

Independent Auditor’s Report

To the Members of Mastek Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **Mastek Limited** (‘the Company’), which comprise the Standalone Balance Sheet as at 31 March 2022, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone 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 (‘the financial statements’) give the information required by the Companies Act, 2013 (‘the Act’) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (‘Ind AS’) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, 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
6. We have determined the matters described below to be the key audit matters to be communicated in our report.

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

Emphasis of Matter

4. We draw attention to note no. 40 to the accompanying standalone financial statements which indicates that the Company has accounted for the scheme of de-merger with an appointed date of 01 February 2020, between Mastek Enterprise Solutions Private Limited (Formerly known as Trans American Information Systems Private Limited) (a wholly-owned subsidiary of the Company), Evolutionary Systems Private Limited (demerged undertaking) and the Company during the quarter ended 30 September 2021, pursuant to the approval received from the Honourable National Company Law Tribunal on 14 September 2021, which has resulted in the restatement of the comparative standalone financial statements for the year ended 31 March 2021 presented in the accompanying standalone financial statements.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgement, 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.



Key audit matter	How our audit addressed the key audit matter
Valuation of put option liability As described in note 40 to the accompanying standalone financial statements, the Company has written a put option over the equity instrument of a subsidiary, where the holders (non-controlling interests) of that instrument have the right to put their instrument back to the Company at its fair value on specified dates. The amount that may become payable at each reporting date under the option upon its exercise is recognised at present value as a written put option financial liability with a corresponding debit to investment as deemed investment in the subsidiary company. The valuation of put option liability as at 31 March 2022 is ₹ 874 lakhs. Management has appointed an independent valuation expert to value the put option liability at each reporting period. The processes and methodologies used for assessing and determining the value involves use of assumptions and is based on complex management’s judgement and estimates. Considering put option liability is significant to the standalone financial statements and auditing management judgement and estimates as stated above involves high degree of subjectivity and require significant auditor judgement, valuation of put option liability is considered as a key audit matter for the current year audit.	Our audit procedures in relation to valuation of put option liability included but were not limited to the following: <ul style="list-style-type: none">• Evaluated appropriateness of the Company’s accounting policy in respect of recognition and measurement of put option liability in accordance with Ind AS 109, ‘Financial Instruments’.• Obtained the understanding of the process of identification, recognition and measurement of derivate financial instruments. Evaluated the design and implementation of controls implemented in such process and tested their operating effectiveness during the year.• Obtained the management’s external valuation specialist’s report on determination of fair value of put option liability and also assessed the professional competence and objectivity of the management expert.• Involved our auditor’s experts to assess the valuation assumptions used and methodology considered by the management’s expert to calculate the put option liability and the mathematical accuracy of these calculations.• Assessed the reasonability of the assumptions and estimates made by the management considered in the valuation of the put option liability basis our understanding of the business and external market conditions to the extent relevant.• Evaluated the appropriateness and adequacy of disclosures given in the standalone financial statements, including disclosure of significant assumptions and judgements used by management, in accordance with applicable accounting standards.

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

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

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

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

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

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

8. The accompanying standalone financial statements have been approved by the Company’s Board of Directors. The Company’s Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these standalone

financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under Section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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.

9. In preparing the standalone financial statements, the Board of Directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. 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

11. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
12. As part of an audit in accordance with Standards on Auditing, specified under Section 143(10) of the Act we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to standalone financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of the management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the standalone financial statements,

- including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
13. 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.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

16. 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.
17. As required by the Companies (Auditor’s Report) Order, 2020 (‘the Order’) issued by the Central Government of India in terms of Section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
18. 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:
 - 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;
 - 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;
 - 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 are disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigation on its financial position as at 31 March 2022 in the standalone financial statements;
 - The Company has made provision as at 31 March 2022, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;
 - (a) The management has represented that, to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities (‘the intermediaries’), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the

- Company (‘the Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief no funds have been received by the Company from any person or entity, including foreign entities (‘the Funding Parties’), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (‘Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The interim dividend declared and paid by the Company during the year ended 31 March 2022 and until the date of this audit report is in compliance with Section 123 of the Act. As stated in note 9.1 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

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

Adi P. Sethna
Partner
Membership No.: 108840
UDIN: 22108840AHKGJA1033

Place: Mumbai
Date: 19 April 2022

Annexure A

referred to in Paragraph 17 of the Independent Auditor's Report of even date to the members of Mastek Limited on the standalone financial statements for the year ended 31 March 2022

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment, right of use assets and investment properties.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment, right of use assets and investment properties under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, right of use assets and investment properties were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (including investment properties) held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company. However, for title deeds of immovable properties in the nature of building situated at Chennai and Pune with gross carrying values of ₹ 1,520 lakhs and ₹ 1,134 lakhs, respectively, as at 31 March 2022, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been verified from online property records maintained by the respective state authority.
- (d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i) (e) of the Order is not applicable to the Company.
- (ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

- (b) The Company has a working capital limit in excess of ₹ 5 crores, sanctioned by banks on the basis of security of current assets. However, pursuant to terms of the sanction letters, till the time the limit is unutilised/undrawn the Company is not required to file any quarterly return or statement with such banks or financial institutions.

- (iii) (a) The Company has provided guarantees to its Subsidiary, as per details given below:

Particulars	Guarantees (₹ in lakhs)
Aggregate amount provided during the year	3,000
- Subsidiary	
Balance outstanding as at balance sheet date in respect of above case	3,000
- Subsidiary	

- (b) In our opinion, and according to the information and explanations given to us, the investments made and guarantees provided during the year, and the terms and conditions of such guarantees provided are, prima facie, not prejudicial to the interest of the Company.
- (c) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii) (c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of investments, guarantees and security. Further, the Company has not entered into any transaction covered under Section 185 nor any transaction in respect of loans covered under Section 186 of the Act.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.



