets and liabilities have been classified as current and non-current as per the company's normal operating cycle. The Company has considered its operating cycle as a period not exceeding 12 months.

c) Use of estimate and judgement

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

(i) *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.

(ii) *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.

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

(iv) *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.

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

(vi) *Provisions:* Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement obligation and compensated expenses) are generally not discounted to their 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 and adjusted to reflect the current best estimates.

(vii) *Leases:* Determining the lease term of contracts with renewal and termination options – Company as lessee

Ind AS 116 requires the lessee to determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

When it is reasonably certain to exercise extension option and not to exercise termination option, the Company includes such extended term and ignores termination option in determination of lease term.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The Company has taken indicative rates from its bankers and used them for Ind AS 116 calculation purposes.



(iii) *Estimation uncertainties relating to the Pandemic - COVID-19:* The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and unbilled revenues. The Company also assess the effectiveness of hedge transactions and believes that probability of occurrence of the forecasted transaction is not impacted by the pandemic. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports, related information and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

d) Summary of Significant accounting policies

(i) Functional and Presentation Currency

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

(ii) Foreign currency transactions and balances

Foreign currency transactions of the Company and of its integral foreign branch are accounted at the exchange 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 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 recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not recognized at fair value through profit or loss are added to the fair value on initial recognition, transaction costs related to the financial instrument measured at fair value through profit or loss are immediately recognized in statement of profit and loss. Regular purchase and sale of financial assets are recognized on the trade date.

B. Subsequent Measurement

Non-Derivative Financial Instruments

a. Financial Assets Carried at Amortised Cost

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

b. Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

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

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

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

d. Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

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 always a bank. These derivative instruments are designated as cash flow hedges.

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

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

C. Derecognition of Financial Instruments

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.

(iv) Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

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

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



(v) Intangible Assets

Intangibles assets are stated at cost less accumulated amortization and impairment, if any. Intangible assets are amortized pro-rata over their respective estimated useful lives on a straight line method. The estimated useful life reflects the manner in which the economic benefit is expected to be generated from that individual asset.

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

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

Category	Useful Life
Computer Software	1 - 5 years

(vi) Leases

The Company has applied Ind AS 116 with effect from April 1, 2019 using the modified retrospective approach and therefore the comparative information has not been restated and continues 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.

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 machinery and equipment (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 as expense on a straight-line basis over the lease term.

The company does not have any leases as a lessor.

vii) Impairment of assets

a. Non Financial Instrument

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

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

b. Financial instrument

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

(viii) Employee Benefits

A. Long Term Employee Benefits

(a) Defined Contribution Plan

The Company has defined contribution plans for post employment benefits in the form of provident fund and employees' state insurance which are administered through Government of India. Under the defined contribution plans, the Company has no further obligation beyond making the contributions. Such contributions are charged to the Statement of Profit and Loss as in the year during which the employee renders the services.

(b) Defined Benefit Plan

The Company has defined benefit plans for post employment benefits in the form of gratuity for its employees in India. The gratuity scheme of the Company is administered through Life Insurance Corporation of India (LIC). Liability for defined benefit plans is provided on the basis of actuarial valuations, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. 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 statement of profit and 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. Further, at the time of retirement, death while in employment or on termination of employment leave encashment vests equivalent to salary payable for number of days of accumulated leave balance. Liability for such benefits is provided on the basis of actuarial valuations, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method.

B) Short-term employee benefits

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

Termination benefits, in the nature of voluntary retirement benefits or those arising from restructuring, are recognised in the Statement of Profit and Loss

(ix) Provisions & Contingent Liabilities

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

(x) 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 of period of 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). Revenues relating to time and material contracts are recognized as the related services are rendered.

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.

Contracts may include incentives, service penalties and rewards. The Company includes an estimate of the amount it expects to receive for the total transaction price if it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

Any modification or change in existing performance obligations is assessed whether the services is adding 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, net 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 liabilities consist of advance payments and billings in excess of revenues recognised.

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

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

The Company has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts;(ii) onerous obligations;(iii) penalties relating to breaches of service-level agreements, and (iv) termination or deferral of contracts by customers. The Company has concluded that the impact of COVID-19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

(xi) Income Tax

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

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

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



TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED

Significant accounting policies and Notes to accounts for the year ended March 31, 2020

(₹ in thousands, unless otherwise stated)

(xii) Other Income

Other income comprises interest income on deposits, gains / (losses) on disposal of investments except investments fair value through OCI. Interest income is recognized using the effective interest method.

(xiii) 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.

(xiv) 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.

(xv) Finance costs

Finance costs comprises of interest cost on present value of lease payments, gain or losses arising on re-measurement of financial assets at FVTPL, gains/ (losses) on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Finance costs that are not directly attributable to a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

(xvi) Exceptional items

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the company for the period, the nature and amount of such material items are disclosed separately as exceptional items.

(xvii) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED
Notes to the Financial Statements for the year ended March 31, 2020
(₹ in thousands, unless otherwise stated)

3(a) Property, plant and equipment

Particulars	Gross Block (at cost)				Depreciation		Net Block	
	As at April 1, 2019	Additions	Deletions	As at March 31, 2020	For the year	Deletions	As at March 31, 2020	As at March 31, 2019
(i) Own assets								
Computers	27,052	828	-	27,880	4,460	-	26,420	1,738
Furniture and fixtures	1,942	75	-	2,017	7	-	1,937	18
Office equipments	10,170	193	-	10,363	1,525	-	6,321	4,042
Total (i)	39,164	1,094	-	40,258	5,992	-	34,400	5,858
(ii) Leased assets :								
Leasehold improvements	1,399	-	-	1,399	-	-	1,399	(0)
Total (ii)	1,399	-	-	1,399	-	-	1,399	(0)
Total (i + ii)	40,563	1,094	-	41,657	5,992	-	35,799	5,858

3(b) Other intangible assets

Particulars	Gross Block (at cost)			Amortisation		Net Block	
	As at April 1, 2019	Additions	Deletions	As at March 31, 2020	For the year	Deletions	As at March 31, 2020
Computer software	7,388	1,119	-	8,507	1,194	-	7,200
Total	7,388	1,119	-	8,507	1,194	-	7,200

3(c) Right-of-use assets

Particulars	Gross Block (at cost)			Depreciation		Net Block	
	As at April 1, 2019	Additions	Deletions	As at March 31, 2020	For the year	Deletions	As at March 31, 2020
Building	-	27,553	-	27,553	12,865	-	14,688
Total	-	27,553	-	27,553	12,865	-	14,688

3(a) Property, plant and equipment

Particulars	Gross Block (at cost)				Depreciation		Net Block	
	As at April 1, 2018	Additions	Deletions	As at March 31, 2019	For the year	Deletions	As at March 31, 2019	
(i) Own assets :								
Computers	21,847	5,205	-	27,052	5,553	-	21,682	
Furniture and fixtures	1,942	9	-	1,951	9	-	1,930	
Office equipments	8,066	1,204	-	9,270	1,417	-	4,796	
Total (i)	32,755	6,409	-	39,164	6,810	-	28,408	
(ii) Leased assets :								
Leasehold improvements	1,399	-	-	1,399	-	-	1,399	
Total (ii)	1,399	-	-	1,399	-	-	1,399	
Total (i + ii)	34,154	6,409	-	40,563	6,810	-	29,807	

3(b) Other intangible assets

Particulars	Gross Block (at cost)			Amortisation		Net Block	
	As at April 1, 2018	Additions	Deletions	As at March 31, 2019	For the year	Deletions	As at March 31, 2019
Computer software	2,983	4,405	-	7,388	4,812	-	6,006
Total	2,983	4,405	-	7,388	4,812	-	6,006



TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED
Notes to the Financial Statements for year ended March 31, 2020
(₹ in thousands, unless otherwise stated)

		As at	
		March 31, 2020	March 31, 2019
Non-current assets			
4 Financial assets			
Loans			
Unsecured, Considered good			
Security deposits		4,820	7,933
		4,820	7,933
Current assets			
5 Financial assets			
a. Investments			
i) Investments in mutual funds (unquoted - FVTPL):		As at	
		March 31, 2020	March 31, 2019
		Units	Amount
Aditya Birla Sun Life Liquid Fund-Growth		68,864	21,881
Aditya Birla Sun Life Money Manager Fund-Growth		166,182	44,729
HDFC Money Market Fund - Growth		4,264	17,798
Total (A)		84,408	83,260
ii) Investment in term deposit (unquoted - Cost):			
Term deposit with Bajaj Finance Limited		40,000	-
Total (B)		40,000	-
Total (A + B)		124,408	83,260
b. Trade receivables			
Unsecured		As at	
Considered Good		March 31, 2020	March 31, 2019
		54,702	66,772
		54,702	66,772
c. Cash and cash equivalents			
Cash on hand		As at	
Bank balances		March 31, 2020	March 31, 2019
In current accounts		-	18
		49,043	8,875
		49,043	8,893
d. Loans			
Unsecured, Considered good		As at	
Security deposits		March 31, 2020	March 31, 2019
		3,741	-
		3,741	-
e. Other financial assets			
Advances to employees		As at	
Interest accrued on fixed deposits		March 31, 2020	March 31, 2019
		1,903	-
		1,071	-
		2,974	-
6 Other current assets			
Prepaid expenses		As at	
Prepaid rent		March 31, 2020	March 31, 2019
Input tax credit receivable		875	544
Advances to suppliers		1,262	1,899
Unbilled revenue		22,279	12,435
		1,471	-
		1,028	-
		26,915	14,878
7 Equity share capital			
Authorized:		As at	
1,00,000 (March 31, 2019: 1,00,000) equity shares of Rs. 10/- each		March 31, 2020	March 31, 2019
		1,000	1,000
		1,000	1,000
Issued, subscribed and fully paid up:			
34,520 (March 31, 2019: 34,520) equity shares of Rs. 10/- each fully paid		345	345
		345	345



(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, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the year	34,520	345	34,520	345
Add: Addition on account of issue of shares	-	-	-	-
Balance as at the end of the year	34,520	345	34,520	345

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a face value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of the Shareholder's	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% of holding	No. of shares	% of holding
Mastek Limited - Holding Company	34,519	99.99%	34,519	99.99%

8 Other equity

a. Retained earnings

Retained earnings comprises of the prior year's undistributed earning after taxes

b. Other item of other comprehensive income

Other item of other comprehensive income consist of I-VOCI financial assets and financial liabilities and remeasurement of defined benefit assets and liabilities

	As at	
	March 31, 2020	March 31, 2019
Retained earnings	201,398	160,066
Other item of other comprehensive income	(19,937)	(1,287)
	181,461	158,779

Non-current liabilities

Financial liabilities

9 Other financial liabilities

Lease liability (Refer Note 29(i))
Foreign exchange forward contract

	As at	
	March 31, 2020	March 31, 2019
Lease liability (Refer Note 29(i))	6,327	-
Foreign exchange forward contract	17,250	-
	23,577	-

10 Provisions

Provision for employee benefits
Provision for gratuity (Refer Note 22)
Provision for leave entitlement

	As at	
	March 31, 2020	March 31, 2019
Provision for employee benefits	24,366	19,730
Provision for gratuity (Refer Note 22)	1,708	-
Provision for leave entitlement	26,074	19,730

Current liabilities

Financial liabilities

11(a) Trade payables

Trade payables
Dues of micro and small enterprises (Refer note 30)
Dues of creditors other than micro and small enterprises

	As at	
	March 31, 2020	March 31, 2019
Trade payables	-	-
Dues of micro and small enterprises (Refer note 30)	303	3,939
Dues of creditors other than micro and small enterprises	303	3,939

11(b) Other financial liabilities

Lease liability (Refer Note 29(i))
Employee benefits payable
Accrued expenses
Reimbursable expenses payable
Foreign exchange forward contract

	As at	
	March 31, 2020	March 31, 2019
Lease liability (Refer Note 29(i))	9,463	-
Employee benefits payable	16,500	11,629
Accrued expenses	7,331	2,025
Reimbursable expenses payable	32,411	-
Foreign exchange forward contract	7,781	-
	73,486	13,654

12 Other current liabilities

Statutory dues (including stamp duty, provident fund and tax deducted at source)

	As at	
	March 31, 2020	March 31, 2019
Statutory dues (including stamp duty, provident fund and tax deducted at source)	6,704	4,120
	6,704	4,120

13 Provisions

Provision for employee benefits
Provision for leave entitlement

	As at	
	March 31, 2020	March 31, 2019
Provision for employee benefits	1,082	809
Provision for leave entitlement	1,082	809



TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED

Notes to the Financial Statements for year ended March 31, 2020

(₹ in thousands, unless otherwise stated)

	For the year ended	
	March 31, 2020	March 31, 2019
14 Revenue from operations		
Information technology services	412,375	411,773
	412,375	411,773

	For the year ended	
	March 31, 2020	March 31, 2019
15 Other income		
Interest income - on fixed deposits	1,071	-
Interest income - on income tax refunds	-	123
Profit on sale of current investments	5,148	3,260
Net gain on foreign currency transactions and translation	7,604	5,256
Others	2,586	4,980
	16,409	13,619

	For the year ended	
	March 31, 2020	March 31, 2019
16 Employee benefits expenses		
Salaries, wages and performance incentives	272,472	277,298
Gratuity (Refer Note 22)	7,120	6,143
Contribution to provident and other funds	4,707	4,276
Staff welfare expense	5,175	8,593
	289,474	296,310

	For the year ended	
	March 31, 2020	March 31, 2019
17 Finance costs		
Interest on operating lease	2,356	-
Bank charges	359	102
	2,715	102

	For the year ended	
	March 31, 2020	March 31, 2019
18 Depreciation and amortisation expenses		
Depreciation on tangible assets	5,992	6,810
Right-of-use assets	12,865	-
Amortisation on intangible assets	1,194	4,812
	20,051	11,622

	For the year ended	
	March 31, 2020	March 31, 2019
19 Other expenses		
Recruitment and training expenses	34	146
Travelling and conveyance	8,912	13,327
Communication charges	3,678	3,519
Electricity	1,527	1,713
Purchase of hardware and software	1,900	-
Consultancy and sub-contracting charges	48	-
Audit Fee (Refer note 31)	113	110
Repairs- building and others	5,765	6,053
Insurance	130	77
Printing and stationery	60	154
Professional fees	3,579	1,186
Rent	2,362	16,073
Advertisement and publicity	5	-
Hire charges	525	-
Expenditure towards corporate social responsibility (CSR) activities (Refer Note 34)	1,144	800
Miscellaneous expenses	1,173	5,928
	30,955	49,086

	For the year ended	
	March 31, 2020	March 31, 2019
20 Exceptional items - loss		
Legal and professional cost*	29,412	-
Total	29,412	-

*Legal and professional cost relates to a business combination consummated during February 2020. (Refer note 32).

	For the year ended	
	March 31, 2020	March 31, 2019
21 Earnings Per Share (EPS)		
The components of basic and diluted earnings per shares are as follows:		
(a) Net income attributable to equity shareholders	41,332	50,293
(b) Weighted average number of outstanding equity shares Considered for basic and diluted EPS	34,520	34,520
(c) Earnings per share (net of taxes) in Rs. (Face value per share Rs. 10/- each) Basic and Diluted (in Rs.)	1,197.33	1,456.92



22 Employee benefit plans

a) Amount recognized in the statement of profit and loss in respect of gratuity cost (defined benefit plan) is as follows:

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Gratuity cost	5,680	5,140
Service cost	1,440	1,003
Net interest on net defined liability	-	-
Past service cost	7,120	6,143
Net gratuity cost	172	(240)
Actuarial gain / (loss) charged to Other Comprehensive Income	6.85%	7.9%
Interest rate	10.00%	10.00%
Salary increase		

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

Mortality rate is considered as per the published rates under the Indian Assured Lives Mortality (2012-14) UH Table. Attrition rate is considered 7% per annum at all ages.

The following table sets out the status of gratuity plan.

Particulars	As at	
	March 31, 2020	March 31, 2019
Obligation at the beginning of the year	22,151	16,291
Service cost	5,680	5,140
Past service cost	-	-
Interest cost	1,706	1,278
Actuarial loss- financial assumption	2,989	247
Actuarial (gain)- experience	(3,249)	(120)
Actuarial loss- demographic assumptions	-	1
Benefits paid	(2,312)	(686)
Obligation at the end of the year	26,965	22,151
Change in plan assets (maintained by LIC)		
Plan assets at the beginning of the year, at fair value	2,421	2,257
Employer contribution	2,312	686
Interest income on plan assets	266	273
Remeasurement on plan assets less interest on plan assets	(88)	(112)
Benefits paid	(2,312)	(686)
Plan assets at the end of the year, at fair value	2,599	2,420

Amounts recognised in the Balance Sheet

Particulars	As at	
	March 31, 2020	March 31, 2019
Present value of defined benefit obligation	26,965	22,151
Fair value of plan assets	2,599	2,420
(Liability) recognized	(24,366)	(19,730)

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, 2020	March 31, 2019
Experience adjustment on plan liabilities - gain / (loss)	260	(128)
Experience adjustment on plan assets - (loss)	(88)	(112)

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, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount Rate (50 bps)	(1,406)	1,721	(1,194)	1,300
Salary Growth (50 bps)	1,658	(1,378)	1,026	(981)

Maturity profile of defined benefit obligation:

Particulars	As at	
	March 31, 2020	March 31, 2019
1 Year	1,323	1,111
2 Year	1,533	1,292
3 Year	1,693	1,511
4 Year	1,797	1,628
5 Year	1,841	1,692
6 Year	2,640	1,724
7 Year	1,838	2,496
8 Year	1,864	1,722
9 Year	2,449	1,750
10 Year and beyond	53,581	52,916



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 2020-21 is Rs. 3,000. (FY 2019-20 Rs. 3,000)
 Plan assets are invested in unquoted insurer managed funds.