- (vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Maharashtra Value Added Tax Act, 2002	VAT liability including Interest	895	91	FY 2006-07, FY 2009-10, FY 2012-13, FY 2013-14	Joint Commissioner of Sales Tax (Appeals), Mumbai
The Maharashtra Value Added Tax Act, 2002	VAT liability including Interest	24	1	FY 2015-16	Deputy Commissioner of Sales Tax, Mumbai
The Central Sales Tax Act, 1956	CST liability including Interest	22	4	FY 2009-10, FY 2012-13, FY 2013-14	Joint Commissioner of Sales Tax (Appeals), Mumbai
Income Tax Act, 1961	Income Tax	174	-	FY 2012-13 FY 2017-18	CIT (A)
Income Tax Act, 1961	Income Tax	77	-	FY 2014-15	Assessing officer

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of account.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, money raised during the year by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year or in any previous year. Accordingly, reporting under clause 3(ix) (d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has made private placement of its equity shares, pursuant to Demerger Co-operation Agreement (DCA) and Shareholders Agreement dated 8 February 2020 referred to in note no. 40 to the accompanying financial statements. Considering that, the private placement made was in the form of non-cash consideration pursuant to the DCA, in our opinion and according to the information and explanations given to us, the Company has complied with the requirements of Section 42 and Section 62 of the Act and the Rules framed thereunder to the extent applicable.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under Section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under Section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under Section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi) (a), (b) and (c) of the Order are not applicable to the Company.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements,

our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) According to the information and explanations given to us, the Company does not have any unspent amount towards corporate social responsibility, in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, there is no unspent amount pertaining to any ongoing project as at end of the current financial year. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable to the Company.

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

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

Adi P. Sethna
Partner
Membership No.: 108840
UDIN: 22108840AHKGJA1033

Place: Mumbai
Date: 19 April 2022



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 2022, 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 2022, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

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

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

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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

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

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

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2022, 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 ICAI.

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

Adi P. Sethna
Partner
Membership No.: 108840
UDIN: 22108840AHKGJA1033

Place: Mumbai
Date: 19 April 2022

Standalone Balance Sheet

as at March 31, 2022

(₹ in lakhs)			
	Note	As at March 31, 2022	As at March 31, 2021 Restated (Refer note 40)
ASSETS			
Non-current assets			
Property, plant and equipment, net	3(a)(i)	2,879	2,828
Capital work-in-progress	3(c)	428	154
Investment property	3(d)	414	450
Intangible assets, net	3(a)(ii)	184	200
Right-of-use assets	3(b)	52	82
Financial assets			
Investment in subsidiaries	3(e)	46,565	28,391
Investments	4(a)	1,077	4,119
Other financial assets	4(b)	1,134	425
Deferred tax assets, net	27	3,284	2,899
Income tax (Current-tax) assets		-	85
Other non-current assets	5	124	116
Total non-current assets		56,141	39,749
Current assets			
Financial assets			
Investments	6(a)	4,777	15,865
Trade receivables	6(b)	5,652	4,476
Cash and cash equivalents	6(c)(i)	1,570	2,393
Bank balances other than cash and cash equivalents	6(c)(ii)	48	51
Other financial assets	6(d)	1,119	849
Other current assets	7	2,147	1,575
Total current assets		15,313	25,209
Total assets		71,454	64,958
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	8	1,501	1,262
Other equity	9	58,678	46,702
Total equity		60,179	47,964
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	10(a)	184	80
Lease liabilities	10(b)	23	58
Other financial liabilities	10(c)	1,393	1,963
Provisions	11	838	648
Total non-current liabilities		2,438	2,749
Current liabilities			
Financial liabilities			
Borrowings	12	79	54
Lease liabilities	13	35	31
Trade payables	14	-	-
total outstanding dues of micro enterprises and small enterprises; and		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		47	134
Other financial liabilities	15	6,177	12,106
Other current liabilities	16	698	1,001
Provisions	17	1,037	919
Current tax liability, net		764	-
Total current liabilities		8,837	14,245
Total liabilities		11,275	16,994
Total equity and liabilities		71,454	64,958

The accompanying notes forms an integral part of the standalone financial statements
As per our report of even date attached

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

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

Adi P. Sethna
Partner
Membership No.: 108840

Ashank Desai
Vice Chairman and Managing Director
DIN: 00017767

S. Sandilya
Non-Executive Chairman and Independent Director
DIN: 00037542

Place: Mumbai
Date: April 19, 2022

Arun Agarwal
Global Chief Financial officer
Place: Mumbai
Date: April 19, 2022

Dinesh Kalani
Company Secretary



Standalone Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in lakhs)			
	Note	For the year ended March 31, 2022	For the year ended March 31, 2021 Restated (Refer note 40)
INCOME			
Revenue from operations	18	25,670	18,714
Other income	19	7,354	3,487
Total income (1)		33,024	22,201
EXPENSES			
Employee benefits expenses	20	18,806	14,120
Finance costs	21	54	58
Depreciation and amortisation expenses	22	1,242	1,079
Other expenses	23	3,480	2,848
Total expenses (2)		23,582	18,105
Profit before exceptional items and tax (3 = 1-2)		9,442	4,096
Exceptional items - income/(loss) (net) (4)	24	145	(459)
Profit before tax (5 = 3-4)		9,587	3,637
Tax expense/(credit)			
Current tax	27	2,489	975
Deferred tax		(613)	45
Tax provision relating to prior periods		-	730
Total tax expense (6)		1,876	1,750
Profit after tax for the year (7 = 5-6)		7,711	1,887
Other comprehensive income (OCI)			
Items that will not be reclassified to the statement of profit and loss in subsequent periods:			
Defined benefit plan actuarial gains/(losses)		111	(27)
Income tax relating to items that will not be reclassified to profit and loss - (expense)/credit		(21)	8
Items that will be reclassified to the statement of profit and loss in subsequent periods:			
Net change in fair value of forward contracts designated as cash flow hedges - income/(loss)		1,733	(635)
Net change in fair value of financial instruments - (loss)/ gain		(1,062)	221
Income tax relating to items that will be reclassified to profit and loss - (expense)/credit		(207)	120
Total other comprehensive income/(loss) for the year (8)		554	(313)
Total comprehensive income for the year (7+8)		8,265	1,574
Earnings per share (in ₹)	25		
(Equity shares of face value ₹ 5 each)			
Basic		27.83	7.65
Diluted		27.13	7.38

The accompanying notes forms an integral part of the standalone financial statements
As per our report of even date attached

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Place: Mumbai
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Arun Agarwal
Global Chief Financial officer
Place: Mumbai
Date: April 19, 2022

Dinesh Kalani
Company Secretary

Standalone Statement of Cash Flows

for the year ended March 31, 2022

	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021 Restated (Refer note 40)
Cash flows from operating activities		
Profit for the year	7,711	1,887
Adjustments for:		
Interest income	(302)	(434)
Guarantee commission	(191)	(244)
Employee stock compensation expenses	193	312
Finance costs	34	58
Depreciation and amortisation	1,242	1,079
Provision made/(written back) against receivable, loans and advances doubtful of recovery, net	53	60
Tax expense	1,876	1,750
Exceptional item (Refer note 24)	(145)	459
Dividend from subsidiary	(4,721)	(1,345)
Profit on sale of property, plant and equipment, net	(8)	(17)
Profit on sale of current investments and gain on fair valuation of investments	(1,637)	(657)
Rental income	(287)	(418)
Operating profit before working capital changes	3,818	2,490
(Increase) in trade receivables	(1,229)	(1,975)
(Increase)/Decrease in loans and advances and other assets	(129)	635
Increase in trade payables, other liabilities and provisions	322	1,648
Cash generated from operating activities before taxes	2,782	2,798
Income taxes paid, net of refunds	(1,639)	(522)
Net cash generated from operating activities	1,143	2,276
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	8	17
Purchase of property, plant and equipment and intangible assets	(1,199)	(597)
Interest received	353	216
Investment in subsidiary	(16,596)	-
Dividend from subsidiary	4,721	1,345
Rental income	406	442
Guarantee commission received	139	397
Purchase of current investments	(22,412)	(10,281)
Proceeds from sale of current investments	37,118	7,206
Net cash generated/(used in) from investing activities	2,538	(1,255)
Cash flows from financing activities		
Proceeds from issue of shares under the employee stock option schemes	173	845
Proceeds and repayment of borrowings, net	129	(26)
Dividends paid including dividend distribution tax and unclaimed dividends	(4,753)	(1,362)
Payment of lease liabilities	(38)	(45)
Interest paid on finance lease and other finance charges	(15)	(58)
Net cash used in financing activities	(4,504)	(646)
Net (Decrease)/Increase in cash and cash equivalents during the year	(823)	375
Cash and cash equivalents at the beginning of the year	2,393	2,018
Cash and cash equivalents at the end of the year [Refer note 6 (c)(i)]	1,570	2,393

The accompanying notes form integral part of the standalone financial statements
The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Statement of Cash Flow

As per our report of even date attached

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

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

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Partner
Membership No.: 108840

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Vice Chairman and Managing Director
DIN: 00017767

S. Sandilya
Non-Executive Chairman and Independent Director
DIN: 00037542

Place: Mumbai
Date: April 19, 2022

Arun Agarwal
Global Chief Financial officer
Place: Mumbai
Date: April 19, 2022

Dinesh Kalani
Company Secretary



Standalone Statement of Changes in Equity

for the year ended March 31, 2022

	(₹ in lakhs)
Equity share capital (Refer note 8)	
Balance as at April 1, 2021	1,262
Add: Shares issued on exercise of stock options and restricted shares	14
Add: Issue of share capital on account of acquisition of control of the business of Evolutionary Systems Private Limited ("ESPL") (Refer note 40)	212
Add: Issue of share pursuant to acquisition of non controlling interest in Mastek Enterprise Solutions Private Limited (Formerly known as Trans American Information Systems Private Limited) (Refer note 40)	13
Balance as at March 31, 2022	1,501
Balance as at April 1, 2020	1,214
Add: Shares issued on exercise of stock options and restricted shares	48
Balance as at March 31, 2021	1,262

Other equity (Refer note 9)

Particulars	Reserve and Surplus					Other comprehensive income (OCI)			Total other equity
	Capital redemption reserve	Securities premium	Share options outstanding account	Retained earnings	Other reserves	Employee benefit expenses	Fair value of cash flow hedge	Fair value of changes in other financial instruments	
Balance as at April 1, 2021 Restated (Refer note 40)	1,539	4,788	1,763	18,530	19,169	246	(273)	940	46,702
Issue of share on exercise of employee share option	-	159	-	-	-	-	-	-	159
Employee share-based compensation	-	-	393	-	-	-	-	-	393
Transferred to securities premium on exercise of shares under the employee stock option	-	923	(923)	-	-	-	-	-	-
Profit for the year	-	-	-	7,711	-	-	-	-	7,711
Cash dividends and tax thereon	-	-	-	(4,753)	-	-	-	-	(4,753)
ESOP adjustments *	-	-	(89)	89	-	-	-	-	-
Other comprehensive income (net of taxes)	-	-	-	-	-	90	1,216	(752)	554
Issue of share capital on account of acquisition of control of the business of Evolutionary Systems Private Limited ("ESPL") (Refer note 40)	-	18,957	-	-	(19,169)	-	-	-	(212)
Issue of share pursuant to acquisition of non-controlling interest in Mastek Enterprise Solutions Private Limited (Formerly known as Trans American Information Systems Private Limited) (Refer note 40)	-	8,124	-	-	-	-	-	-	8,124
Balance as at March 31, 2022	1,539	32,951	1,144	21,577	-	336	943	188	58,678
Balance as at April 1, 2020 Restated (Refer note 40)	1,539	2,716	2,223	17,995	19,169	265	178	783	44,868
Issue of share on exercise of employee share option	-	788	-	-	-	-	-	-	788
Employee share-based compensation	-	-	847	-	-	-	-	-	847
Transferred to securities premium on exercise of shares under the employee stock option	-	1,284	(1,284)	-	-	-	-	-	-
Profit for the year	-	-	-	1,887	-	-	-	-	1,887
Cash dividends and tax thereon	-	-	-	(1,362)	-	-	-	-	(1,362)
ESOP adjustments *	-	-	(23)	10	-	-	-	-	(13)
Other comprehensive income (net of taxes)	-	-	-	-	-	(19)	(451)	157	(313)
Balance as at March 31, 2021	1,539	4,788	1,763	18,530	19,169	246	(273)	940	46,702