Defined contribution plan

The Company contributed Rs. 4,707 for the year ended March 31, 2020 (Rs.4,276 March 31, 2019) for the defined contribution plan.

3 Income Taxes

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

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Current tax	22,521	21,179
Income tax relating to earlier years	32	(1,677)
Deferred tax	(7,708)	(1,525)
Income tax expense recognised in the statement of profit or loss	14,845	17,979
Income tax credit recognised in other comprehensive income	6,209	67

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, 2020	March 31, 2019
Profit before tax	56,177	68,272
Enacted income tax rate in India	25.17%	27.82%
Computed expected tax expense	14,140	18,993
Effect of:		
Income tax charge/write back for earlier years	32	(1,677)
Impact of deferred tax due to change in income tax rate	667	14
Expenses that are not deductible in determining taxable profit	6	649
Total income tax expense recognised in the statement of profit and loss	14,845	17,979

Deferred tax assets/ (liabilities) as at March 31, 2020 and March 31, 2019 in relation to:

Particulars	As at	
	March 31, 2020	March 31, 2019
Property, plant and equipment	2,312	2,158
Provision for compensated absence/gratuity	6,835	5,714
Acquisition expenses	5,922	-
Others	5,810	(910)
Total	20,879	6,962

4 Related Party Disclosures, as per Ind AS 24

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

Name of Related Party	Nature of relationship	Country of Incorporation
Mastek Limited	Holding company	India
TaiTech LLC*	Fellow Subsidiary company	United States of America
Mastek Inc.	Fellow Subsidiary company	United States of America
Mastek UK	Fellow Subsidiary company	United Kingdom
TaiTech Inc.	Fellow Subsidiary company	United States of America
Acquired through Demerger Co-operation Agreement (DCA) (Refer note 32 for manner and date of acquisition)		
Evolutionary Systems Private Limited	Subsidiary	India
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
Evolutionary Systems Pty Ltd	Step-down Subsidiary	Australia
Evolutionary Systems BV	Step-down Subsidiary	Netherlands
Evolutionary Systems (Singapore) Pte. Ltd.	Step-down Subsidiary	Singapore

Transaction with above related parties during the year were:-

Name of Related Party	Nature of transactions	For the year ended	
		March 31, 2020	March 31, 2019
Mastek Limited	Lease rental	-	23
	Reimbursable expenses	(31,869)	(3,545)
	Other Expenses	(525)	-
Taitech LLC*	Information Technology Services	392,350	411,773
	Reimbursable expenses recoverable	372	-
	Other Income	1,957	4,320

Balances with related parties outstanding are as follows:-

Name of Related Party	Nature of balances	As At	
		March 31, 2020	March 31, 2019
Mastek Limited	Reimbursements of expenses (payable)	(32,411)	-
Mastek Limited	Trade payables	-	(3,541)
Taitech LLC*	Trade receivables	51,071	66,772
Mastek Inc.	Trade receivables	9	-

* Merged with TaiTech Inc. with effect from December 31, 2019.



TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED
Notes to the Financial Statements for year ended March 31, 2020
(₹ in thousands, unless otherwise stated)

Key Management Personnel (KMP): Rabindar Kumar Mahato, Director
Rakesh Chandra Singh, Director

ii Compensation of key management personnel of the company

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Salaries and other employee benefits*	2,137	2,947
Rent expenses	60	49
Compensation paid to key management personnel	2,497	2,996

*Does not include post-employment benefits based on actuarial valuation as this is computed for the company as a whole.

25 Financial instrument

The carrying value and fair value of financial instruments by categories as at March 31, 2020 and March 31, 2019 is as follows:

Particulars	Carrying Value		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial assets				
Amortised cost	8,561	7,933	8,561	7,933
Security deposits	54,702	66,772	54,702	66,772
Trade receivables	49,043	8,893	49,043	8,893
Cash and cash equivalents	2,974	-	2,974	-
Other financial assets	40,000	-	40,000	-
Investment in term deposit	-	-	-	-
FVTPL	84,408	83,260	84,408	83,260
Investment in mutual fund	-	-	-	-
Total Assets	239,688	166,858	239,688	166,858
Financial liabilities				
Amortised cost	303	3,939	303	3,939
Trade payables	13,790	-	13,790	-
Lease liabilities	56,242	13,654	56,242	13,654
Other liabilities	-	-	-	-
FVOCI	25,031	-	25,031	-
Derivative liabilities	97,366	17,593	97,366	17,593
Total Liabilities	176,642	21,526	176,642	21,526

26 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, 2020 and March 31, 2019

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2020:

Particulars	Date of valuation	Total	Fair value measurement using		
			Level 1	Level 2	Level 3
Financial assets measuring at fair value					
FVTPL, financial assets designated at fair value					
Investment in Mutual Fund	March 31, 2020	84,408	84,408	-	-
Financial liabilities measuring at fair value					
Derivative Liabilities					
Foreign Exchange Forward Contract	March 31, 2020	25,031	-	25,031	-

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

Particulars	Date of valuation	Total	Fair value measurement using		
			Level 1	Level 2	Level 3
Financial assets measuring at fair value					
FVTPL, financial assets designated at fair value					
Investment in Mutual Fund	March 31, 2019	83,260	83,260	-	-



27 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 reviews and approves policies for managing each of these risks, which are summarized 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 currencies 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.

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

Designated derivative instrument	As at	
	March 31, 2020	March 31, 2019
Forward contract (Notional amount in USD thousands)	8,300	-
No. of Contracts	156	-
Fair value in Rs. thousands	(25,031)	-

Forward Contracts covers part of the exposure during the period April 2019 - January 2024

Mark-to-Market gains / (losses)	As at	
	March 31, 2020	March 31, 2019
Opening balance of Mark-to-market gains / (losses) receivable on outstanding derivative contracts	-	-
Less: Released from Hedging reserve account to statement of profit and loss under revenue account upon occurrence of forecasted sales transactions	193	-
Add: Changes in the value of derivative instrument recognised in Hedging reserve account	(25,224)	-
Closing balance of Mark-to-market (loss) receivable on outstanding derivative contracts	(25,031)	-
Disclosed under:		
Other current financial liabilities (Refer note 11 (b))	(7,781)	-
Other non-current financial liabilities (Refer note 9)	(17,250)	-
	(25,031)	-

Non-Derivative Financial Instruments

The following table presents foreign currency risk from non-derivative financial instrument (unhedged) as of March 31, 2020 and March 31, 2019.

Particulars	As at March 31, 2020		As at March 31, 2019	
	USD	INR	USD	INR
Assets	213	16,114	966	66,772
Liabilities	-	-	-	-
Net Assets/(Liabilities)		16,114		66,772

As at March 31, 2020 and March 31, 2019, respectively, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact results by approximately ₹ 161 and ₹ 667 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 counterparty 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 is only one customer which contributes 95% of total revenue for the year ended March 31, 2020 (100%, March 31, 2019) and also contributes for more than 10% of total accounts receivables aggregating 93% as at March 31, 2020 (100% as at March 31, 2019).

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.

The liquidity position of the Company is given below

Particulars	As at	
	March 31, 2020	March 31, 2019
Cash and cash equivalents	49,043	8,893
Balances in fixed deposits	40,000	-
Investment in mutual funds	84,408	83,260
Total	173,451	92,153

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2020 and March 31, 2019:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Less than 1 Year	1 Year and above	Less than 1 Year	1 Year and above
Trade payables	303	-	3,939	-
Other financial liabilities	73,486	23,577	13,654	-



TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED

Notes to the Financial Statements for year ended March 31, 2020

(₹ in thousands, unless otherwise stated)

28 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. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value. The capital structure is as follows:

Particulars	As At	
	March 31, 2020	March 31, 2019
Total Equity Attributable to the Equity Share Holders of Company	181,806	159,124
As percentage of total Capital	100%	100%
Current Loan and Borrowing	-	-
Non Current Loan and Borrowing	-	-
Total Loan and Borrowing	-	-
As a percentage of total Capital	0.00%	0.00%
Total Capital(Borrowing and Equity)	181,806	159,124

The Company is predominantly equity financed which is evident from capital structure table. Further, the Company has always been a net cash company with cash and bank balances along with current financial assets which is predominantly investment in liquid fund.

29 Leases

The Company has adopted Ind AS 116 'Leases' with effect from April 1, 2019, using the modified retrospective approach. However, comparative period amounts are not adjusted and continue to be reported in accordance with previous year's accounting policy except where indicated otherwise. Right of use assets at April 1, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to lease liability (adjusted for any related prepayments/accruals). Thus on the date of transition, the company has created right-of-use asset of ₹. 27,553 and lease liability of equal amount, and there is no impact on opening balance of retained earnings for the current year. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 1, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

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 3 years. The Company has applied low value exemption for leases of laptop, lease lines, furniture and equipment and accordingly, these are excluded from Ind AS 116, at present.

i) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	Buildings	Total
As at April 1, 2019	-	-
Additions	27,553	27,553
Depreciation expenses	(12,865)	(12,865)
As at March 31, 2020	14,688	14,688

ii) Set out below are the carrying amounts of lease liabilities (included under financial liabilities) and the movements during the year:

Particulars	Year ended March 31, 2020
As at April 1, 2019	27,553
Additions	2,356
Accretion of interest	(14,119)
Payments	15,790
As at 31 March 2020	9,463
Current	6,327
Non-current	-

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

Particulars	Amount
Less than one year	12,333
More than one year less than 5 years	7,540
More than 5 years	-

The effective interest rate for lease liabilities is 11%

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

Particulars	Year ended March 31, 2020
Depreciation expense of right-of-use assets	12,865
Interest expense on lease liabilities	2,356
Expense relating to short-term leases (included in other expenses)*	714
Expense relating to leases of low-value assets (included in other expenses)	1,648
Total amount recognised in statement of profit and loss	17,583

*These includes rent due to fair valuation of security deposits amounting to INR 638.

The Company had total cash outflows for leases of INR 15,843 in FY 2019-20 (INR 16,073 in FY 2018-19)

There are several lease agreements with extension and termination options, management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Since it is reasonably 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.



TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED

Notes to the Financial Statements for year ended March 31, 2020

(₹ in thousands, unless otherwise stated)

30 Micro, Small and Medium Enterprises

Disclosure of payable to micro and small enterprises as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or on balance brought forward from previous year.

31 Payments to the Auditors

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
As auditors	113	100
Reimbursement of expenses	-	10
Total	113	110

32 Note on acquisition

During the year, the Company acquired control over the overseas business of Evolutionary Systems Private Limited (ESPL) including investments in certain specified subsidiaries of ESPL. The Company and its Holding Company Mastek Limited (the parties) entered into a Demerger Co-operation Agreement (DCA) and Shareholders Agreement on February 8, 2020 (DCA acquisition) with the shareholders of ESPL. The manner of the acquisition of legal ownership, is decided to be achieved through a demerger scheme filed before the National Company Law Tribunal (NCLT) ("the Scheme"), or, as per DCA between the parties and the shareholders of Evosys, the parties shall complete this transaction with the same economic effect, by an alternate arrangement within the period specified in the DCA. The DCA gives the Company the right to appoint majority of the board of directors in ESPL and its subsidiaries and also provides 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 the Company. The transfer of legal title of such business undertaking shall be completed in financial year 2020-21. The date of acquisition of business undertaking for the purposes of Ind AS 103 is the date of transfer of control to the Company, i.e. February 8, 2020. Discharge of consideration through demerger will be done through issue of 4,235,294 equity shares of Mastek Limited (face value Rs. 5 each) and balance through 15,000 Compulsorily Convertible Preference Shares (CCPS), (face value of Rs. 10 each) of the Company for every 10,000 equity shares of ESPL of face value of Rs. 10 each. The CCPS to be issued subject to regulatory approval, carries a Put Option which can be exercised by the holders of such CCPS at agreed EBIDTA multiples over the next 4 years. Pending completion of legal acquisition, this transaction has been disclosed in the financial statements and will be given effect on receiving NCLT approval or on executing the alternate arrangement in accordance with the DCA. Accordingly, the CCPS which are proposed to be issued have not been considered for calculating the earnings per share both basic and diluted.

33 Covid-19 Assessment

The Company has assessed the impact of Covid-19 Pandemic on its operations as well as financial reporting process, including but not limited to the areas of financial controls, credit risk, effectiveness of hedge relationship, goodwill, impairment of financial and non-financial assets, and Cyber security pertaining to the remote access of information for the year ended March 31, 2020 and up to the date of approval of financial statements. While assessing the impact, Company has considered all internal and external sources of information like industry reports, economic forecast, credit reports and company's business forecast basis the global economic consensus. Company expects to recover the carrying amount of its assets and retain effectiveness of its hedge transactions. Further, there have been no material changes in the financial control/process followed by the company. However, the impact of COVID-19 may be different from that estimated as on the date of approval of these financial statements and the Company will continue to closely monitor any material changes to the business due to future economic conditions.

34 Expenditure on Corporate Social Responsibilities

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Amount required to be spent as per Section 135 of the Companies Act	1,144	792
Amount spent during the year	1,144	800

These are the notes to accounts referred to in our report of even date.

For Walker Chandika & Co LLP

Chartered Accountants

Firm Registration Number: 001076N/N500013

Adi P. Seetha

Adi P. Seetha

Partner

Membership No.: 108840

Place: Mumbai

Date: October 26, 2020



For and on behalf of the Board of Directors of TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED

Rabinder Kumar Mahato *Rakesh Chandra Singh*

Rabinder Kumar Mahato

Director

DIN: 00262957

Place: Mumbai

Date: October 26, 2020

Rakesh Chandra Singh

Director

DIN: 00263089



Walker Chandiook & Co LLP

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Independent Auditor's Report

To the Members of Mastek Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **Mastek Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key audit matter	How our audit addressed the key audit matter
<p>Revenue from contracts with customers (Refer notes 2d(xi) and 15 to the accompanying standalone financial statements)</p> <p>Revenue is recognised basis the terms of each contract with customers wherein certain commercial arrangements involve complexity and significant judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation and the appropriateness of basis used to measure revenue recognized over the time period is applied in selecting the accounting basis in each case.</p> <p>We identified revenue of the Company 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.</p>	<p>Our responses</p> <p>Our audit procedures relating to revenue recognition included, but were not limited to the following:</p> <ul style="list-style-type: none"> ▪ Evaluated the design and operating effectiveness of internal controls relating to the revenue recognition of the Company. ▪ 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. ▪ Evaluated appropriateness and adequacy of disclosures made in the standalone financial statements with respect to revenue in accordance with the requirements of applicable accounting standards.

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

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

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

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

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



Mastek Limited

Independent Auditor's Report on the Audit of the Standalone Financial Statements

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 is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the 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 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;



Mastek Limited

Independent Auditor's Report on the Audit of the Standalone Financial Statements

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
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 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, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in Annexure A, 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 2020 from being appointed as a director in terms of section 164(2) of the Act;



Walker Chandiook & Co LLP

Mastek Limited

Independent Auditor's Report on the Audit of the Standalone Financial Statements

- f) we have also audited the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per Annexure B expressed an unmodified opinion; 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 standalone financial statements, disclose the impact of pending litigations on the Company's financial position as at 31 March 2020;
 - ii. the Company has made provision as at 31 March 2020, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No:001076N/N500013



Adi P. Sethna

Partner

Membership No:108840

UDIN:20108840AAAABW8564

Place: Mumbai

Date: 14 June 2020

Mastek Limited

Independent Auditor's Report on the Audit of the Standalone Financial Statements

Annexure A to the Independent Auditor's Report of even date to the members of Mastek Limited, on the standalone financial statements for the year ended 31 March 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full, including quantitative details and situation of fixed assets.
 - (b) All fixed assets have not been physically verified by the management during the year, however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) The title deeds of all the immovable properties are held in the name of the Company.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of investments, guarantees and security. The Company did not give any loans during the year.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, cess 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 become payable.



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Walker Chandio & Co LLP

Mastek Limited Independent Auditor's Report on the Audit of the Standalone Financial Statements

Annexure A (Contd)

(b) The dues outstanding in respect of income-tax, sales-tax and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Amount paid under Protest (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
The Maharashtra Value Added Tax Act, 2002	VAT liability including Interest	895	91	F.Y. 2006-07, F.Y. 2009-10, F.Y. 2012-13, F.Y. 2013-14	Joint Commissioner of Sales Tax (Appeals), Mumbai	
The Maharashtra Value Added Tax Act, 2002	VAT liability including Interest	10	-	F.Y. 2015-16	Deputy Commissioner of Sales Tax, Mumbai	
The Central Sales Tax Act, 1956	CST liability including Interest	22	4	F.Y. 2009-10, F.Y. 2012-13, F.Y. 2013-14	Joint Commissioner of Sales Tax (Appeals), Mumbai	
Income Tax Act, 1961	Income tax and interest demanded	363	-	F.Y. 2012-13, F.Y. 2013-14	CIT (A)	
Income Tax Act, 1961	Income tax and interest demanded	77	-	F.Y. 2014-15	Assessing Officer	

There were no amounts outstanding due to disputes on account of service tax, custom duty or excise duty.