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

The accompanying notes form integral part of the standalone financial statements
As per our report of even date attached

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

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

Adi P. Sethna
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Membership No.: 108840

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S. Sandilya
Non-Executive Chairman and Independent Director
DIN: 00037542

Place: Mumbai
Date: April 19, 2022

Arun Agarwal
Global Chief Financial officer
Place: Mumbai
Date: April 19, 2022

Dinesh Kalani
Company Secretary

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

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

2 Basis of preparation and presentation

a) Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, and the presentation and disclosure requirement of Division II of Schedule III to the Act and the guidelines issued by the Securities and Exchange Board of India to the extent applicable.

These standalone financial statements of the Company (“financial statements”) as at and for the year ended March 31, 2022 were approved and authorised by the Company’s board of directors on April 19, 2022.

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

- i. Derivative financial instruments;
- ii. Certain financial assets and liabilities measured at fair value;
- iii. Share based payment transactions;
- iv. Defined benefit and other long-term employee benefits; and
- v. Contingent consideration

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

c) Use of estimate and judgement

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, 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 judgements 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 judgements 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



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

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 judgements in making these assumptions and selecting the inputs to the impairment calculation, based on the Company’s past history of collections, customer’s credit-worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.
- (vi) **Deferred taxes:** Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.
- (vii) **Provisions:** Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding 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 standalone 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.

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

- (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 these 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 standalone 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 standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.
- (xi) **Evaluation of indicators for impairment of assets:** The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- (xii) **Contingent liabilities:** At each balance sheet date, basis the management judgement, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.
- (xiii) **Impairment of financial assets:** At each balance sheet date, based on historical default rates observed over expected life, existing market conditions as well as forward looking estimates, the management assesses the expected credit losses on outstanding receivables. Further, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with industry and country in which the customer operates.
- (xiv) **Fair value measurements:** Management applies valuation techniques to determine fair value of equity shares (where active market quotes are not available). This involves developing estimates and assumptions around volatility, dividend yield which may affect the value of equity shares.
- (xv) **Impairment of assets:** In assessing impairment, management estimates the recoverable amounts of each asset (in case of non-financial assets) based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future cash flows and the determination of a suitable discount rate.
- d) Summary of significant accounting policies**
- (i) Functional and presentation currency**
Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The standalone financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.
- (ii) Foreign currency transactions and balances**
Foreign currency transactions of the Company are accounted at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities are translated at each reporting date based on the rate prevailing on such date. Gains and losses resulting from the settlement of foreign currency monetary items and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the standalone statement of profit and loss. Non-monetary assets and liabilities are continued to be carried at rates of initial recognition.
- (iii) Financial instruments**
- A. Initial recognition and measurement**
The Company recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets 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



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

- 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 standalone 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.
- D. Investment in subsidiary companies**
Investment in subsidiaries is carried at cost in the separate financial statements.

Summary of significant accounting policies and other explanatory information as at and for the year ended March 31, 2022

(iv) Current versus non-current classification

- 1. An asset is considered as current when it is:
 - a) Expected to be realised or intended to be sold or consumed in the normal operating cycle, or
 - b) Held primarily for the purpose of trading, or
 - c) Expected to be realised within twelve months after the reporting period, or
 - d) Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- 2. All other assets are classified as non-current.
- 3. Liability is considered as current when it is:
 - a) Expected to be settled in the normal operating cycle, or
 - b) Held primarily for the purpose of trading, or
 - c) Due to be settled within twelve months after the reporting period, or
 - d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- 4. All other liabilities are classified as non-current.
- 5. Deferred tax assets and liabilities are classified as non-current assets and liabilities.
- 6. All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

(v) Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost, less accumulated depreciation, amortisation and impairment, 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	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.

The Company depreciates Furniture and fixtures and Vehicles over 5 years from the date of original purchase. The Company, based on technical assessment made by technical expert and management estimate, depreciates the Furniture and fixtures and Vehicles over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

(vi) Intangible assets

Intangibles 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.



Summary of significant accounting policies and other explanatory information as at and for the year ended March 31, 2022

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

(vii) Leases

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

As a lessee

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

i. Right of use assets

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

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.

(viii) Impairment of assets

a) Non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not

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

b) Financial assets

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

(ix) Employee benefits

A. Long-term employee benefits

(a) Defined contribution plan

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

(b) Defined Benefit Plan

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

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

(c) Other long-term employee benefits

The employees of the Company are also entitled for other long-term benefit in the form of compensated absences as per the policy of the Company. Employees are entitled to accumulate leave balance up to the upper limit as per the Company's policies which can be carried forward perpetually. Leave encashment for employees gets triggered on an annual basis, if the accumulated leave balance exceeds the upper limit of leave. Further, at the time of retirement, death while in employment or on termination of employment leave encashment vests



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equivalent to salary payable for number of days of accumulated leave balance. Liability for such benefits is provided on the basis of actuarial valuations, as at the balance sheet date, carried out by an independent actuary using the projected unit credit method.

B. Short-term employee benefits

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

C. Termination benefits

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

(x) Share based payments

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

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

(xi) Provisions and 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.

(xii) Revenue recognition

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

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

Fixed Price contracts related to application development, consulting and other services are single performance obligation or a stand-ready performance obligation, which in either case is comprised of a series of distinct services that are substantially the same and have the same pattern of transfer to the customer (i.e. distinct days or months of service). Revenue is recognised in accordance with the

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methods prescribed for measuring progress i.e. percentage of completion method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. Revenues relating to time and material contracts are recognised as the related services are rendered.

Multiple element arrangements-

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

IT support and maintenance-

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

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

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 standalone financial statements and primarily relate to unbilled amounts on fixed-price contracts utilising the cost to cost method i.e. percentage of completion method (POCM) of revenue recognition. Contract liabilities consist of advance payments and billings in excess of revenues recognised.

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

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

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

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 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.



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(xiii) Income tax

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

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

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

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

(xiv) Other income

Other income comprises interest income on 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.

(xv) Finance/Borrowing costs

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.

(xvi) Earnings per share

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

(xvii) Cash and cash equivalents

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

(xviii) Investment Property

Property that is held either for long term rental yield or for capital appreciation or both, but not for sale in ordinary course of the business, use in the production or supply of goods or services or for administrative purposes 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 standalone statement of profit and loss.

(xix) Investment in Subsidiaries

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

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(xx) Put option

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

(xxi) Financial guarantee contract

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

Recent accounting pronouncements

1 Amendment to Ind AS 16, Property, Plant and Equipment

The Ministry of Corporate Affairs (“MCA”) vide notification dated March 23, 2022, has issued an amendment to Ind AS 16 which specifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use

(for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The Group is evaluating the requirement of the said amendment and its impact on these Standalone Financial Statements.

2 Amendments to Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

The Ministry of Corporate Affairs (“MCA”) vide notification dated March 23, 2022, has issued an amendment to Ind AS 37 which specifies that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The Group is evaluating the requirement of the said amendment and its impact on these Standalone Financial Statements.

3 Amendments to Ind AS 103, Business Combinations

The Ministry of Corporate Affairs (“MCA”) vide notification dated March 23, 2022, has issued an amendment to Ind AS 103 and has added a new exception in the standard for liabilities and contingent liabilities. The Group is evaluating the requirement of the said amendment and its impact on these Standalone Financial Statements.

4 Amendments to Ind AS 109, Financial Instruments

The Ministry of Corporate Affairs (“MCA”) vide notification dated March 23, 2022, has issued an amendment to Ind AS 109 which clarifies the fees an entity should include when it applies the ‘10%’ test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf. The Group is evaluating the requirement of the said amendment and its impact on these Standalone Financial Statements.



Summary of significant accounting policies and other explanatory information

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(₹ in lakhs)

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

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

3(a)(ii) Intangible assets

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

3(b) Right-of-use assets

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

Summary of significant accounting policies and other explanatory information

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(₹ in lakhs)

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

For previous year ended March 31, 2021

Particulars	Gross Value (at cost)			Depreciation/ Amortisation				Net Value		
	As at April 1, 2020	Additions	Disposal	As at March 31, 2021	As at April 1, 2020	For the year	Disposal	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
a) Own assets:										
Buildings (Refer note (iii))	3,601	-	-	3,601	1,635	130	-	1,765	1,836	1,966
Computers	2,135	280	(382)	2,033	2,092	113	(382)	1,823	210	43
Plant and equipment	2,187	33	(66)	2,154	2,007	81	(66)	2,022	132	180
Furniture and fixtures	4,388	-	(56)	4,332	4,082	157	(56)	4,183	149	306
Vehicles	399	23	(27)	395	210	72	(27)	255	140	189
Office equipment	1,684	8	(55)	1,637	1,270	137	(55)	1,352	285	414
Total (A)	14,394	344	(586)	14,152	11,296	690	(586)	11,400	2,752	3,098
b) Leased assets:										
Leasehold land	386	-	-	386	311	4	-	315	71	75
Leasehold improvements	328	-	-	328	323	1	-	324	4	5
Vehicles	77	-	(19)	58	71	5	(19)	57	1	6
Total (B)	791	-	(19)	772	705	10	(19)	696	76	86
Total (A + B)	15,185	344	(605)	14,924	12,001	700	(605)	12,096	2,828	3,184

3(a)(ii) Intangible assets

Particulars	Gross Value (at cost)			Amortisation				Net Value		
	As at April 1, 2020	Additions	Disposal	As at March 31, 2021	As at April 1, 2020	For the year	Disposal	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Computer software	3,377	307	(2,807)	877	3,177	307	(2,807)	677	200	200
Total	3,377	307	(2,807)	877	3,177	307	(2,807)	677	200	200

3(b) Right-of-use assets

Particulars	Gross Value (at cost)			Depreciation				Net Value		
	As at April 1, 2020	Additions	Disposal	As at March 31, 2021	As at April 1, 2020	For the year	Disposal	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Building	164	-	(22)	142	30	37	(7)	60	82	134
Total	164	-	(22)	142	30	37	(7)	60	82	134

Notes:

(i) Refer note 10 and 12 for information on vehicles provided as collateral or security for borrowings or finance facilities availed by the Company.

(ii) Refer note 37 for capital commitments.

(iii) For the year ended March 31, 2022 and year ended March 31, 2021, Building includes Chennai property mortgaged as security for loan availed by subsidiary.