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company did not have any borrowings from bank, government or outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. The Company did not avail any term loan during the year.
- (x) In our opinion, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid (and)/ provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.



Walker Chandiook & Co LLP

Mastek Limited

Independent Auditor's Report on the Audit of the Standalone Financial Statements

Annexure A (Contd)

- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No:001076N/N500013



Adi P. Sethna

Partner

Membership No:108440

UDIN:20108840AAAABW8564

Place: Mumbai

Date: 14 June 2020

Mastek Limited

Independent Auditor's Report on the Audit of the Standalone Financial Statements

Annexure B to the Independent Auditor's Report of even date to the members of Mastek Limited on the standalone financial statements for the year ended 31 March 2020

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 2020, we have audited the internal financial controls with reference to 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 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 issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility 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 Institute of Chartered Accountants of India ('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 on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to 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 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to 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



Mastek Limited

Independent Auditor's Report on the Audit of the Standalone Financial Statements

Annexure B (Contd)

and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

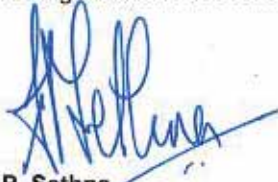
Opinion

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 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No:001076N/N500013



Adi P. Sethna

Partner

Membership No:108840

UDIN:20108840AAAABW8564

Place: Mumbai

Date: 14 June 2020

MASTEK LIMITED
STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

(₹ in lakhs)

	Note	As at	
		March 31, 2020	March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment, net	3(a)(i)	3,184	4,297
Capital work in-progress		167	141
Right-of-use assets	3(b)	134	-
Investment Property	3(c)	485	-
Intangible assets, net	3(a)(ii)	200	225
Investment in subsidiaries	3(d)	1,403	1,403
Financial assets			
Investments	4(a)	3,844	3,624
Loans	4(b)	88	84
Other financial assets	4(c)	772	444
Deferred tax assets, net	24	2,816	2,802
Current tax assets, net		1,269	1,082
Other non-current assets	5	105	64
Total non-current assets		14,467	14,166
Current assets			
Financial assets			
Investments	6(a)	12,190	10,563
Trade receivables	6(b)	2,561	3,583
Cash and Cash equivalents	6(c)(i)	2,018	1,172
Bank balances, other than cash and cash equivalent	6(c)(ii)	64	44
Loans	6(d)	13	12
Other financial assets	6(e)	1,333	608
Other current assets	7	980	1,136
Total current assets		19,159	17,118
Total Assets		33,626	31,284
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	8	1,214	1,199
Other equity	9	25,698	24,795
Total Equity		26,912	25,994
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	10(a)	113	131
Other financial liabilities	10(b)	987	328
Provisions	11	990	755
Total non-current liabilities		2,090	1,214
Current liabilities			
Financial liabilities			
Trade payables	33		5
Dues of micro and small enterprises		1	173
Dues of creditors other than micro and small enterprises		111	173
Other financial liabilities	12	3,746	3,272
Other current liabilities	13	555	503
Provisions	14	211	123
Total current liabilities		4,624	4,076
Total Liabilities		6,714	5,290
Total Equity and Liabilities		33,626	31,284

See accompanying notes to the Standalone financial statements
 This is the Balance Sheet referred to in our report of even date.

For Walker Chandniok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Adi P. Sethna

Partner

Membership No: 108840

Place: Mumbai

Date: June 14, 2020



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

Sudhakar Ram

Sudhakar Ram
 Vice Chairman and
 Managing Director
 DIN: 00101473

S. Sandilya

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

Abhishek Singh

Abhishek Singh
 Chief Financial Officer
 Place: Mumbai
 Date: June 14, 2020

Dinesh Kalani

Dinesh Kalani
 Company Secretary

MASTEK LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lakhs)

	Note	Year ended	
		March 31, 2020	March 31, 2019
INCOME			
Revenue from operations	15	16,344	18,944
Other income	16	4,886	3,459
Total Income		21,230	22,403
EXPENSES			
Employee benefits expenses	17	12,364	13,453
Finance costs	18	45	27
Depreciation and amortisation expenses	19	1,113	1,208
Other expenses	20	3,642	3,799
Total expenses		17,164	18,487
Profit before tax		4,066	3,916
Exceptional items - loss	21	683	-
Profit before tax		3,383	3,916
Tax expense / (credit)			
Current tax	24	869	998
Deferred tax		(231)	(78)
Income tax relating to earlier years		-	(55)
Total tax expense		638	865
Profit after tax for the year		2,745	3,051
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to the statement of profit or loss:			
Defined benefit plan actuarial gains/ (losses)		8	(8)
Income tax relating to items that will not be reclassified to profit and loss - (expense) / credit		(3)	3
Items that will be reclassified subsequently to the statement of profit and loss:			
Net change in fair value of forward contracts designated as cash flow hedges-gain/(loss)		(111)	1,094
Net change in fair value of financial instruments-gain/(loss)		319	144
Income tax relating to items that will be reclassified to profit and loss - (expense) / credit		(61)	(361)
Total other comprehensive income for the year		152	872
Total comprehensive income for the year		2,897	3,923
Earnings per share			
(Equity shares of face value ₹ 5/- each)	22		
Basic		11.40	12.81
Diluted		10.82	12.12

See accompanying notes to the Standalone financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For Walker Chandniok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



Adi P. Sethna

Partner

Membership No.: 108840

Place: Mumbai

Date: June 14, 2020



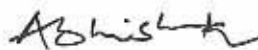
For and on behalf of the Board of Directors of Mastek Limited



Sudhakar Ram
 Vice Chairman and
 Managing Director
 DIN: 00101473



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



Abhishek Singh
 Chief Financial Officer
 Place: Mumbai
 Date: June 14, 2020



Divesh Kalani
 Company Secretary

MASTEK LIMITED
STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lakhs)

	Year ended	
	March 31, 2020	March 31, 2019
Cash flows from operating activities		
Profit for the year	2,745	3,051
Adjustments for:		
Interest income	(300)	(157)
Guarantee commission	(104)	(147)
Employee stock compensation expenses	370	365
Finance costs	24	27
Depreciation and amortisation	1,113	1,208
Provision for doubtful debts and loans and advances	181	-
Bad debts written off	10	8
Provision for cost overrun on contracts, net	45	248
Tax expense	638	865
Exceptional item (Refer note 21)	683	-
Dividend from subsidiary	(3,142)	(1,777)
(Profit)/ Loss on sale of property, plant and equipment and software, net	19	(46)
Profit on sale of current investments	(616)	(693)
Finance cost due to Ind AS 116 adjustment	13	-
Rental income	(300)	(202)
Operating profit before working capital changes	1,379	2,750
Decrease / (Increase) in trade receivables	181	(842)
(Increase) / Decrease in loans and advances and other assets	(370)	52
Increase in trade payables, other liabilities and provisions	1,287	775
Cash generated from operating activities before taxes	2,477	2,735
Income taxes paid, net of refunds	(899)	(947)
Net cash generated from operating activities	1,578	1,788
Cash flows from investing activities		
Proceeds from sale of property, plant & equipment	18	67
Purchase of property, plant & equipment and software	(576)	(1,194)
Interest received	192	66
Dividend from subsidiary	3,142	1,777
Rental income	238	195
Guarantee commission received	164	297
Purchase of current investments	(11,649)	(13,706)
Proceeds from current investments	10,738	12,126
Net cash generated from / (used in) investing activities	2,267	(372)
Cash flows from financing activities		
Proceeds from issue of shares under the employee stock option schemes	213	291
Proceeds and repayment of borrowings, net	(10)	58
Dividends paid including dividend distribution tax and unclaimed dividends	(3,148)	(1,773)
Payment of lease liabilities	(58)	-
Interest paid on finance lease and others	(16)	(19)
Net cash (used in) financing activities	(2,999)	(1,443)
Net increase / (decrease) in cash and cash equivalents during the year	846	(27)
Cash and cash equivalents at the beginning of the year	1,172	1,199
Cash and cash equivalents at the end of the year	2,018	1,172

The above Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Statement of Cash Flow. This is the Statement of Cash Flow referred to in our report of even date.


For Walker Chandniok & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

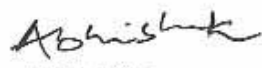

Adi P. Sethna
Partner
Membership No.: 108840
Place: Mumbai
Date: June 14, 2020



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


Sudhakar Ram
Vice Chairman and
Managing Director
DIN: 00101473


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


Abhishek Singh
Chief Financial Officer
Place: Mumbai
Date: June 14, 2020


Dimesh Kalani
Company Secretary

MASTEK LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

	(₹ in lakhs)
8. Equity share capital	
Balance as at April 1, 2018	1,185
Add: Shares issued on exercise of stock options and restricted shares	11
Balance as at March 31, 2019	1,199
Balance as at April 1, 2019	1,199
Add: Shares issued on exercise of stock options and restricted shares	15
Balance as at March 31, 2020	1,214

9. Other Equity

Particulars	Reserve & Surplus				Other Comprehensive Income (OCI)			Total other equity
	Capital redemption reserve	Securities premium	Share options outstanding account	Retained earnings	Employee benefit expense	Fair value of cash flow hedge	Fair value of changes in other financial instruments	
Balance as at April 1, 2018	1,539	1,773	1,023	17,265	265	(50)	452	21,687
Issue of share capital on exercise of employee share option	-	217	-	-	-	-	-	217
Employee share based compensation	-	-	773	-	-	-	-	773
Transferred to securities premium	-	206	(206)	-	-	-	-	-
Profit for the year	-	-	-	3,581	-	-	-	3,581
Cash dividends and tax thereon	-	-	-	(1,788)	-	-	-	(1,788)
ESOP Adjustments *	-	-	(51)	18	-	-	-	(33)
Other comprehensive income (net of tax)	-	-	-	-	(5)	314	104	313
Balance as at March 31, 2019	1,539	2,255	1,513	18,266	260	257	556	24,781
Balance as at April 1, 2019	1,539	2,255	1,513	18,266	260	257	556	24,781
Issue of share capital on exercise of employee share option	-	193	-	-	-	-	-	193
Employee share based compensation	-	-	891	-	-	-	-	891
Transferred to securities premium	-	204	(204)	-	-	-	-	-
Profit for the year	-	-	-	3,715	-	-	-	3,715
Cash dividends and tax thereon	-	-	-	(3,148)	-	-	-	(3,148)
ESOP Adjustments *	-	-	(42)	13	-	-	-	(29)
Other comprehensive income (net of tax)	-	-	-	-	5	(79)	738	664
Balance as at March 31, 2020	1,539	2,706	2,223	17,595	265	178	782	25,483

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

See accompanying notes to the Standalone financial statements
This is the Statement of changes in equity referred to in our report of even date.

For Walker Chandok & Co LLP
Chartered Accountants
Firm Registration No. 001075N/NS00013

Ashish P. Sachin
Partner
Membership No. 108849
Place: Mumbai
Date: June 14, 2020



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

(Signature) *(Signature)*

Sudhakar Rao
Vice Chairman and
Managing Director
DIN: 00104433

S. Sandhya
Non Executive Chairman
and Independent Director
DIN: 00037542

(Signature)

Abhishek Singh
Chief Financial Officer
Place: Mumbai
Date: June 14, 2020

(Signature)
Thangavelan
Company Secretary

1 Company overview

Mastek Limited (the 'Company') is a public limited company domiciled in India and is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company is a provider of vertically-focused enterprise technology solutions.

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

2 Basis of Preparation and Presentation

a. Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable.

These standalone financial statements of the Company as at and for the year ended March 31, 2020 were approved and authorized by the Company's board of directors as on June 14, 2020.

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

b. Basis of Preparation

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

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

All the assets and liabilities have been classified as current and non-current as per the company's normal operating cycle 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 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 realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carryforward period are reduced.

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

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

(ix) *Leases:* Determining the lease term of contracts with renewal and termination options – Company as lessee
Ind AS 116 requires the lessee to determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset). When it is reasonably certain to exercise extension option and not to exercise termination option, the Company includes such extended term and ignore termination option in determination of lease term.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The Company has taken indicative rates from its bankers and used them for Ind AS 116 calculation purposes.

(x) *Estimation uncertainties relating to the Pandemic - COVID-19:* The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investment in subsidiaries. The Company also assess the effectiveness of hedge transactions and believes that probability of occurrence of the forecasted transaction is not impacted by the pandemic. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports, related information and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

d. Summary of Significant accounting policies

(i) Functional and Presentation Currency

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

(ii) Foreign currency transactions and balances

Foreign currency transactions of the Company and of its integral foreign branch are accounted at the exchange 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 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 and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not 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.



B. Subsequent Measurement

1. Non-Derivative Financial Instruments

a. Financial Assets Carried at Amortised Cost

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

b. Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

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

The Company has made an irrevocable election to present subsequent change in the fair value of certain mutual funds in Other Comprehensive Income.

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

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

d. Financial liabilities

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

e. Derivative Instruments

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

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

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

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.

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.

(iv) Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

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

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



(v) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment, if any. Intangible assets are amortised over their respective estimated useful lives on a straight line method. The estimated useful life reflects the manner in which the economic benefit is expected to be generated from that individual intangible asset.

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

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

Category	Useful Life
Computer Software	1 - 5 years

(vi) Leases

The Company has applied Ind AS 116 with effect from April 1, 2019 using the modified retrospective approach and therefore the comparative information has not been restated and continues 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.

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 machinery and equipment (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 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.

(vii) Impairment of Assets

a. Non Financial Instrument

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

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

b. Financial instrument

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



(viii) Employee benefits

A. Long Term employee benefits

(a) Defined contribution plan

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

(b) Defined Benefit Plan

The Company has defined benefit plans for post employment benefits in the form of gratuity for its employees in India. The gratuity scheme of the Company is administered through Life Insurance Corporation of India (LIC). Liability for defined benefit plans is provided on the basis of actuarial valuations, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method.

Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income. Remeasurements comprising of actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

(c) Other long term employee benefits

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

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 Statement of Profit and Loss when the Company has a present obligation as a result of past event, when a reliable estimate can be made of the amount of the obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

(ix) Share based payments

The Company determines the compensation cost based on the fair value method in accordance with Ind AS 102 Share Based Payment. The Company grants options to its employees which will be vested in a graded manner and are to be exercised within a specified period. The compensation cost is amortised on 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 "Share option outstanding account" to retained earnings.

(x) Provisions & Contingent Liabilities

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

(xi) Revenue recognition

The Company derives revenue primarily from Information Technology services which includes IT Outsourcing services, support and maintenance services. The Company recognises revenue over time of period of 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.

(Handwritten signatures)



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 utilizing 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.

Contracts may include incentives, service penalties and rewards. The Company includes an estimate of the amount it expects to receive for the total transaction price if it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

Any modification or change in existing performance obligations is assessed whether the services 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, net 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 in "Other current assets" in the financial statements and primarily relate to unbilled amounts on fixed-price contracts utilizing the cost to cost method i.e. percentage of completion method (POCCM) 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 performance obligation and customer payment.

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

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

The Company has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to render services which may require revision of estimated of costs to complete the contract because of additional efforts; (ii) onerous obligations; (iii) penalties relating to breaches of service level agreements, and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

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

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

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

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



(xiii) Other Income

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

(xiv) Finance expense

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

(xv) Earnings per share

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

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

(xvi) Cash and cash equivalents

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

(xvii) Investment Property

Property that is held either for long term rental yield or for capital appreciation or both, but not for sale in ordinary course of the business, use in the production or supply of goods or services or for administrative purposes 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, if any. Depreciation is provided in the same manner as property, plant and equipment.

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

(xviii) 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.

(xix) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Changes in accounting policies and disclosure

New and amended standards

The Company has adopted Ind AS 116 'Leases' with effect from April 1, 2019, using the modified retrospective approach. However, comparative period amounts are not adjusted and continue to be reported in accordance with previous year's accounting policy except where indicated otherwise.

Right of use assets at April 1, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to lease liability (adjusted for any related prepayments/accruals). Thus on the date of transition, the company has created right-of-use asset of ₹ 143 lakhs and lease liability of equal amount, and there is no impact on opening balance of retained earnings for the current year. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short term leases), and lease contracts for which the underlying asset is of low value (low value assets).