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(₹ in lakhs)

Non-current assets

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

	As at March 31, 2022	As at March 31, 2021
Capital work-in-progress	428	154
	428	154
Balance as at the beginning of the year	154	167
Addition during the year	320	61
Less: Capitalised during the year	(46)	(74)
Balances at the end of the year	428	154

CWIP ageing schedule

As at March 31, 2022

Sr. No.	Particulars	Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i	Projects in progress	320	18	8	-	346
ii	Projects temporarily suspended*	-	-	-	82	82
	Total	320	18	8	82	428

As at March 31, 2021

Sr. No.	Particulars	Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i	Projects in progress	61	11	-	-	72
ii	Projects temporarily suspended*	-	-	-	82	82
	Total	61	11	-	82	154

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

3(d) Investment properties

	As at March 31, 2022	As at March 31, 2021
(A) Investment properties (at cost less accumulated depreciation) (Refer note (i) below)		
Gross block		
Opening	1,136	1,136
Additions	-	-
Closing	1,136	1,136
Accumulated depreciation		
Opening	686	651
Depreciation for the year	36	35
Closing	722	686
Net block	414	450
(B) Fair value of investment properties by an independent valuer (Refer note (ii) below)		
(i) Fair value of investment properties	6,881	4,603
(ii) Valuation method used by the independent valuer (Refer note (iii) below)	Sale Comparison Method	Sale Comparison Method
The amounts recognised in statement of profit or loss account for:		
(i) rental income from investment properties	287	418
(ii) direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the period; and	44	46
(iii) direct operating expenses (including repairs and maintenance) arising from investment properties that did not generate rental income during the period.	-	-
Depreciation Method used	SLM	SLM
Useful lives or depreciation rates used	28 years	28 years

Summary of significant accounting policies and other explanatory information

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(₹ in lakhs)

Notes:

- (i) For the year ended March 31, 2022 and year ended March 31, 2021, Investment properties includes Pune property mortgaged as security for loan availed by subsidiary. Since Pune property has been mortgaged as security, valuation has been carried out for the same.
- (ii) Valuation for Prabhadevi, Mumbai property not carried out since the rental and carrying value are not significant and the same is not mortgaged as security.
- (iii) The Company's investment properties consist of two commercial properties in India one situated at Prabhadevi, Mumbai and another at Cerebrum Park, Pune. Fair Valuation is done for Pune property only. These valuations are based on valuations performed by Muzoomdar Associates Private Limited, an accredited independent valuer. Muzoomdar Associates Private Limited, is a specialist in valuing these types of investment properties and is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. A valuation approach in accordance with that recommended by the Indian Accounting Standards has been applied.

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

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

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

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

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

	As at March 31, 2022	As at March 31, 2021
Mastek (UK) Limited		
200,000 (March 31, 2021 - 200,000) equity shares of GBP 1 each, fully paid up	216	216
Mastek Enterprise Solutions Private Limited (MESPL) (formerly know as Trans American Information System Private Limited)		
34,520 (March 31, 2021 - 34,520) equity shares of ₹ 1 each, fully paid up	1,187	1,187
50,000 (March 31, 2021 - NIL) equity shares of ₹ 1 each, fully paid up (on account of buyout of 1/3 MESPL Cumulative Convertible Preference Shares (CCPS))	18,174	-
Deemed equity in MESPL {(42,35,294 (March 31, 2021 - 42,35,294) equity shares of ₹ 5 each, fully paid up (share issued against the part discharge of consideration for acquisition) and Fair valuation of put option liability as at date of transaction consummation} (Refer note 40)	26,988	26,988
	46,565	28,391
Aggregate carrying value of unquoted investments	46,565	28,391
Aggregate amount of impairment in value of investments	-	-



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

4 Financial assets

	As at March 31, 2022	As at March 31, 2021
a) Investments		
(A) Investment in mutual funds at FVOCI (unquoted):		
Kotak Corporate Bond Fund - Standard Growth (Regular Plan) (0 units, March 31, 2021 - 17,391 units)	-	504
ICICI Prudential Corporate Bond Fund - Growth (0 units, March 31, 2021 - 6,291,134 units)	-	1,427
HDFC Short Term Debt Fund - Regular Plan - Growth (1,563,507 units, March 31, 2021 - 5,949,282 units)	402	1,462
HDFC Ultra Short Term Fund - Regular Growth (0 units, March 31, 2021 - 133,410 units)	-	16
IDFC Low Duration Fund - Growth (1,987,665 units, March 31, 2021 - 1,987,665 units)	623	601
	1,025	4,010
(B) Investment in bonds at amortised cost (unquoted):		
10.90% Bond with Punjab & Sind Bank	-	56
8.5% Bond with State Bank of India	52	53
	52	109
Aggregate carrying value of unquoted investments (A + B)	1,077	4,119
Aggregate amount of impairment in value of investments	-	-
b) Other financial assets		
Advances to employees	3	3
Foreign exchange forward contract	792	-
Margin money deposit	33	-
Security deposits	87	106
Guarantee commission receivable	219	316
	1,134	425

Note: Margin money is towards bid bonds and performance guarantee

5 Other non-current assets

	As at March 31, 2022	As at March 31, 2021
Capital advances	14	-
Prepaid expenses	14	20
Security deposits	96	96
	124	116

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

Current assets

6 Financial assets

a) Investments

	As at March 31, 2022		As at March 31, 2021	
	Units	Amount	Units	Amount
(i) Investment in mutual funds				
Investment in mutual funds at FVTPL (unquoted):				
Kotak Liquid - Regular Plan - Growth	-	-	1,390	58
UTI Money Market Fund IP - Growth	-	-	5,876	140
HDFC Money Market Fund - Growth	-	-	55,114	2,435
ICICI Prudential Money Market Fund - Regular Growth	-	-	3,79,689	1,113
Aditya Birla Sun Life Money Manager Fund - Regular	-	-	5,87,018	1,672
Kotak Money Market Scheme-Regular - Growth	-	-	61,587	2,135
Total (A)		-		7,553
Investment in mutual funds at FVOCI (unquoted):				
Kotak Savings Fund - Growth	2,93,604	102	20,17,768	680
Aditya Birla Sun Life Floating Rate Fund - Long Term Plan - Regular - Growth	-	-	1,22,776	326
Kotak Corporate Bond Fund Standard Growth (Regular Plan)	19,81,675	844	41,894	1,215
IDFC Corporate Bond Fund Regular Plan Growth	-	-	14,99,617	225
HDFC Corporate Bond Fund - Regular Plan - Growth	18,59,914	486	18,59,914	464
Kotak Bond Fund (Short Term) Growth (Regular Plan)	-	-	19,81,675	810
HDFC Ultra Short Term Fund - Regular Growth	-	-	17,20,936	204
Total (B)		1,432		3,924
Total (A+B)		1,432		11,477
(ii) Investment in term deposit at amortised cost (unquoted):				
Term deposit with Housing Development Finance Corporation Limited		400		700
Term deposit with Standard Chartered Bank Limited		-		25
Term deposit with ICICI Bank Limited		548		599
Term deposit with ICICI Home Finance Company Limited		198		636
Term deposit with LIC Housing Finance Limited		400		1,950
Term deposit with Bank of India		-		30
Term deposit with HDFC Bank Limited		1,742		398
Total (C)		3,288		4,338
(iii) Investment in bonds at amortised cost (unquoted):				
9.21% Bond with Punjab National Bank		-		50
10.90% bond with Punjab & Sind Bank		57		-
Total (D)		57		50
Aggregate carrying value of unquoted investments in mutual funds (A + B)		1,432		11,477
Aggregate carrying value of unquoted investment in term deposits (C)		3,288		4,338
Aggregate carrying value of unquoted Investment in bonds at cost (D)		57		50
Aggregate amount of impairment in value of investments		-		-
Grand Total		4,777		15,865

Refer note 32 for information on market risk.



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

b) Trade receivables

	As at March 31, 2022	As at March 31, 2021
Unsecured		
Considered Good - Unsecured	5,652	4,476
Trade receivable - credit impaired	290	318
Less: Allowance for bad and doubtful debts	(290)	(318)
	5,652	4,476

Ageing Schedule as on March 31, 2022

Sr. No.	Particulars	Outstanding for following periods from due date of transaction						Total
		Current but not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 year	
i.	Undisputed Trade Receivables - Considered Good	296	5,209	77	-	-	-	5,582
ii.	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii.	Undisputed Trade receivable - credit impaired	-	-	22	42	48	7	119
iv.	Disputed Trade receivables - considered good	-	-	-	-	36	34	70
v.	Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi.	Disputed Trade receivables - credit impaired	-	-	-	4	6	161	171
	Total	296	5,209	99	46	90	202	5,942

Ageing Schedule as on March 31, 2021

Sr. No.	Particulars	Outstanding for following periods from due date of transaction						Total
		Current but not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 year	
i.	Undisputed Trade Receivables - Considered Good	324	3,987	-	96	-	-	4,407
ii.	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii.	Undisputed Trade receivable - credit impaired	-	-	15	57	39	35	146
iv.	Disputed Trade receivables - considered good	-	-	-	36	-	33	69
v.	Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi.	Disputed Trade receivables - credit impaired	-	-	5	6	-	161	172
	Total	324	3,987	20	195	39	229	4,794

Notes:

- Company has a history of collecting all receivables in the age group of less than 6 months. Management has evaluated allowance for bad and doubtful debts on receivables having age of more than 6 months, which have significant increase in credit risk or are credit impaired. Accordingly, all trade receivables outstanding more than 6 months have been fully provided, except immaterial balances considered recoverable on specific basis.
- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firm or private companies respectively in which director is partner, a director or a member. Trade receivables are non-interest bearing.
- Refer note 32 for information on credit risk and market risk.
- Refer note 10 and 12 for information on assets provided as collateral or security for borrowings or finance facilities availed by the Company.

Summary of significant accounting policies and other explanatory information as at and for the year ended March 31, 2022

(₹ in lakhs)

c) Cash and cash equivalents and other bank balances

	As at March 31, 2022	As at March 31, 2021
(i) Cash and cash equivalents		
Cash on hand	1	1
Bank balances		
In current accounts	1,569	2,392
	1,570	2,393
(ii) Bank balances, other than cash and cash equivalents		
Bank balances in unclaimed dividend account	48	51
	48	51

Notes:

- (i) Refer note 32 for information on credit risk and market risk.
- (ii) Refer note 10 and 12 for information on assets provided as collateral or security for borrowings or finance facilities availed by the Company.
- (iii) There are no repatriation restrictions with regards to cash and cash equivalents.

d) Other financial assets

	As at March 31, 2022	As at March 31, 2021
Advances to employees	2	20
Interest accrued on bank deposits	116	156
Margin money deposit	2	2
Foreign exchange forward contract	543	-
Guarantee Commission receivable	206	251
Rent receivables	6	98
Security deposits	35	17
Other receivable from subsidiaries, net (Refer note 28)	209	274
Other receivables	-	31
	1,119	849

Notes:

- (i) Refer note 32 for information on credit risk and market risk.
- (ii) Refer note 10 and 12 for information on assets provided as collateral or security for borrowings or finance facilities availed by the Company.

7 Other current assets

	As at March 31, 2022	As at March 31, 2021
Contract asset	396	263
Prepaid expenses	341	163
Input tax credit receivable	714	468
Advances to suppliers	410	392
Interest on Income tax refunds	185	175
Others	101	114
	2,147	1,575

Note:

- (i) Refer note 10 and 12 for information on assets provided as collateral or security for borrowings or finance facilities availed by the Company.