MASTEK LIMITED

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in lakhs, unless otherwise stated)

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

	Gross Block (at cost)				Depreciation				Net Block		
	As at April 1, 2019	Additions	Deletions / adjustment	As at March 31, 2020	As at April 1, 2019	For the year	Deletions / adjustment	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	
a. Own assets :											
Buildings * (a)	4,737	-	(1,156)	3,691	2,116	134	(615)	1,635	1,966	2,621	
Computers	2,185	16	(66)	2,135	2,046	112	(66)	2,092	43	139	
Plant and equipment	2,269	13	(75)	2,187	2,013	87	(93)	2,007	160	256	
Furniture and fixtures	4,735	17	(364)	4,388	4,230	190	(336)	4,082	306	505	
Vehicles	409	38	(18)	399	173	78	(41)	210	189	236	
Office equipment	1,820	107	(243)	1,684	1,373	158	(241)	1,290	434	417	
Total (A)	16,155	191	(1,952)	14,394	11,951	739	(1,394)	11,296	3,098	4,201	
b. Leased assets :											
Leasehold land	386	-	-	386	311	-	-	311	75	75	
Leasehold improvements	328	-	-	328	322	1	-	323	5	6	
Vehicles	88	-	(11)	77	76	6	(11)	71	6	12	
Total (B)	802	-	(11)	791	709	7	(11)	705	86	93	
Total (A + B)	16,957	191	(1,963)	15,185	12,660	746	(1,405)	12,001	3,184	4,297	

3(a)(ii) Intangible assets

	Gross Block (at cost)				Amortisation				Net Block		
	As at April 1, 2019	Additions	Deletions / adjustment	As at March 31, 2020	As at April 1, 2019	For the year	Deletions / adjustment	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	
Computer software	3,101	276	-	3,377	2,876	301	-	3,177	200	225	
Total	3,101	276	-	3,377	2,876	301	-	3,177	200	225	

3(b) Right-of-use assets

	Gross Block (at cost)				Depreciation				Net Block		
	As at April 1, 2019	Additions	Deletions / adjustment	As at March 31, 2020	As at April 1, 2019	For the year	Deletions / adjustment	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	
Building	-	164	-	164	-	30	-	30	134	-	
Total	-	164	-	164	-	30	-	30	134	-	



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(₹ in lakhs, unless otherwise stated)

For previous year ended March 31, 2019

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

	Gross Block (at cost)			Depreciation				Net Block		
	As at April 1, 2018	Additions	Deletions / adjustment	As at March 31, 2019	As at April 1, 2018	For the year	Deletions / adjustment	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
a. Own assets :										
Buildings **	4,737	0	-	4,737	1,951	165	-	2,116	2,621	2,786
Computers	2,230	103	(150)	2,185	2,034	167	(150)	2,046	139	196
Plant and equipment	2,393	86	(210)	2,269	2,118	98	(205)	2,013	256	275
Furniture and fixtures	4,714	259	(230)	4,735	4,271	197	(736)	4,230	905	443
Vehicles	276	150	(17)	409	123	68	(18)	173	236	153
Office equipment	1,671	246	(97)	1,820	1,353	116	(96)	1,373	447	318
Total (A)	16,021	846	(712)	16,155	11,850	806	(705)	11,951	4,201	4,171
b. Leased assets :										
Leasehold land	386	0	-	386	308	3	-	311	75	78
Leasehold improvements	334	7	(13)	328	334	0	(12)	322	6	8
Vehicles	99	-	(11)	88	79	8	(11)	76	12	20
Total (B)	819	7	(23)	803	721	11	(23)	709	93	98
Total (A + B)	16,840	853	(735)	16,957	12,571	818	(729)	12,660	4,297	4,269

3(a)(ii) Intangible assets

	Gross Block (at cost)			Amortisation				Net Block		
	As at April 1, 2018	Additions	Deletions / adjustment	As at March 31, 2019	As at April 1, 2018	For the year	Deletions / adjustment	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Computer software	2,793	319	(23)	3,101	2,514	390	(28)	2,876	225	279
Total	2,793	319	(23)	3,101	2,514	390	(28)	2,876	225	279

* For the year ended March 31, 2020 Buildings include Pune and Chennai property mortgaged as security for loan availed by subsidiary. The mortgage of the Chennai property is pending to be created till date.
 ** For the year ended March 31, 2019 Buildings include Pune property mortgaged as security for loan availed by subsidiary.
 (iii) During the year ended March 31, 2020 the Pune property has been sold, accordingly gross block of ₹ 1,134 lakhs and accumulated depreciation of ₹ 613 lakhs has been re-classified as investment property.



MASTEK LIMITED
Notes to the Standalone Financial Statements for the year ended March 31, 2020
(₹ in lakhs, unless otherwise stated)

Non-current assets

3(c). Investment property

(A) Investment property (at cost less accumulated depreciation) *

Gross block

Opening

Additions

Closing

Accumulated depreciation

Opening

Depreciation on transfer from property, plant and equipment

Depreciation for the year

Closing

Net block

As at	
March 31, 2020	March 31, 2019
2	2
1,134	-
1,136	2
2	2
613	-
36	-
651	2
485	-

Aggregate amount of investment property

* Fair Value of the investment property as at March 31, 2020 is ₹ 4,901 lakhs.

* During the year ended March 31, 2020 the Pune property has been sublet, accordingly Gross block of ₹ 1,134 lakhs and accumulated depreciation of ₹ 613 lakhs has been re-classified from property, plant and equipment.

3(d). Investment in Subsidiaries at cost (unquoted)

Mastek (UK) Limited

200,000 (March 31, 2019 - 200,000) equity shares of ₹ 1 each, fully paid up

Trans American Information Systems Private Limited

34,520 (March 31, 2019 - 34,520) equity shares of ₹ 10 each, fully paid up

As at	
March 31, 2020	March 31, 2019
216	216
1,187	1,187
1,403	1,403

4 Financial assets

a. Investments

(A) Investment in share warrant at FVTPL (unquoted):

Investment in Cashless Technologies India Private Limited

8,000,000 Share warrants (March 31, 2019 - 8,000,000)

(B) Investment in mutual funds at FVOCI (unquoted):

Kotak Corporate Bond Fund - Standard Growth (Regular Plan)

(17,391 units, March 31, 2019 - 17,391 units)

ICICI Prudential Corporate Bond Fund - Growth

(6,291,134 units, March 31, 2019 - 6,291,134 units)

HDFC Short Term Debt Fund - Regular Plan - Growth

(5,949,282 units, March 31, 2019 - 5,949,282 units)

HDFC Ultra Short Term Fund - Regular Growth

(133,410 units, March 31, 2019 - 133,410 units)

HDFC Low Duration Fund - Growth

(1,987,665 units, March 31, 2019 - Nil units)

(C) Investment in bonds at cost (unquoted):

10.90% Bond with Punjab National Bank

9.21% Bond with Punjab & Sind Bank

(D) Investment in term deposit at cost (unquoted):

Term deposit with PNB Housing Finance Corporation Limited

Term deposit with Ujjivan Small Finance Bank Limited

Term Deposit with Bank of India

Aggregate market value of unquoted investments (A + B + C + D)

As at	
March 31, 2020	March 31, 2019
-	-
468	430
1,310	1,201
1,347	1,229
15	14
568	-
3,708	2,874
50	-
56	-
106	-
-	500
-	250
30	-
30	250
3,844	3,624

b. Loans

Unsecured, Considered good

Security deposits

As at	
March 31, 2020	March 31, 2019
88	87
88	84



MASTEK LIMITED

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in lakhs, unless otherwise stated)

		As at		
		March 31, 2020	March 31, 2019	
c. Other financial assets				
Advances to employees		4	-	
Foreign exchange forward contract		116	146	
Guarantee commission receivable		652	298	
		772	444	
5 Other non-current assets				
Capital advances		8	5	
Prepaid expenses		1	2	
Other advances		96	57	
		105	64	
Current assets				
6 Financial assets				
a. Investments				
(i) Investment in mutual funds				
Investment in mutual funds at FVTPL (unquoted):				
IDFC Cash Fund - Growth - Regular Plan	9,882	236	12,247	276
ICICI Prudential Liquid Fund - Regular - GROWTH	109,722	321	-	-
Aditya Birla Sun Life Money Manager Fund-Regular	224,930	605	224,930	563
UTI Liquid Fund Cash Plan -IP	-	-	13,345	407
Kotak Liquid Scheme	1,390	56	9,658	364
Axis Liquid Fund - Growth	1,358	30	5,448	112
Baroda Pioneer Liquid Fund - Plan A - Growth	-	-	3,749	80
ICICI Prudential Money Market Fund - Regular Growth	143,812	399	85,055	220
UTI Money Market Fund IP -Growth	5,876	132	26,392	554
SBI Debt Fund Series - C - 15 (91 Days) - Regular Growth	-	-	1,000,000	104
Aditya Birla Sun Life Liquid Fund - Regular - Growth	126,015	400	-	-
HDFC Liquid Fund - Growth	995	39	-	-
HDFC Money Market Fund-Growth	38,881	1,623	-	-
Kotak Money Market Scheme-Regular-Growth	55,783	1,841	-	-
Aditya Birla Sun Life Overnight Fund - Growth	10,754	116	-	-
Total (A)		5,798		2,680
Investment in mutual funds at FVOCI (unquoted):				
Kotak Savings Fund-Growth	2,017,768	648	2,017,768	604
ICICI Prudential Savings Fund	459,480	1,780	459,480	1,648
UTI Short Term Income Fund	-	-	1,343,569	302
Kotak Corporate Bond Fund Standard Growth (Regular Plan)	41,894	1,127	41,894	1,035
IDFC Corporate Bond Fund Regular Plan Growth	1,499,617	207	1,499,617	191
Kotak Low Duration Fund -Growth	-	-	45,658	1,043
Birla Sun Life Floating Rate Fund - Long Term Plan - Regular - Growth	122,776	305	122,776	282
UTI Treasury Advantage Fund Institutional Plan - Growth	-	-	31,134	803
Total (B)		4,067		5,908
(ii) Investment in term deposit at cost (unquoted):				
Term deposit with PNB Housing Finance Limited		700		-
Term deposit with Ujjivan Small Finance Bank Limited		250		-
Term deposit with Housing Development Finance Corporation Limited		1,100		1,975
Term deposit with Standard Chartered Bank Limited		25		-
Term deposit with LIC Housing Finance Limited		250		-
Total (C)		2,325		1,975
Aggregate amount of unquoted investments in mutual funds (A + B)		9,865		8,588
Aggregate amount of unquoted investment in term deposits (C)		2,325		1,975
Grand Total		12,190		10,563
b. Trade receivables				
Unsecured				
Considered Good		2,561		3,583
Considered Doubtful		1,060		248
Less: Allowance for doubtful debts		(1,060)		(248)
		2,561		3,583



MASTEK LIMITED

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in lakhs, unless otherwise stated)

	As at	
	March 31, 2020	March 31, 2019
c. Cash and cash equivalents		
(i) Cash and cash equivalents		
Cash on hand	1	1
Bank balances		
In current accounts	2,017	1,171
	2,018	1,172
(ii) Bank balances, other than cash and cash equivalents		
Bank balances in unclaimed dividend account	64	44
	64	44

	As at	
	March 31, 2020	March 31, 2019
d. Loans		
Unsecured, Considered good		
Security deposits	13	12
	13	12

	As at	
	March 31, 2020	March 31, 2019
e. Other financial assets		
Advances to employees	42	19
Interest accrued on fixed deposits	121	94
Deposit	2	1
Foreign exchange forward contract	121	202
Guarantee commission receivable	345	114
Rent receivables	100	-
Other receivables	33	5
Other receivable from subsidiary, net	569	173
	1,333	608

	As at	
	March 31, 2020	March 31, 2019
7 Other current assets		
Unbilled revenue	227	208
Prepaid expenses	157	143
Input tax credit receivable	337	440
Advances to suppliers	39	236
Interest on Income tax refunds	110	109
Others	110	-
	980	1,136

	As at	
	March 31, 2020	March 31, 2019
8 Equity share capital		
Authorised:		
40,000,000 (March 31, 2019: 40,000,000) equity shares of ₹ 5/- each	2,000	2,000
2,000,000 (March 31, 2019: 2,000,000) preference shares of ₹ 100/- each	2,000	2,000
	4,000	4,000
Issued, subscribed and fully paid up:		
24,289,472 (March 31, 2019: 23,972,803) equity shares of ₹ 5/- each fully paid	1,214	1,199
	1,214	1,199

(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, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Equity Shares				
Balance as at the beginning of the year	23,972,803	1,199	23,692,056	1,185
Add: On account of exercise of employee stock option plans	316,669	15	280,747	14
Balance as at the end of the year	24,289,472	1,214	23,972,803	1,199

(b) Rights, preferences and restrictions attached to 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 in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



On this

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

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% of holding	No. of shares	% of holding
Ashank Desai	3,099,552	12.8%	3,099,552	12.9%
Sudhakar Ram	1,588,680	6.5%	1,588,680	6.6%
Ketan Mehta	2,274,100	9.4%	2,274,100	9.5%
Radhakrishnan Sundar	1,340,800	5.5%	1,340,800	5.6%
IFFC Mutual Fund*	-	-	1,235,237	5.2%

* Shareholding as at March 31, 2020 has reduced to less than 5%.

(d) Shares reserved for issue under options

Number of shares to be issued under the Employee Stock Option Plans (Refer note 31)

As at	
March 31, 2020	March 31, 2019
1,975,692	2,204,419

9 Other equity

	As at	
	March 31, 2020	March 31, 2019
a) Capital redemption reserve Non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares.	1,539	1,539
b) Securities premium Amount received (on issue of shares) in excess of the face value has been classified as securities premium.	2,716	2,255
c) Share options outstanding account 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 retained earnings.	2,223	1,542
d) Retained earnings Retained earnings comprises of the prior year's undistributed earning after taxes increased by undistributed profits for the year.	17,995	18,386
e) Other items of other comprehensive income Other items of other comprehensive income consist of FVOCI financial assets and financial liabilities and remeasurement of defined benefit assets and liability.	1,225	1,073
	25,698	24,795

9.1 Distributions made and proposed

The Board of Directors at its meeting held on April 16, 2019 had recommended a final dividend of 100% (₹ 5 per equity share of face value of ₹ 5 each). The proposal was approved by shareholders at the Annual General Meeting held on July 23, 2019. This has resulted in a cash outflow of ₹ 1,210 lakhs, inclusive of dividend distribution tax. Also, the Board of Directors at its meeting held on October 17, 2019 had declared an interim dividend of 60% (₹ 3 per equity share of par value of ₹ 5 each). Further, the Board of Directors at its meeting held on March 17, 2020 had declared an interim dividend of 100% (₹ 5 per equity share of par value of ₹ 5 each).

Non-current Liabilities

10 Financial liabilities

a. Borrowings

Secured

Vehicle loans from bank (Refer note (i) below)

As at	
March 31, 2020	March 31, 2019
113	131
113	131

(i) Loans from bank are secured by hypothecation of assets (Vehicles) purchased there against.

Monthly payment of Equated monthly installments beginning from the month subsequent to taking the loan along with interest at 8.75% per annum is payable till May 2024

b. Other financial liabilities

Security and other deposits
Guarantee liability payable
Lease liability (Refer note 32)

As at	
March 31, 2020	March 31, 2019
127	3
771	325
89	-
987	328



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MASTEK LIMITED

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in lakhs, unless otherwise stated)

11 Provisions

Provision for employee benefits
 Provision for gratuity (Refer note 23)
 Provision for leave entitlement
 Other provisions
 Provision for cost overrun on contracts*

As at	
March 31, 2020	March 31, 2019
363	135
307	345
320	275
990	755

*Provision for cost overrun on contracts

Particulars	March 31, 2020	March 31, 2019
Balance as at beginning of the year	275	26
Add: Provision during the year	45	249
Balance as at end of the year	320	275

Current liabilities
Financial liabilities

12 Other financial liabilities

Current maturities of vehicle loans from bank (Secured) (Refer note 10 (a))
 Unclaimed dividends (Refer note (a) below)
 Security and other deposits
 Lease liability (Refer note 32)
 Other payables
 Employee benefits payable
 Accrued expenses
 Guarantee liability payable

As at	
March 31, 2020	March 31, 2019
47	39
64	44
2	2
50	-
1,282	1,284
2,070	1,810
231	93
3,746	3,272

Note:

(a) There is no amount due for payment to Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2020.

13 Other current liabilities

Contract liabilities
 Statutory dues (including stamp duty, provident fund and tax deducted at source)
 Deferred rent
 Others

As at	
March 31, 2020	March 31, 2019
103	43
394	369
47	-
11	91
555	503

14 Provisions

Provision for employee benefits
 Provision for leave entitlement

As at	
March 31, 2020	March 31, 2019
211	123
211	123



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MASTEK LIMITED

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in lakhs, unless otherwise stated)

15 Revenue from operations	For the year ended	
	March 31, 2020	March 31, 2019
Information technology services	16,344	18,944
	16,344	18,944

The table below presents disaggregated revenues from contracts with customers by customer location for each of the company's business segments. Company believe 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.

Revenue by geography	For the year ended	
	March 31, 2020	March 31, 2019
UK	14,376	15,994
North America	598	1,265
Others	1,370	1,685
	16,344	18,944

Remaining performance obligation

As of March 31, 2020 the aggregate amount of transaction price allocated to remaining performance obligations, was ₹ 1,269 lakhs, of which approximately 85% is expected to be recognised as revenues within 4 years. (March 31, 2019 ₹ 1,243 lakhs)

16 Other income	For the year ended	
	March 31, 2020	March 31, 2019
Interest income		
-On fixed deposits	240	115
-On income tax refunds	-	110
-On others	4	2
-On guarantee commission	60	40
Profit on sale of current investments	616	693
Rental income	264	202
Profit on sale of property, plant and equipment, net	-	46
Net gain on foreign currency transactions and translation	127	19
Dividend income from Mastek IIT Limited, subsidiary	3,142	1,777
Guarantee commission	104	147
Others	329	306
	4,886	3,459

17 Employee benefits expenses	For the year ended	
	March 31, 2020	March 31, 2019
Salaries, wages and performance incentives	11,009	11,969
Gratuity (Refer note 23)	235	201
Contribution to provident and other funds	457	450
Employee stock compensation expenses	370	365
Staff welfare expense	293	468
	12,364	13,453

18 Finance costs	For the year ended	
	March 31, 2020	March 31, 2019
Interest on lease liabilities		
Finance lease	16	13
Operating lease (Refer note 32)	13	-
Bank charges	9	6
Other finance charges	7	8
	45	27

19 Depreciation and amortisation expenses	For the year ended	
	March 31, 2020	March 31, 2019
Property, plant and equipment	746	818
Right-of-use assets	30	-
Investment property	36	-
Intangible assets	301	390
	1,113	1,208



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MASTEK LIMITED

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in lakhs, unless otherwise stated)

	For the year ended	
	March 31, 2020	March 31, 2019
20 Other expenses		
Recruitment and training expenses	181	173
Travelling and conveyance	450	483
Communication charges	135	112
Electricity	200	240
Consultancy and sub-contracting charges	279	439
Audit fees (Refer note 36)	36	36
Rates and taxes	99	94
Repairs to buildings	337	321
Repairs : others	462	315
Insurance	83	89
Printing and stationery	14	13
Purchase of software license	366	17
Professional fees	418	910
Rent	42	68
Advertisement and publicity	87	66
Provision for doubtful debts and loans and advances	181	-
Bad debt written off	10	8
Hire charges	71	62
Provision for cost overrun on contracts, net (Refer note 11)	45	248
Expenditure towards corporate social responsibility (CSR) activities (Refer note 39)	113	100
Loss on sale of property, plant and equipment	19	-
Miscellaneous expenses	14	5
	3,642	3,799

	For the year ended	
	March 31, 2020	March 31, 2019
21 Exceptional items, net		
a. Legal and professional cost	32	-
b. Provision for doubtful debts	651	-
	683	-

- a. Legal and professional cost relates to a business combination consummated during the quarter ended March 2020. (Refer note 37).
 b. One of the customer "Cox & Kings" was facing financial difficulty, as a result the total amount outstanding as on March 31, 2020 was provided for.

	For the year ended	
	March 31, 2020	March 31, 2019
22 Earnings Per Share (EPS)		
The components of basic and diluted earnings per share for total operations are as follows:		
(a) Net profit attributable to equity shareholders	2,745	3,051
(b) Weighted average number of outstanding equity shares		
Considered for basic EPS	24,077,384	23,811,435
Add : Effect of dilutive potential equity shares arising from outstanding stock options	1,281,709	1,354,799
Considered for diluted EPS	25,359,093	25,166,234
(c) Earnings per share in ₹ (net of taxes) in ₹ (Face value ₹ 5/- each)		
Basic	11.40	12.81
Diluted	10.82	12.12



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23 Employee benefit plans

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

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Gratuity cost		
Service cost	233	214
Net interest on net defined liability	2	(13)
Net gratuity cost	235	201
Actuarial gain / (loss) recognised in other comprehensive income	8	(8)
Interest rate	6.50%	7.25%
Salary increase	10%	10%

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

Mortality rate is considered as per the published rates under the Indian Assured Lives Mortality (2012-14) Ult table. Attrition rate varies between 10% to 21%.

The following table sets out the status of gratuity plan.

Particulars	As at	
	March 31, 2020	March 31, 2019
Obligation at the beginning of the year	1,925	1,740
Service cost	233	214
Interest cost	125	125
Actuarial loss - financial assumption	89	56
Actuarial gain - experience	(90)	(62)
Actuarial loss/(gain) - Demographic assumptions	-	0
Benefits paid	(233)	(148)
Obligation at the end of the year	2,050	1,925
Change in plan assets (maintained by LIC)		
Plan assets at the beginning of the year, at fair value	1,790	1,813
Employee contribution	0	0
Interest income on plan assets	125	139
Remeasurement on plan assets less interest on plan assets	7	(14)
Benefits paid	(233)	(148)
Plan assets at the end of the year, at fair value	1,687	1,790

Historical information

Particulars	As at				
	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Present value of defined benefit obligation	2,050	1,925	1,740	1,920	1,764
Fair value of plan assets	1,687	1,790	1,813	1,835	1,793
(Liability)/asset recognised	(363)	(135)	73	(85)	29

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, 2020	March 31, 2019
Experience adjustment on plan liabilities - gain	1	6
Experience adjustment on plan assets - gain / (loss)	7	(14)

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, 2020		March 31, 2019		
	Increase	Decrease	Increase	Decrease	
Discount Rate(50 bps)	(58)	66	(55)	58	58
Salary Growth(50 bps)	63	(57)	57	(54)	(54)



MASTEK LIMITED

Notes to the Standalone Financial Statements for the year ended March 31, 2020
(₹ in lakhs, unless otherwise stated)

Maturity profile of defined benefit obligation:

Particulars	As at	
	March 31, 2020	March 31, 2019
1 year	394	397
2 year	239	249
3 year	247	221
4 year	221	207
5 year	195	217
6 year	181	174
7 year	174	163
8 year	187	168
9 year	147	167
10 years and beyond	1,305	1,296

- 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 2020-21 is ₹ 200 lakhs. (FY 2019-20 ₹ 200 lakhs)
- ii) Plan assets are investment in unquoted insurer managed funds.

(b) Defined contribution plan

The Company contributed ₹ 457 lakhs for the year ended March 31, 2020 (₹ 450 lakhs March 31, 2019) for the defined contribution plan.

24 Income taxes

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

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Current tax	869	998
Income tax relating to earlier years		(55)
Deferred tax	(231)	(78)
Income tax expense recognised in the statement of profit or loss	638	865
Income tax (expense) recognised in other comprehensive income	(64)	(358)

- 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, 2020	March 31, 2019
Profit before tax	3,383	3,916
Enacted income tax rate in India	29.12%	29.12%
Computed expected tax expense	985	1,140
Effect of:		
Additional provision for earlier years on account of disallowance before Income tax authorities	-	(55)
Expenses that are not deductible in determining taxable profit	7	6
Dividend income subject to different tax rates	(366)	(207)
Others	12	(19)
Total income tax expense recognised in the statement of profit and loss	638	865

- c) **Deferred tax assets/ (liabilities) as at March 31, 2020 and March 31, 2019 in relation to:**

Particulars	As at	
	March 31, 2020	March 31, 2019
Property, plant and equipment and intangible assets	638	649
Provision for doubtful debts	309	75
Provision for compensated absence/gratuity	256	247
Net gain on fair value of mutual funds	(321)	(228)
Cash flow hedge	(69)	(101)
MAT Credit entitlement	1,975	2,130
Others	28	30
Total	2,816	2,802



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MASTEK LIMITED

Notes to the Standalone Financial Statements for the year ended March 31, 2020
(₹ in lakhs, unless otherwise stated)

25 Related Party disclosures, as per Ind AS 24

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

Name of Related Party	Nature of relationship	Country of Incorporation
Mastek (UK) Limited	Subsidiary	United Kingdom
Trans American Information Systems Private Limited	Subsidiary	India
IndigoBlue Consulting Limited (merged with Mastek (UK) Limited with effect from June 30, 2018)	Step-down Subsidiary	United Kingdom
Mastek, Inc. (formerly known as Digility, Inc.)	Step-down Subsidiary	United States of America
Trans American Information Systems, Inc.	Step-down Subsidiary	United States of America
Taistech LLC (merged with Trans American Information Systems, Inc. with effect from December 31, 2019)	Step-down Subsidiary	United States of America
Acquired through Business Transfer Agreement (BTA) (Refer note 37(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
Ecosys Kuwait WLL	Step-down Subsidiary	Kuwait
Evolutionary Systems Saudi LLC	Step-down Subsidiary	Kingdom of Saudi Arabia
Evolutionary Systems Bahrain SPC	Step-down Subsidiary	Bahrain
Acquired through Demerger Co-operation Agreement (DCA) (Refer note 37(ii) for manner and date of acquisition)		
Evolutionary Systems Private Limited	Step-down Subsidiary	India
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
Ivosys Consultancy Services (Malaysia) Sdn Bhd	Step-down Subsidiary	Malaysia
Evolutionary Systems Qatar WLL	Step-down Subsidiary	Qatar
Evolutionary Systems Pty Ltd	Step-down Subsidiary	Australia
Evolutionary Systems BV	Step-down Subsidiary	Netherlands
Evolutionary Systems (Singapore) Pte. Ltd.	Step-down Subsidiary	Singapore

Transactions with above related parties during the year were:-

Name of Related Party	Nature of transactions	For the year ended	
		March 31, 2020	March 31, 2019
Mastek (UK) Limited	Information Technology Services*	13,980	15,975
	Other Income	146	223
	Dividend received from subsidiary	3,142	1,777
	Reimbursable / Other expenses recoverable	994	878
	Guarantee commission*	163	78
	Guarantee given for loan availed by subsidiary*	28,290	16,710
IndigoBlue Consulting Limited	Reimbursable / other expenses recoverable	-	2
	Information Technology Services*	575	1,178
	Guarantee commission*	-	78
	Guarantee revoked for loan repaid by subsidiary*	-	8,856
Mastek, Inc.	Reimbursable / other expenses recoverable	33	8
	Other income	0	-
Trans American Information Systems, Inc.	Reimbursable / other expenses recoverable	2	4
	Information Technology Services*	23	87
Taistech LLC	Other income	23	8
	Reimbursable / other expenses recoverable	4	1
Trans American Information Systems Private Limited	Other Income	5	0
	Reimbursable / other expenses recoverable	319	36



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MASTEK LIMITED

Notes to the Standalone Financial Statements for the year ended March 31, 2020
(₹ in lakhs, unless otherwise stated)

Balances outstanding are as follows:-

Name of Related Party	Nature of balances	As At	
		March 31, 2020	March 31, 2019
Mastek (UK) Limited	Trade receivables	2,140	2,678
	Other receivable from subsidiary	256	138
	Guarantee commission receivable ^	997	412
	Guarantee commission liability (at fair value) ^	1,002	418
	Guarantee given against Loan availed by subsidiary*	33,193	6,789
Mastek, Inc.	Trade receivables	135	76
	Other receivable from subsidiary / (payable)	(18)	(27)
Trans American Information Systems, Inc.	Other receivable from subsidiary	0	0
Taistech LLC	Trade (payable)/ receivables	(8)	20
	Other receivable from subsidiary	7	2
Trans American Information Systems Private Limited	Other receivable from subsidiary	324	35

* The guarantees/security [refer notes 3(a)(*), (**) and 35B] have been given for loans availed by the subsidiary for acquisitions.

^ This includes foreign exchange adjustment

Key Management Personnel (KMP):

Sudhakar Ram , Vice Chairman and Managing Director
Ashank Desai, Non Executive Director
Atul Kanagat, Non Executive Director
Keith Bogg, Non Executive Director (Upto October 15, 2019)
Priti Rao, Non Executive Director
S. Sandilya, Non Executive Director
Rajeev Grover, Non Executive Director (From January 28, 2020)
Abhishek Singh, Chief Financial Officer
Dinesh Kalani, Company Secretary

Compensation of key management personnel of the Company

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Salaries and other employee benefits*	293	317
Share based payment transactions	37	159
Professional fees	-	2
Director sitting fees	84	80
Director commission	30	26
Compensation to key management personnel	444	584

*Does not include post-employment benefits based on actuarial valuation as this is computed for the company as a whole.

26 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 as Mastek Limited. In accordance with Ind AS 108 - 'Operating Segments', no disclosures related to segment are therefore presented in these standalone financial statements.

27 Financial instrument

The carrying value and fair value of financial instruments by categories as at March 31, 2020 and March 31, 2019 is as follows:

Particulars	Carrying Value		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial asset				
Amortised Cost				
Loans	101	96	101	96
Trade receivable (net of provisions)	2,561	3,583	2,561	3,583
Cash and cash equivalents	2,018	1,172	2,018	1,172
Other bank balance	64	44	64	44
Other assets	1,868	704	1,868	704
Investment in term deposits	2,355	2,725	2,355	2,725
Investment in debentures or bonds	106	-	106	-
FVOCI				
Investment in mutual funds	7,775	8,782	7,775	8,782
Derivative Assets	237	348	237	348
FVTPL				
Investment in liquid mutual fund	5,798	2,680	5,798	2,680
Total assets	22,883	20,134	22,883	20,134



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MASTEK LIMITED

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in lakhs, unless otherwise stated)

Financial liabilities				
Amortised cost				
Loans and borrowing	160	170	160	170
Trade payables	112	178	112	178
Lease liabilities	139	-	139	-
Other liabilities	4,547	3,561	4,547	3,561
Total liabilities	4,958	3,909	4,958	3,909

28 Fair Value Hierarchy

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

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

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

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2020 and March 31, 2019.

Quantitative disclosures of fair value measurement hierarchy for financial assets as at March 31, 2020:

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, 2020	237	-	237	-
FVOCI financial assets designated at fair value					
Investment in mutual fund	March 31, 2020	7,775	7,775	-	-
FVTPL financial assets designated at fair value					
Investment in liquid mutual fund	March 31, 2020	5,798	5,798	-	-

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

Particulars	Date of valuation	Total	Fair value measuring using		
			Level 1	Level 2	Level 3
Financial assets measuring at fair value					
Derivative Assets					
Foreign exchange forward contract	March 31, 2019	348	-	348	-
FVOCI financial assets designated at fair value					
Investment in mutual fund	March 31, 2019	8,782	8,782	-	-
FVTPL financial assets designated at fair value					
Investment in liquid mutual fund	March 31, 2019	2,680	2,680	-	-

29 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 currencies 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.



Signature and date: 20/03/20

MASTEK LIMITED

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in lakhs, unless otherwise stated)

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.

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

Designated derivative instrument	As at	
	March 31, 2020	March 31, 2019
Forward contract (Notional amount in GBP lakhs)	161	127
Number of contracts	237	152
Fair value in ₹ lakhs	237	348
Forward Contracts covers part of the exposure during the period April 2020 - January 2024		
Mark-to-Market gains / (losses)	As at	
	March 31, 2020	March 31, 2019
Opening balance of Mark-to-market gains / (losses) receivable on outstanding derivative contracts	348	(746)
Less: Released from Hedging reserve account to statement of profit and loss under revenue upon occurrence of forecasted sales transactions	(396)	(20)
Add: Changes in the value of derivative instrument recognised in Hedging reserve account	285	1,114
Closing balance of Mark-to-market gains receivable on outstanding derivative contracts	237	348
Disclosed under:		
Other current financial asset (Refer note 6(c))	121	202
Other non-current financial asset (Refer note 4(c))	116	146
	237	348

Non-Derivative Financial Instruments

The following table presents foreign currency risk from non-derivative financial instrument as of March 31, 2020 and March 31, 2019.

Particulars	As at March 31, 2020			As at March 31, 2019		
	USD	GBP	₹	USD	GBP	₹
	in lakhs	in lakhs	in lakhs	in lakhs	in lakhs	in lakhs
Financial assets	2	7	735	1	17	1,650
Financial liabilities	(2)	-	(184)	(9)	-	(6)
Net assets / (liabilities)	-	7	551	1	17	1,646

As at March 31, 2020 and March 31, 2019 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 ₹ 16 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 contributes for more than 10% of outstanding total accounts receivables aggregating to 73.29% as at March 31, 2020 (69.90%, March 31, 2019).

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

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Revenue from Top Customer	86%	84%
Revenue from Top 5 Customers	92%	96%



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MASTEK LIMITED

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in lakhs, unless otherwise stated)

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.

The Working Capital position of the Company is given below

Particulars of current financial assets	As at	
	March 31, 2020	March 31, 2019
Cash and cash equivalent	2,018	1,172
Other bank balances	64	44
Investment in mutual funds	9,865	8,588
Investment in term deposits	2,325	1,975
Total	14,272	11,779

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2020 and March 31, 2019:

Particulars	As at March 31, 2020	
	Less than 1 Year	1 Year and above
Borrowings	47	113
Trade payables	112	-
Other financial liabilities	3,609	987

Particulars	As at March 31, 2019	
	Less than 1 Year	1 Year and above
Borrowings	39	131
Trade payables	178	-
Other financial liabilities	3,233	328

30 Capital Management

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

Particulars	As at	
	March 31, 2020	March 31, 2019
Total Equity attributable to the Equity Share Holders of Company	26,912	25,994
As percentage of total Capital	99.41%	99.35%
Current loans and borrowings	47	39
Non-Current loans and borrowings	113	131
Total loans and borrowings	160	170
As a percentage of total capital	0.59%	0.65%
Total capital (Loans and borrowings and equity)	27,072	26,164

The Company is predominantly equity financed which is evident from capital structure table. Further, the Company has always been in a net cash position. Cash and bank balances along with current financial assets which predominantly includes investment in liquid and short term mutual funds are in excess of debt.



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MASTEK LIMITED

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in lakhs, unless otherwise stated)

31 Employee Stock Based Compensation

i) Plan IV

The Shareholders of the Company through Postal Ballot on August 9, 2007 approved the allocation of 1,000,000 stock options to the eligible employees of the Company and its subsidiaries. The Company subsequently established a new scheme in 2007 for granting 1,000,000 stock options to the employees referred to above, each option representing one equity share of the Company. The vesting period of stock options will range from one year to four years from the date of grant. The stock options are exercisable within a period of seven years from the date of vesting.

Particulars	Year ended			
	March 31, 2020		March 31, 2019	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options at beginning of the year	7,500	88	45,651	97
Granted during the year	-	-	-	-
Exercised during the year	-	-	(3,543)	112
Lapsed/Cancelled during the year	(7,500)	88	(34,608)	97
Outstanding options at end of the year	-	-	7,500	88
Options exercisable, end of the year	-	-	7,500	88

ii) Plan V

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

Particulars	Year ended			
	March 31, 2020		March 31, 2019	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options at beginning of the year	37,225	69	54,725	71
Exercised during the year	(5,000)	80	(15,000)	80
Lapsed/Cancelled during the year	-	-	(2,500)	47
Outstanding options at end of the year	32,225	68	37,225	69
Options exercisable, end of the year	32,225	68	37,225	69

iii) Plan VI

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

Particulars	Year ended			
	March 31, 2020		March 31, 2019	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options at beginning of the year	621,071	77	801,041	80
Exercised during the year	(182,069)	63	(128,990)	76
Lapsed/Cancelled during the year	(11,494)	134	(50,980)	127
Outstanding options at end of the year	427,508	82	621,071	77
Options exercisable, end of the year	427,508	82	576,818	69

iv) Plan VII

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

Particulars	Year ended			
	March 31, 2020		March 31, 2019	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options at beginning of the year	1,538,623	102	1,423,221	133
Granted during the year	170,750	5	386,000	5
Exercised during the year	(129,600)	70	(133,214)	133
Lapsed/Cancelled during the year	(63,814)	126	(137,384)	126
Outstanding options at end of the year	1,515,959	92	1,538,623	102
Options exercisable, end of the year	798,418	115	670,537	104



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MASTEK LIMITED

Notes to the Standalone Financial Statements for the year ended March 31, 2020
(₹ in lakhs, unless otherwise stated)

The following tables summarize information about the options/ shares outstanding under various programs as at March 31, 2020 and March 31, 2019 respectively:

Particulars	As at March 31, 2020		
	No. of share options	Weighted average remaining contractual life in years	Weighted average exercise price
Programme IV	-	-	-
Programme V	32,225	0.7	68
Programme VI	427,508	3.2	82
Programme VII	1,515,959	6.5	92

Particulars	As at March 31, 2019		
	No. of share options	Weighted average remaining contractual life in years	Weighted average exercise price
Programme IV	7,500	0.2	88
Programme V	37,225	1.4	69
Programme VI	621,071	4.1	77
Programme VII	1,538,623	7.1	102

The weighted average fair value of each unit under the plan granted during the year ended was ₹ 321 using the Black Scholes model with the following assumptions:

Particulars	As at March 31, 2020
Weighted average grant date share price	359
Weighted average exercise price	5
Dividend yield %	2.5%
Expected life	3.7
Risk free interest rate	6.3%
Volatility	49.7%

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.

32 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.

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 46 years. The Company has applied low value exemption for leases of laptops, lease lines, furniture and equipment and accordingly these are excluded from accounting as per Ind AS 116, at present.

i) Below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Buildings	Total
As at April 1, 2019	-	-
Additions on adoption of Ind AS 116	164	164
Depreciation expenses	(30)	(30)
As at March 31, 2020	134	134

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

Particulars	Year ended
	March 31, 2020
As at April 1, 2019	-
Additions on adoption of Ind AS 116	164
Finance expense	13
Payments	(38)
As at March 31, 2020	139
Current	50
Non-current	89



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MASTEK LIMITED

Notes to the Standalone Financial Statements for the year ended March 31, 2020
(₹ in lakhs, unless otherwise stated)

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

Particulars	Amount
Less than one year	98
More than one year less than 5 years	195
More than 5 years	349
Total	642

The effective interest rate for lease liabilities is 11%.

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

Particulars	Year ended
	March 31, 2020
Depreciation expense for right-of-use assets	30
Finance expense on lease liabilities	13
Expense relating to short-term leases (included in other expenses)	42
Total amount recognised in profit or loss	85

The Company had total cash outflows for leases of ₹ 80 lacs in FY 2019-20 (₹ 68 lacs in FY 2018-19).

There are several lease agreements with extension and termination options, 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, 2020	As at March 31, 2019
Lease income		
Future minimum lease income under non cancellable operating lease (in respect of properties):		
Due within one year	404	6
Due later than one year but not later than five years	1,301	-
Total	1,705	6

33 Micro, Small and Medium Enterprises

The Company has certain dues to Micro and small suppliers registered as such under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act is as follows:

Particulars	As at	
	March 31, 2020	March 31, 2019
a) The principal amount remaining unpaid to any supplier at the end of the year	1	5
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

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

34 Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2020 is ₹ 61 lakhs (March 31, 2019: ₹ 106 lakhs)

35 Contingent liabilities
A. Claims against Company not acknowledged as debts
1. Claims against Company not acknowledged as debts

Sales tax matter

	As at	
	March 31, 2020	March 31, 2019
	927	927

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.

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

	As at	
	March 31, 2020	March 31, 2019
	33,193	6,789



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MASTEK LIMITED

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in lakhs, unless otherwise stated)

36 Payments to the Auditor

Particulars	Year ended	
	March 31, 2020	March 31, 2019
As auditor	34	34
Other expenses	2	2
Total	36	36

37 Note on acquisition

During the quarter and year ended March 31, 2020

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 Evoxsys Arabia FZ LLC and Share Transfer Agreements (STA) to acquire Middle East Companies ("MENA Acquisition") by paying a cash consideration (net of cash & 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 and consolidated financial statements of the Company.

While the acquisition has been effected and full consideration has been paid, procedures to complete the legal process viz. registering sale of shares, etc. in certain geographies is ongoing. The legal procedures are delayed because of COVID-19 pandemic related lockdown in certain geographies, and the Company has been legally advised that such legal procedures are administrative in nature, and the parties to the BTA expect to complete these before long stop date post the lockdown is relaxed / lifted i.e. second quarter of the financial year 2020-21.

ii. With respect to the overseas business of Evolutionary Systems Private Limited (ESPL) including investment in certain subsidiaries of ESPL, the parties entered into a Demerger Co-operation Agreement (DCA) and Shareholders Agreement on February 8, 2020 (DCA acquisition). The manner of the acquisition of legal ownership, is decided to be achieved through a demerger scheme to be filed before the National Company Law Tribunal (NCLT) ("the Scheme"), or, as per DCA between Mastek and the shareholders of Evoxsys, Mastek shall complete this transaction with the same economic effect, by an alternate arrangement within the period specified in the DCA. The DCA gives Trans American Information Systems Private Limited (TAISPL) a wholly owned subsidiary of Mastek (collectively referred as Mastek Group) the right to appoint majority of the board of directors in ESPL and its subsidiaries and also provides 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 the Mastek Group. The transfer of legal title of such business undertaking shall be completed in financial year 2020-21. The date of acquisition of business undertaking for the purposes of Ind AS 103 is the date of transfer of control to the Mastek Group, i.e. February 8, 2020. Discharge of consideration through demerger will be done 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), (face value of ₹ 10 each) of TAISPL for every 10,000 equity shares of ESPL of face value of ₹ 10 each. The CCPS to be issued subject to regulatory approval, carries a Put Option which can be exercised by the holders of such CCPS at agreed EBITDA multiples over the next 4 years. Pending completion of legal acquisition, this transaction has been disclosed in the standalone financial statements and will be given effect to on receiving NCLT approval or on executing the alternate arrangement in accordance with the DCA. Accordingly, the equity shares which are proposed to be issued have not been considered for calculating the earnings per share both basic and diluted.

38 Covid-19 Assessment

The Company has assessed the impact of Covid-19 pandemic on its operations as well as financial reporting process, including but not limited to the areas of financial controls, credit risk, effectiveness of hedge relationship, goodwill, impairment of financial and non-financial assets, and Cyber security pertaining to the remote access of information for the year ended March 31, 2020 and up to the date of approval of financial statements. While assessing the impact, Company has considered all internal and external sources of information like industry reports, economic forecast, credit reports and company's business forecast basis the global economic consensus. Company expects to recover the carrying amount of its assets and retain effectiveness of its hedge transactions. Further, there have been no material changes in the financial control/process followed by the company. However, the impact of COVID-19 may be different from that estimated as on the date of approval of these financial statements and the Company will continue to closely monitor any material changes to the business due to future economic conditions.

39 Expenditure on Corporate Social Responsibilities

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Amount required to be spent as per Section 135 of the Companies Act	62	54
Amount spent during the year	113	100

In terms of our report of even date

For Walker Chandniok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



Adil P. Sethna

Partner

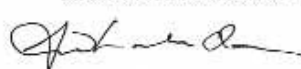
Membership No.: 108840

Place: Mumbai

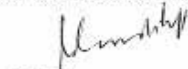
Date: June 14, 2020



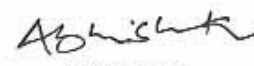
For and on behalf of the Board of Directors of Mastek Limited



 Sudhakar Ram
 Vice Chairman and
 Managing Director
 DIN: 00101473



 S. Sandeep
 Non-Executive Chairman
 and Independent Director
 DIN: 00037542



 Abhishek Singh
 Chief Financial Officer
 Place: Mumbai
 Date: June 14, 2020



 Dipesh Kalani
 Company Secretary

EVOLUTIONARY SYSTEMS PRIVATE LIMITED
CIN : U17122GJ2006PTC049073
Provisional Standalone Balance Sheet as at 31st December 2020

Particulars	Note No.	As at 31st Dec, 2020 Total
ASSETS		
Non- current Assets		
Property plant & equipment, net	1	88,489,669
Capital work-in-progress		
Right of use Assets	1	52,224,744
Other Intangible assets		
Financial Assets		
(i) Investments	2	13,526,123
(ii) Trade receivables		
(iii) other financial assets	3	6,116,555
(iv) Others		
Deferred tax assets, net		28,065,689
Other non-current assets		
Total Non- current Assets		188,422,780
Current Assets		
Financial Assets		
(i) Current Investments		
(ii) Trade receivables	4	313,130,159
(iii) Cash and cash equivalents	5	153,031,659
(iv) Bank balances other than (iii) above	6	40,714,146
(v) Loans	7	1,110,797
(vi) Other financial assets		
Other current assets	8	49,135,459
Current tax assets (net)		
Total Current Assets		557,122,221
Total Assets :		745,545,001
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share capital	9	100,000,000
Other Equity	10	401,532,420
Total Equity		501,532,420
LIABILITIES		
Non-current liabilities		
Financial Liabilities		
(i) Borrowings		2,466,027
(ii) Lease Liabilities	11	40,249,492
Provisions	12	81,453,466
Deferred tax liabilities (Net)		
Other non-current liabilities		
Total Non-Current Liabilities		124,168,985



Current liabilities		
Financial Liabilities		
(i) Borrowings		
(ii) Trade payables	13	15,120,830
Total Outstanding dues of micro enterprises and small enterprises		
Total Outstanding dues of creditors other than micro enterprises and small enterprises		
(iii) Other financial liabilities	14	58,804,527
(iii) Lease Liabilities	15	18,063,505
Other current liabilities	16	12,647,737
Provisions	17	5,158,477
Current Tax Liabilities (Net)	18	10,048,519
Total Current Liabilities		119,843,595
Total Equity and Liabilities :		745,545,001

For and on behalf of the Board of Directors,
EVOLUTIONARY SYSTEMS PRIVATE LIMITED

Umang Nahata

[Umang Nahata]
Director
DIN : 00323145

Rakesh Raman

[Rakesh Raman]
Director
DIN : 00708387

PLACE : AHMEDABAD
DATE :

Nirav Khatri

[Nirav Khatri]
Chief Financial Officer



EVOLUTIONARY SYSTEMS PRIVATE LIMITED
CIN : U17122GJ2006PTC049073

Provisional Standalone Profit and Loss account for 9 months Ended on 31st December, 2020

	Note	Period Ended 31-Dec-20
INCOME		
Revenue from operations	19	966,137,898
Other income	20	12,099,383
Total Income		978,237,281
EXPENSES		
Employee benefits expenses	21	699,770,733
Finance costs	22	5,286,499
Depreciation and amortization expenses	23	37,894,034
Other expenses	24	76,600,287
Total expenses		819,551,553
Profit before exceptional item and tax		158,685,728
Exceptional items - (loss) / gain		-
Profit before tax		158,685,728
Tax expense		
Current tax		49,208,532
Deferred tax (benefit) expense		(8,223,507)
Income tax charge / (write back) for earlier years		
Total tax expense		40,985,025
Profit after tax for the year		117,700,703
Other comprehensive income (OCI), net of taxes		5,855,831
Total other comprehensive loss for the year, net of taxes		5,855,831
Total comprehensive income / (loss) for the year		123,556,534

For and on behalf of the Board of Directors
EVOLUTIONARY SYSTEMS PRIVATE LIMITED

Umang Nahata

Rakesh Raman

[Umang Nahata]
 Director
 DIN : 00323145

[Rakesh Raman]
 Director
 DIN : 00708387

PLACE : AHMEDABAD
 DATE :

Nirav Khatri
[Nirav Khatri]
 Chief Financial Officer





M/s EVOLUTIONARY SYSTEMS PRIVATE LIMITED
Notes forming part of Provisional Standalone financial statements

Particulars	Buildings	Computers	Office Equipments	Furniture and Fixtures	Vehicles	Right of use assets	TOTAL
NOTE NO : 1							
Property, Plant and Equipment and Capital work-in-progress							
<u>Cost of Assets</u>							
As at 1st April 2020	88,006,790	103,857,380	27,593,480	32,532,162	7,544,994	80,671,255	340,206,061
Addition		(23,313,646)	564,389		3,015,761	434,090	(19,299,406)
Disposal / Adjustments							
As at 31st Dec 2020	88,006,790	80,543,734	28,157,869	32,532,162	10,560,755	81,105,345	320,906,655
<u>Depreciation</u>							
As at 1st April 2020	42,422,110	76,748,344	17,382,885	17,981,834	4,014,173	14,427,175	172,976,521
Charge for the period	3,315,331	(17,668,981)	3,336,879	2,815,454	963,610	14,453,427	7,215,720
Disposal / Adjustments							
Transfer	45,737,441	59,079,363	20,719,764	20,797,288	4,977,783	28,880,602	180,192,241
As at 31st Dec 2020	45,584,680	27,109,036	10,210,595	14,550,328	3,530,821	66,244,080	167,229,540
<u>Net Block</u>							
As at 31st Dec 2020	42,269,349	21,464,372	7,438,105	11,734,874	5,582,972	52,224,743	140,714,415

EVOLUTIONARY SYSTEMS PRIVATE LIMITED

CIN : U17122GJ2006PTC049073

Notes forming part of Provisional Standalone financial Statements

	Amount	31-12-2020
NOTE NO : 2		
Investments :		
(a) Investment in Evolutionary Systems Company Limited- UK 100 shares (P.Y 100 shares) of GBP 1 each		8,306
(b) Investment in Evolutionary Systems Arabia FZ LLC- 60 shares (P.Y 60 shares) of AED 1000 each		690,000
(c) Investment in Evolutionary Systems Qatar WLL- 98 shares (P.Y 98 shares) of QR 1000 each		1,419,040
d) Investments in Evolutionary Systems Company Singapore (pte) ltd.100000 Shares (10000 shares)of Singapore Dollar 1 Per share		5,106,592
e) Investments in Evolutionary Systems Pty ltd (50 Shares(P.Y 50 shares) of SR 5000)		2,577,185
f) Investments in Evolutionary Systems Saudi LLC- Saudi (50 Shares(P.Y 50 shares) of SR 5000)		3,725,000
		13,526,123
	Amount	31-12-2020
	(in `)	(in `)
NOTE NO : 3		
Other Financial assets		
Security deposits(Unsecured, considered good)		6,116,555
		6116555
	Amount	31-12-2020
	(in `)	(in `)
NOTE NO 4 :		
Trade receivables :		
Considered Good		310,405,691
Less: Allowance for doubtful debts		3,144,212
Unbilled revenue		5,868,680
TOTAL		313,130,159
	Amount	31-12-2020
	(in `)	(in `)
NOTE NO : 5		
Cash and cash equivalents		
Cash on hand		71,213
Bank balances		
In current accounts		152,960,446
		153,031,659



EVOLUTIONARY SYSTEMS PRIVATE LIMITED

CIN : U17122GJ2006PTC049073

Notes forming part of Provisional Standalone financial Statements

	Amount (in `)	31-12-2020 (in `)
NOTE NO : 6 Other Bank balances		
Fixed deposits		40,714,146
		40,714,146

	Amount (in `)	31-12-2020 (in `)
NOTE NO : 07 Loans		
Advances to employees		1,110,797
		1,110,797

	Amount (in `)	31-12-2020 (in `)
NOTE NO : 8 Other current assets :		
Prepaid expenses		10,822,117
Input tax credit receivable		38,313,343
		49,135,459

	Amount (in `)	31-12-2020 (in `)
NOTE NO : 9 Share Capital :		
Authorised : 11000000 (p.y 11000000) Equity Shares of 10/- each		110,000,000
		110,000,000
Issued & Subscribed and Paid up : 10000000 (P.Y 10000000)Equity Shares of 10/- each fully paid up		100,000,000
		100,000,000



EVOLUTIONARY SYSTEMS PRIVATE LIMITED

CIN : U17122GJ2006PTC049073

Notes forming part of Provisional Standalone financial Statements

	Amount (in `)	31-12-2020 (in `)
NOTE NO : 10		
General Reserve		
Opening Balance	12,270,000	12,270,000
Add : Addition during the year	-	
Retained Earnings		
Balance Brought Forward From Previous Year	285,444,036	
Add: Profit/(Loss) for the year	117,700,703	
	117,700,703	
Less : DIVIDND PAID	-	403,144,739
Other Comprehensive Income		
(a) Remeasurements of Defined Benefit Plans		
Balance as per last Financial year	(7,796,029)	
Add: For the Year	(5,855,831)	
Closing Balance		(13,651,860)
(b) Hedging Reserves		
Balance as per last Financial year	-	
Add: For the Year	(230,459)	
Closing Balance		(230,459)
		401,532,420
NOTE NO : 11	Amount (in `)	31-12-2020 (in `)
Leas Liabilities	Current maturities	Non-Current Portion
Lease liability	18,063,505	40,249,492
	18,063,505	40,249,492
NOTE NO : 12	Amount (in `)	31-12-2020 (in `)
Long term provisions :		
Provision for Gratuity		59,942,450
Provision for leave encashment		21,511,016
		81,453,466



EVOLUTIONARY SYSTEMS PRIVATE LIMITED

CIN : U17122GJ2006PTC049073

Notes forming part of Provisional Standalone financial Statements

	Amount (in `)	31-12-2020 (in `)
NOTE NO : 13 Trade payables Total outstanding dues of micro enterprises and small enterprises Total outstanding dues of creditors other than micro enterprises and small enterprises . (Refer Note No 42)		15,120,830 15,120,830
NOTE NO : 14 Other financial liabilities : (a) Current maturities of long-term debt; (b) Provision for expenses (C) Payable to employees		512,342 50,881,926 7,410,259 58,804,527
NOTE NO : 15 (a) Lease Liabilities Lease Liabilities		18,063,505 18,063,505
NOTE NO : 16 Other Current Liabilities : Statutory dues Provision for forward Contract Unearned revenue		11,681,162 230,459 736,116 12,647,737
NOTE NO : 17 Provisions Provision for Leave Encashment Provision for Gratuity		2,042,993 3,115,484 5,158,477
NOTE NO : 18 Current Tax Liabilities (Net): Provision for taxes, net of advance tax		10,048,519 10,048,519



EVOLUTIONARY SYSTEMS PRIVATE LIMITED

CIN : U17122GJ2006PTC049073

Notes forming part of Provisional Standalone financial Statements

Note 19 : Revenue from operations	For the year ended December 31, 2020
Export Revenue	966,137,898
Domesitc Revenue	-
	966,137,898

Note 20 : 'Other income	For the year ended December 31, 2020
Dividend income	2,032,163
Interest on deposits	549,066
Miscellaneous income	3,107,187
Exchange Gain	6,410,966
	12,099,383

Note 21 : Employee benefits expenses	For the year ended December 31, 2020
Salaries and wages	672,722,503
Gratuity	9,770,524
Staff welfare	8,194,110
Contribution to provident and other funds	9,083,597
	699,770,733

Note 22 : Finance costs	For the year ended December 31, 2020
Bank charges	(46,117)
Other finance charges	5,262,206
Interest on term loans	26,116
Interest on cash credit	44,294
	5,286,499



EVOLUTIONARY SYSTEMS PRIVATE LIMITED

CIN : U17122GJ2006PTC049073

Notes forming part of Provisional Standalone financial Statements

Note 23 : Depreciation and amortisation expenses	For the year ended December 31, 2020
Depreciation on tangible assets	23,440,607
Amortisation on intangible assets	14,453,427
	37,894,034

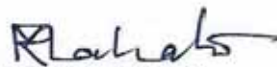
Note 24 : Other expenses	For the year ended December 31, 2020
Professional fees	32,998,194
Rates and taxes	1,752,556
Travelling and conveyance	5,496,824
Insurance	425,923
Communication charges	6,836,012
Electricity	2,050,679
Miscellaneous expenses	4,441,628
Repairs - buildings	1,906,024
Recruitment and training expense	1,560,935
Printing & stationery	38,030
Rent	918,438
Repairs - others	12,465,163
Bad debt written off	3,144,212
Advertisement and publicity	1,173,917
Donation	1,391,751
Exchange loss	-
	76,600,287



(₹ in thousands)

	Note	As at	
		December 31, 2020	March 31, 2020
ASSETS			
Non-current assets			
Property plant and equipment, net	3(a)	5,101	5,858
Right-of-use assets	3(c)	2,779	14,688
Intangible assets, net	3(b)	233	1,307
Financial assets			
Loans	4(a)	7,448	4,820
Other non-current financial assets	4(b)	8,827	-
Deferred tax assets, net		10,154	20,880
Income Tax (Current tax) assets, net		5,242	3,696
Total non-current assets		39,784	51,249
Current assets			
Financial Assets			
Investments	5(a)	124,411	124,408
Trade receivables	5(b)	50,656	54,702
Cash and cash equivalents	5(c)	58,533	49,043
Loans	5(d)	3,122	3,741
Other financial assets	5(e)	6,157	2,974
Other current assets	6	28,474	26,915
Total current assets		271,353	261,783
Total Assets		311,137	313,032
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	7	345	345
Other Equity	8	248,890	181,461
Total Equity		249,235	181,806
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Other non-current financial liabilities	9	2,157	23,577
Provisions	10	28,849	26,074
Total non-current liabilities		31,006	49,651
Current liabilities			
Financial liabilities			
Trade payables	11(a)	-	-
Dues of micro and small enterprises		158	303
Dues of creditors other than micro and small enterprises		26,566	73,486
Other financial liabilities	11(b)	26,566	73,486
Other current liabilities	12	3,603	6,704
Provisions	13	569	1,082
Total current liabilities		30,896	81,575
Total Liabilities		61,902	131,226
Total Equity and Liabilities		311,137	313,032

For and on behalf of the Board of Directors of TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED



Rabindar Kumar Mahato
Director
DIN: 00262957



Rakesh Chandra Singh
Director
DIN: 00263089


Date : 14-04-2021

TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED
PROVISIONAL STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2020

(₹ in thousands, except per share data)

	Note	Period ended	Year ended
		December 31, 2020	March 31, 2020
INCOME			
Revenue from operations	14	260,527	412,375
Other income	15	7,888	16,409
Total Income		268,415	428,784
EXPENSES			
Employee benefits expenses	16	189,675	289,474
Finance costs	17	1,392	2,715
Depreciation and amortisation expenses	18	12,778	20,051
Other expenses	19	14,698	30,955
Total expenses		218,543	343,195
Profit before tax		49,872	85,589
Exceptional items - loss	20	-	29,412
Profit before tax		49,872	56,177
Tax expense/(credit)			
Current tax		12,255	22,553
Deferred tax		523	(7,708)
Income tax relating to earlier years		-	-
Total tax expense		12,778	14,845
Profit after tax for the year		37,094	41,332
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to the statement of profit and loss, (losses)/gains:			
Defined benefit plan actuarial gain / (losses)		1,907	172
Income tax relating to above items (expenses) / credit		(479)	(91)
Items that will be reclassified subsequently to the statement of profit and loss, (losses)/gains:			
Net change in fair value of forward contracts designated as cash flow hedges		38,631	(25,031)
Income tax relating to above items credit / (expenses)		(9,723)	6,300
Total other comprehensive loss for the year, net of taxes		30,336	(18,650)
Total comprehensive income for the year		67,430	22,682

For and on behalf of the Board of Directors of TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED



Rabindar Kumar Mahato
Director
DIN: 00262957



Rakesh Chandra Singh
Director
DIN: 00263089

Date : 14-04-2021

(₹ in thousands)

		As at	
		December 31, 2020	March 31, 2020
Non-current Assets			
4	Financial Assets		
	Loans		
a.	Unsecured, Considered good		
	Secured deposits	7,448	4,820
		7,448	4,820
		As at	
		December 31, 2020	March 31, 2020
b.	Other Non Current Financial Assets		
	Foreign exchange forward contract	8,827	-
		8,827	-
	Current Assets		
5	Financial Assets		
a.	Investments		
	i) Investment in mutual funds (unquoted - FVTPL):		
	i) Investment in mutual funds (unquoted - FVTPL)	104,411	84,408
	ii) Investment in term deposit (unquoted):	20,000	40,000
		124,411	124,408
		As at	
		December 31, 2020	March 31, 2020
b.	Trade receivables		
	Unsecured		
	Considered Good	50,656	54,702
		50,656	54,702
		As at	
		December 31, 2020	March 31, 2020
c.	Cash and cash equivalents		
	Cash on hand	-	-
	Bank balances		
	In current accounts	58,533	49,043
		58,533	49,043
		As at	
		December 31, 2020	March 31, 2020
d.	Loans		
	Unsecured, Considered good		
	Security deposit	3,122	3,741
		3,122	3,741
		As at	
		December 31, 2020	March 31, 2020
e.	Other financial assets		
	Advances to employees	781	1,903
	Interest accrued on fixed deposits	602	1,071
	Foreign exchange forward contract	4,774	-
		6,157	2,974
		As at	
		December 31, 2020	March 31, 2020
6	Other current assets		
	Prepaid expenses	1,732	875
	Prepaid rent	422	1,262
	Input tax credit receivable	24,014	22,279
	Advances to suppliers	1,064	1,471
	Unbilled revenue	1,242	1,028
		28,474	26,915
		As at	
		December 31, 2020	March 31, 2020
7	Equity Share capital		
	Authorised:		
	1,00,000 (March 31, 2020: 1,00,000) equity shares of Rs. 10/- each	1,000	1,000
		1,000	1,000
	Issued, subscribed and fully paid up :		
	345 (March 31, 2020: 345) equity shares of Rs. 10/- each fully paid	345	345
		345	345

		As at	
		December 31, 2020	March 31, 2020
8 Other Equity			
a. Retained earnings		238,492	201,398
	Retained earnings comprises of the prior year's undistributed earning after taxes		
b. Other item of other comprehensive income		221	(1,206)
	Other item of other comprehensive income consist of remeasurement of defined benefit assets and		
c. Hedging reserve account through OCI		10,177	(18,731)
		248,890	181,461
Non-current Liabilities			
Financial Liabilities			
9 Other financial liabilities			
		As at	
		December 31, 2020	March 31, 2020
	Non-Current obligations to make lease payments	2,157	6,327
	Foreign exchange forward contract	-	17,250
		2,157	23,577
10 Provisions			
		As at	
		December 31, 2020	March 31, 2020
	Provision for employee benefits		
	Provision for gratuity	26,675	24,366
	Provision for leave entitlement	2,174	1,708
		28,849	26,074
Current Liabilities			
Financial Liabilities			
11(a) Trade payables			
		As at	
		December 31, 2020	March 31, 2020
	Trade payables		
	Dues of micro and small enterprises (Refer note 31)	-	-
	Dues of creditors other than micro and small enterprises	158	303
		158	303
11(b) Other financial liabilities			
		As at	
		December 31, 2020	March 31, 2020
	Current obligations to make lease payments (Refer Note 9)	830	9,463
	Employee benefits payable	18,044	16,500
	Accrued expenses	7,405	7,331
	Reimbursable expenses payable	287	32,411
	Foreign exchange forward contract	-	7,781
		26,566	73,486
12 Other current liabilities			
		As at	
		December 31, 2020	March 31, 2020
	Statutory dues (including stamp duty, provident fund and tax deducted at source)	3,603	6,704
		3,603	6,704
13 Provisions			
		As at	
		December 31, 2020	March 31, 2020
	Provision for employee benefits		
	Provision for leave entitlement	569	1,082
		569	1,082
14 Revenue from operations			
		For the period ended	
		December 31, 2020	March 31, 2020
	Information technology services	260,527	412,375
		260,527	412,375
15 Other income			
		For the period ended	
		December 31, 2020	March 31, 2020
	Interest income - On fixed deposits	2,639	1,071
	Profit on sale of current investments	3,003	5,148
	Net gain on foreign currency transactions and translation	-	7,604
	Others	2,246	2,586
		7,888	16,409

(₹ In thousands)

	For the period ended	For the year ended
	December 31, 2020	March 31, 2020
16 Employee benefits expenses		
Salaries, wages and performance incentives	178,809	272,472
Gratuity	5,279	7,120
Contribution to provident and other funds	2,520	4,707
Employee stock compensation expenses	472	-
Staff welfare expense	2,595	5,175
	189,675	289,474
17 Finance costs		
Bank charges	73	359
Interest on finance lease	1,319	2,356
	1,392	2,715
18 Depreciation and amortisation expenses		
Depreciation and amortisation on tangible assets	2,976	5,992
Right-of-use assets	8,714	12,865
Amortisation on intangible assets	1,088	1,194
	12,778	20,051
19 Other expenses		
Recruitment and training expenses	-	34
Travelling and conveyance	930	8,912
Communication charges	2,598	3,678
Electricity	630	1,527
Purchase of hardware and software	-	1,900
Consultancy and sub-contracting charges	1,106	48
Audit Fee	55	113
Repairs- building and others	4,252	5,765
Insurance	31	130
Printing and stationery	9	60
Professional fees	1,060	3,579
Rent	1,236	2,362
Advertisement and publicity	-	5
Net loss on foreign currency transactions and translation	1,848	-
Hire charges	-	525
Expenditure towards corporate social responsibility (CSR) activities	800	1,144
Miscellaneous expenses	143	1,173
	14,698	30,955
20 Exceptional items - loss		
Demerger expenses	-	29,412
Total	-	29,412

TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED
Notes to the Statements for year ended December 31, 2020

Particulars	Gross Block (at cost)		Depreciation and amortization				Net Block	
	As at April 1, 2020	Additions	As at December 31, 2020	As at April 1, 2020	For the period	Deductions	As at December 31, 2020	As at March 31, 2020
(i) Own Assets								
Computers	27,879	2,159	22,988	26,142	1,869	7,090	20,922	2,066
Furniture and fixtures	2,016	-	2,016	1,937	14	-	1,951	65
Office equipments	10,363	19	10,382	6,521	1,092	-	7,414	2,969
Total (i)	40,258	2,217	35,385	34,400	2,976	7,090	30,286	5,101
(ii) Leased assets :						3,308		
Leasehold improvements	1,399	-	1,399	1,399	-	-	1,399	(0)
Total (ii)	1,399	-	1,399	1,399	-	-	1,399	(0)
Total (i + ii)	41,657	2,217	36,784	35,799	2,976	7,090	31,685	5,101
Other intangible assets								
Particulars	Gross Block (at cost)		Amortization				Net Block	
	As at April 1, 2020	Additions	As at December 31, 2020	As at April 1, 2020	For the period	Deductions	As at December 31, 2020	As at March 31, 2020
Computer software	8,507	0	8,208	7,187	1,088	(299)	7,976	233
Total	8,507	0	8,208	7,187	1,088	(299)	7,976	233
Right-of-use assets								
Particulars	Gross Block (at cost)		Depreciation				Net Block	
	As at April 1, 2020	Additions	As at December 31, 2020	As at April 1, 2020	For the period	Deductions	As at December 31, 2020	As at March 31, 2020
Building	27,553	14,883	16,990	12,865	8,714	7,367	14,212	14,688
Total	27,553	14,883	16,990	12,865	8,714	7,367	14,212	14,688
As at March 31, 2020								
Particulars	Gross Block (at cost)		Depreciation and amortization				Net Block	
	As at April 1, 2019	Additions	As at March 31, 2020	As at April 1, 2019	For the period	Deductions	As at March 31, 2020	As at March 31, 2019
(i) Own assets :								
Computers	27,052	828	27,879	21,682	4,460	-	26,142	5,920
Furniture and fixtures	1,942	73	2,016	1,930	7	-	1,937	78
Office equipments	10,170	193	10,363	4,796	1,525	-	6,321	4,042
Total (i)	39,164	1,094	40,258	28,408	5,992	-	34,400	10,756
(ii) Leased assets :								
Leasehold improvements	1,399	-	1,399	1,399	-	-	1,399	-
Total (ii)	1,399	-	1,399	1,399	-	-	1,399	-
Total (i + ii)	40,563	1,094	41,657	29,807	5,992	-	35,799	10,756
Other intangible assets								
Particulars	Gross Block (at cost)		Amortization				Net Block	
	As at April 1, 2019	Additions	As at March 31, 2020	As at April 1, 2019	For the period	Deductions	As at March 31, 2020	As at March 31, 2019
Computer software	7,388	1,119	8,507	6,006	1,194	-	7,200	1,392
Total	7,388	1,119	8,507	6,006	1,194	-	7,200	1,392
Right-of-use assets								
Particulars	Gross Block (at cost)		Depreciation				Net Block	
	As at April 1, 2019	Additions	As at March 31, 2020	As at April 1, 2019	For the year	Deductions	As at March 31, 2020	As at March 31, 2019
Building	-	27,553	27,553	-	12,865	-	12,865	14,688
Total	-	27,553	27,553	-	12,865	-	12,865	14,688

“Annexure 18”

MASTEK LIMITED
PROVISIONAL STANDALONE BALANCE SHEET AS AT DECEMBER 31, 2020

(₹ in lakhs)

	Note	As at	
		December 31, 2020	March 31, 2020
ASSETS			
Non-current assets			
Property plant and equipment, net	3(a)(i)	2,905	3,184
Capital work-in-progress		139	167
Right-of-use assets	3(b)	105	134
Investment Property	3(c)	458	485
Intangible assets, net	3(a)(ii)	34	200
Investment in subsidiaries	3(d)	1,403	1,403
Financial assets			
Investments	4(a)	4,476	3,844
Loans	4(b)	107	88
Other financial assets	4(c)	427	772
Current tax assets, net		193	1,269
Deferred tax assets, net		3,018	2,816
Other non-current assets	5	127	105
Total non-current assets		13,392	14,467
Current assets			
Financial assets			
Investments	6(a)	14,537	12,190
Trade receivables	6(b)	3,414	2,561
Cash and Cash equivalents	6(c)(i)	2,626	2,018
Bank balances, other than cash and cash equivalent	6(c)(ii)	51	64
Loans	6(d)	15	13
Other financial assets	6(e)	805	1,333
Other current assets	7	1,284	980
Total current assets		22,732	19,159
Total assets		36,124	33,626
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	8	1,247	1,214
Other equity	9	26,012	25,698
Total Equity		27,259	26,912
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	10(a)	101	113
Other financial liabilities	10(b)	1,207	987
Provisions	11	1,363	990
Total non-current liabilities		2,671	2,090
Current liabilities			
Financial liabilities			
Trade payables	12(a)		
Dues of micro and small enterprises		-	1
Dues of creditors other than micro and small enterprises		93	111
Other current financial liabilities	12(b)	5,374	3,746
Other current liabilities	13	585	555
Provisions	14	142	211
Total current liabilities		6,195	4,624
Total Equity and Liabilities		36,124	33,626

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



Ashank Desai
Vice Chairman and
Managing Director
DIN: 00017767



Dinesh G Kalani
Company Secretary

Date : 14-04-2021

MASTEK LIMITED
PROVISIONAL STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2020

(₹ in lakhs)

	Note	Year ended	
		December 31, 2020	March 31, 2020
INCOME			
Revenue from operations	15	12,831	16,344
Other income	16	3,127	4,886
Total Income		15,958	21,230
EXPENSES			
Employee benefits expenses	17	9,945	12,364
Finance costs	18	33	45
Depreciation and amortization expenses	19	836	1,113
Other expenses	20	1,905	3,642
Total Expenses		12,719	17,164
Profit before tax		3,239	4,066
Exceptional items - loss		700	683
Profit before tax		2,539	3,383
Tax expense / (credit)			
Current tax		781	869
Deferred tax charge		(64)	(231)
Income tax relating to earlier years		730	-
Total tax expense		1,447	638
Profit after tax for the year		1,092	2,745
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to the statement of profit or loss:			
Defined benefit plan actuarial gains/ (losses)		(26)	8
Income tax relating to the above items, (expense) / credit		7	(3)
Items that will be reclassified subsequently to the statement of profit and loss:			
Net change in fair value of forward contracts designated as cash flow hedges		(759)	(111)
Net change in fair value of financial instruments		198	319
Income tax relating to the above items, expense		164	(61)
Total other comprehensive Income for the year		(416)	152
Total comprehensive income for the year		676	2,897

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



Ashank Desai
Vice Chairman and
Managing Director
DIN: 00017767



Dinesh G Kalani
Company Secretary

Non-current assets

	As at	
	December 31, 2020	March 31, 2020
3(c). Investment property		
(A) Investment property (at cost less accumulated depreciation)		
Gross block		
Opening	1,136	2
Additions	-	1,134
Closing	1,136	1,136
Less : Accumulated depreciation		
Opening	651	2
Depreciation on transfer from fixed asset	-	613
Depreciation for the year	27	36
Closing	678	651
Net block	458	485
Aggregate amount of investment property		

	As at	
	December 31, 2020	March 31, 2020
3(d). Investment in Subsidiaries at cost (unquoted)		
Mastek (UK) Limited 200,000 (March 31, 2020 - 200,000) equity shares of £ 1 each, fully paid up	216	216
Trans American Information Systems Private Limited 34,520 (March 31, 2020 - 34,520) equity shares of Rs. 10 each, fully paid up	1,187	1,187
	1,403	1,403

4 Financial assets

	As at	
	December 31, 2020	March 31, 2020
a. Investments		
(A) Investment in share warrant at FVTPL (unquoted):	-	-
(B) Investment in mutual funds at FVOCI (unquoted):	4,197	3,708
(C) Investment in term deposit at cost (unquoted):	120	30
(D) Investment in bonds at cost (unquoted):	159	106
Aggregate market value of unquoted investment (A + B + C + D)	4,476	3,844

	As at	
	December 31, 2020	March 31, 2020
b. Loans		
Unsecured, Considered good		
Security deposits	107	88
	107	88

	As at	
	December 31, 2020	March 31, 2020
c. Other financial assets		
Advances to employees	4	4
Foreign exchange forward contract	-	116
Guarantee commission receivable	423	652
	427	772

	As at	
	December 31, 2020	March 31, 2020
5 Other non-current assets		
Capital advances	9	8
Prepaid expenses	22	1
Other advances	96	96
	127	105

Current assets

6 Financial assets

	As at	
	December 31, 2020	March 31, 2020
a. Investments		
(i) Investment in mutual funds	10,516	9,865
(ii) Investment in term deposit at cost (unquoted):	4,021	2,325
	14,537	12,190

	As at	
	December 31, 2020	March 31, 2020
b. Trade receivables		
Unsecured		
Considered Good	3,414	2,561
Considered Doubtful	1,073	1,060
Less: Allowance for doubtful debts	(1,073)	(1,060)
	3,414	2,561

MASTEK LIMITED
Notes to the Standalone Financial Statements for the period April 1, 2020 to December 31, 2020

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

		As at	
		December 31, 2020	March 31, 2020
c. Cash and Cash Equivalents			
(i) Cash and cash equivalents			
Cash on hand		1	1
Bank balances			
In current accounts		2,625	2,017
		2,626	2,018
(ii) Other bank balances			
Unclaimed dividend account		51	64
		51	64
		2,677	2,082
d. Loans			
Unsecured, Considered good			
Security deposits		15	13
		15	13
e. Other financial assets			
Advances to employees		23	42
Interest accrued on fixed deposits		205	121
Deposit		2	2
Foreign exchange forward contract		-	121
Guarantee Commission Receivable		312	345
Rent receivables		54	100
Other receivables		30	33
Other receivable from subsidiary, net		179	569
		805	1,333
7 Other current assets			
Unbilled Revenue		239	227
Prepaid expenses		174	157
Input tax credit receivable		395	337
Advances to suppliers		188	39
Interest on Income tax refunds		175	110
Others		114	110
		1,284	980
8 Equity Share capital			
Authorised:			
40,000,000 (December 31, 2019: 40,000,000; March 31, 2020: 40,000,000) equity shares of Rs. 5/- each		2,000	2,000
2,000,000 (December 31, 2019: 2,000,000; March 31, 2020: 2,000,000) preference shares of Rs. 100/- each		2,000	2,000
		4,000	4,000
Issued, subscribed and fully paid up :			
(March 31, 2020 :24,289,472) equity shares of Rs. 5/- each fully paid		1,247	1,214
		1,247	1,214
9 Other equity			
a) Capital redemption reserve	Non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares.	1,539	1,539
b) Security premium	Amount received (on issue of shares) in excess of the par value has been classified as securities premium.	3,542	2,716
c) Employee stock options outstanding account	The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to general reserve.	2,386	2,223
d) Retained earnings	Retained earnings comprises of the prior year's undistributed earning after taxes increased by undistributed profits for the year.	17,735	17,995
e) Other item of other comprehensive income	Other item of other comprehensive income consist of FVOCI financial assets and financial liabilities and remeasurement of defined benefit assets and liability.	809	1,225
		26,012	25,698

Non-current Liabilities		
10 Financial Liabilities		
	As at	
a. Borrowings	December 31, 2020	March 31, 2020
Secured		
Vehicle loans from financial institution [Refer note (i) below]	101	113
	101	113
	As at	
b. Other financial liabilities	December 31, 2020	March 31, 2020
Security and other deposits	150	127
Guarantee Liability payable	598	771
Lease liability	64	89
Foreign exchange forward contract	395	-
	1,207	987
	As at	
11 Provisions	December 31, 2020	March 31, 2020
Provision for employee benefits		
Provision for gratuity [Refer Note 22]	582	363
Provision for leave entitlement	461	307
Other provisions		
Provision for cost overrun on contracts	320	320
	1,363	990
	As at	
Current Liabilities		
12 Financial liabilities		
	As at	
a. Trade payables	December 31, 2020	March 31, 2020
Trade payables	93	178
	93	178
	As at	
b. Other financial liabilities	December 31, 2020	March 31, 2020
Current maturities of vehicle loans from financial institutions (Secured) (Refer note 10 (a))	56	47
Unclaimed dividends (Refer note (a) below)	51	64
Security and other deposits	2	2
Lease liability	49	50
Other payables		
Employee benefits payable	1,993	1,282
Accrued expenses	2,864	2,070
Foreign exchange forward contract	129	-
Guarantee Liability payable	230	231
	5,374	3,746
	As at	
13 Other current liabilities	December 31, 2020	March 31, 2020
Contract liabilities	173	103
Statutory dues (including stamp duty, provident fund and tax deducted at source)	365	394
Capital creditors	4	11
Deferred rent	43	47
	585	555
	As at	
14 Provisions	December 31, 2020	March 31, 2020
Provision for employee benefits		
Provision for leave entitlement	142	211
	142	211
	For the year ended	
15 Revenue from operations	December 31, 2020	March 31, 2020
Information technology services	12,831	16,344
	12,831	16,344
	For the year ended	
16 Other income	December 31, 2020	March 31, 2020
Interest income		
-On fixed deposits	127	240
-On others	146	4
-On guarantee given	75	60
Profit on sale of current investments	590	616
Rental income	314	264
Profit on sale of tangible assets, net	3	-
Net gain on foreign currency transactions and translation	215	127
Dividend income from Mastek UK Limited, subsidiary	1,345	3,142
Guarantee commission	173	104
Others	139	329
	3,127	4,886

MASTEK LIMITED**Notes to the Standalone Financial Statements for the period April 1, 2020 to December 31, 2020**

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

	For the year ended	
	December 31, 2020	March 31, 2020
17 Employee benefits expenses		
Salaries, wages and performance incentives	9,004	11,009
Gratuity	194	236
Contribution to provident and other funds	345	457
Employee stock compensation expenses	230	370
Staff welfare expense	171	292
	9,945	12,364
18 Finance costs		
Interest on finance lease	10	16
Bank charges	4	9
Other finance charges	19	20
	33	45
19 Depreciation and amortisation expenses		
Depreciation on tangible assets	530	746
Depreciation on ROU assets	29	30
Amortisation on intangible assets	250	301
Depreciation on investment property	27	36
	836	1,113
20 Other expenses		
Recruitment and training expenses	93	181
Travelling and conveyance	167	450
Communication charges	151	135
Electricity	92	200
Consultancy and sub-contracting charges	163	279
Audit fees (Refer note 35)	18	36
Rates and taxes	56	99
Repairs to buildings	164	337
Repairs : others	274	462
Insurance	82	83
Printing and stationery	2	14
Purchase of hardware and software	51	366
Professional fees	405	418
Rent	38	42
Advertisement and publicity	16	46
Receivables, loans and advances doubtful of recovery / written off (net of recoveries)	64	181
Bad debt written off	-	10
Hire charges	13	71
Provision for cost overrun on contracts, net	-	45
Expenditure towards corporate social responsibility (CSR) activities (Refer note 36)	48	113
Loss on sale of tangible assets, net	-	19
Miscellaneous expenses	10	54
	1,905	3,642

MASTEK LIMITED

Notes to the Standalone Financial Statements for the year ended DECEMBER 31, 2020

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

3(a)(i) Property plant and equipment

	Gross Block (at cost)				Depreciation and amortisation				Net Block	
	As at April 1, 2020	Additions	Deletions / adjustment	As at September 31, 2020	As at April 1, 2020	For the year	Deletions / adjustment	As at September 31, 2020	As at September 31, 2020	As at March 31, 2020
a. Own assets :										
Buildings	3,601			3,601	1,635	101		1,736	1,865	1,966
Computers	2,135	211	(381)	1,965	2,093	77	(382)	1,788	176	43
Plant and equipment	2,187	8	(36)	2,160	2,007	61	(36)	2,032	128	180
Furniture and fixtures	4,388		(56)	4,332	4,081	127	(56)	4,152	179	306
Vehicles	399	23		422	210	51		261	160	189
Office equipment	1,684	8	(28)	1,664	1,270	105	(27)	1,347	317	414
Total (A)	14,394	250	(501)	14,142	11,296	522	(501)	11,317	2,825	3,098
b. Leased assets :										
Leasehold land	386	-	-	386	311	-	-	311	75	75
Leasehold improvements	328	-	-	328	323	1	-	324	4	5
Vehicles	77	-	(19)	59	71	6	(19)	59	0	6
Total (B)	791	-	(19)	773	705	7	(19)	694	79	86
Total (A + B)	15,185	250	(520)	14,915	12,001	530	(520)	12,011	2,904	3,184

3(a)(ii) Intangible assets

	Gross Block (at cost)				Amortisation				Net Block	
	As at April 1, 2020	Additions	Deletions / adjustment	As at September 31, 2020	As at April 1, 2020	For the year	Deletions / adjustment	As at September 31, 2020	As at September 31, 2020	As at March 31, 2020
Computer softwares	3,377	84	(2,807)	654	3,177	250	(2,807)	620	34	200
Total	3,377	84	(2,807)	654	3,177	250	(2,807)	620	34	200

3(b) Right-of-use assets

	Gross Block (at cost)				Depreciation				Net Block	
	As at April 1, 2020	Additions	Deletions / adjustment	As at September 31, 2020	As at April 1, 2020	For the year	Deletions / adjustment	As at September 31, 2020	As at September 31, 2020	As at March 31, 2020
Building	164	-	-	164	30	29	-	60	105	134
Total	164	-	-	164	30	29	-	60	105	134

3 Fixed assets for previous year ended March 31, 2020

3(a)(i) Property plant and equipment

	Gross Block (at cost)				Depreciation and amortisation				Net Block	
	As at April 1, 2019	Additions	Deletions / adjustment	As at March 31, 2020	As at April 1, 2019	For the year	Deletions / adjustment	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
a. Own assets :										
Buildings *	4,737	-	(1,136)	3,601	2,116	134	(615)	1,635	1,966	2,621
Computers	2,185	16	(66)	2,135	2,046	112	(66)	2,093	43	139
Plant and equipment	2,269	13	(95)	2,187	2,013	87	(93)	2,007	180	256
Furniture and fixtures	4,735	17	(364)	4,388	4,230	190	(338)	4,081	306	505
Vehicles	409	38	(48)	399	173	78	(41)	210	189	236
Office equipment	1,820	107	(243)	1,684	1,373	138	(241)	1,270	414	447
Total (A)	16,155	191	(1,952)	14,393	11,951	739	(1,394)	11,296	3,098	4,204
b. Leased assets :										
Leasehold land	386	-	-	386	311	-	-	311	75	75
Leasehold improvements	328	-	-	328	322	1	-	323	5	6
Vehicles	88	-	(11)	77	76	6	(11)	71	6	12
Total (B)	802	-	(11)	791	709	7	(11)	705	86	93
Total (A + B)	16,957	191	(1,963)	15,185	12,660	746	(1,405)	12,001	3,184	4,297

3(a)(ii) Intangible assets

	Gross Block (at cost)				Amortisation				Net Block	
	As at April 1, 2019	Additions	Deletions / adjustment	As at March 31, 2020	As at April 1, 2019	For the year	Deletions / adjustment	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Computer softwares	3,101	276	-	3,377	2,876	301	-	3,177	200	225
Total	3,101	276	-	3,377	2,876	301	-	3,177	200	225
	20,058.00				15,536.00					

3(b) Right-of-use assets

	Gross Block (at cost)				Depreciation				Net Block	
	As at April 1, 2019	Additions	Deletions / adjustment	As at March 31, 2020	As at April 1, 2019	For the year	Deletions / adjustment	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Building	-	164	-	164	-	30	-	30	134	-
Total	-	164	-	164	-	30	-	30	134	-

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