Summary of significant accounting policies and other explanatory information as at and for the year ended March 31, 2022

(₹ in lakhs)

8 Equity share capital

	As at March 31, 2022	As at March 31, 2021
Authorised:		
40,000,000 (March 31, 2021: 40,000,000) equity shares of ₹ 5 each	2,000	2,000
2,000,000 (March 31, 2021: 2,000,000) preference shares of ₹ 100 each	2,000	2,000
	4,000	4,000
Issued, subscribed and fully paid up:		
30,018,021 (March 31, 2021 : 25,232,889) equity shares of ₹ 5 each fully paid	1,501	1,262
	1,501	1,262

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, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Balance as at the beginning of the year	2,52,32,889	1,262	2,42,89,472	1,214
Add: On account of exercise of employee stock option plans	2,95,083	14	9,43,417	48
Add: Issue of share capital on account of acquisition of control of the business of Evolutionary Systems Private Limited ("ESPL") (Refer note 40)	42,35,294	212	-	-
Add: Issue of share pursuant to acquisition of non-controlling interest in Mastek Enterprise Solutions Private Limited (Formerly known as Trans American Information Systems Private Limited) (Refer note 40)	2,54,755	13	-	-
Balance as at the end of the year	3,00,18,021	1,501	2,52,32,889	1,262

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 at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of fully paid up equity shares held by the shareholders.

c) Details of shares held by Promoters in the Company

Shares held by promoters at the end of the year	As at March 31, 2022		As at March 31, 2021		% change during the year*
	No. of shares	% of holding	No. of shares	% of holding	
Ashank Desai	33,63,328	11.2%	33,29,552	13.2%	1.0%
Ketan Mehta	22,74,100	7.6%	22,74,100	9.0%	0.0%
Girija Ram	17,53,280	5.8%	17,53,280	6.9%	0.0%
Radhakrishnan Sundar	13,40,800	4.5%	13,40,800	5.3%	0.0%

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

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

Name of the shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% of holding	No. of shares	% of holding
Ashank Desai	33,63,328	11.2%	33,29,552	13.2%
Ketan Mehta	22,74,100	7.6%	22,74,100	9.0%
Girija Ram	17,53,280	5.8%	17,53,280	6.9%
Umang Tejkaran Nahata	16,11,668	5.4%	-	-
Radhakrishnan Sundar	13,40,800	4.5%	13,40,800	5.3%

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

(e) Shares reserved for issue under options

	As at March 31, 2022	As at March 31, 2021
Number of shares to be issued under the Employee Stock Option Plans (Refer note 34)	7,13,804	11,47,212

(f) Shares issued for consideration other than cash

	As at March 31, 2022	As at March 31, 2021
Number of shares issued for acquisition (Refer note 40)	44,90,049	-

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

The Company has neither issued bonus shares nor there has been any buy back of shares during five years immediately preceding March 31, 2022

9 Other equity

	As at March 31, 2022	As at March 31, 2021
a) Capital redemption reserve	1,539	1,539
Non-distributable reserve into which amounts are transferred following the redemption or purchase of a Company's own shares.		
b) Securities premium	32,951	4,788
Amount received (on issue of shares) in excess of the face value has been classified as securities premium.		
c) Employee stock options outstanding account	1,144	1,763
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.		
d) Retained earnings	21,577	18,530
Retained earnings comprises of the prior year's undistributed earning after taxes increased by undistributed profits for the year.		
e) Other reserves	-	19,169
This represents 4,235,294 (March 31, 2021 - 4,235,294) equity shares of ₹ 5 each, fully paid up share to be issued against the part discharge of consideration for acquisition.		
f) Other item of other comprehensive income	1,467	913
Other items of other comprehensive income consist of FVOCI financial assets and financial liabilities and remeasurement of defined benefit assets and liabilities.		
	58,678	46,702

9.1 Distributions made and proposed

The Board of Directors at its meeting held on January 19, 2022 had declared an interim dividend of 140% (₹ 7 per equity share of par value of ₹ 5 each). This has resulted in cash outflow of ₹ 2,081 lakhs. Further, the Board of Directors at its meeting held on April 19, 2022 had recommended a final dividend of 240% (₹ 12 per equity share of par value of ₹ 5 each), which is subject to approval by the shareholders at their ensuing Annual General Meeting. Proposed dividend on equity shares is not recognised as a liability as at March 31, 2022. Dividend declared by the Company are based on profit available for distribution.

Non-current Liabilities

10 Financial Liabilities

a) Borrowings

	As at March 31, 2022	As at March 31, 2021
Secured		
Vehicle loans from financial institution (Refer note (i) below)	184	80
	184	80



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

Notes:

- (i) Loans from financial institution are secured by hypothecation of assets (Vehicles) purchased there against. The Company has not defaulted on any loans payable.

Monthly payment of equated monthly instalments beginning from the month subsequent to taking the loan along with interest at 7.10% - 9.35% per annum is payable till Feb 2027.

- (ii) Refer note 32 for liquidity risk and market risk.

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

Particulars	Borrowings
As at April 1, 2020	160
Cash flows (net)	(26)
As at March 31, 2021	134
Cash flows (net)	129
As at March 31, 2022	263

b) Lease liabilities

	As at March 31, 2022	As at March 31, 2021
Lease liabilities (Refer note 35)	23	58
	23	58

c) Other financial liabilities

	As at March 31, 2022	As at March 31, 2021
Security and other deposits	162	154
Put Option Liabilities - Derivative (Refer note 31.1 and 40)	874	1,101
Guarantee liability payable	357	404
Foreign exchange forward contract	-	304
	1,393	1,963

Note:

- (i) Refer note 32 for liquidity risk and market risk.

11 Provisions

	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Provision for gratuity (Refer Note 26)	838	648
	838	648

Current liabilities

Financial liabilities

12 Borrowings

	As at March 31, 2022	As at March 31, 2021
Current maturities of vehicle loans from bank (Secured) (Refer note 10 (a))	79	54
	79	54

Notes:

- (i) The Company has, during the year ended March 31, 2022, availed/renewed certain working capital facility from banks against which the security has been created on current asset specified by the bankers. The Company has not utilised the facility during the year and hence, no amount is outstanding against the same as at March 31, 2022 (March 31, 2021 - ₹ Nil).

- (ii) Refer note 32 for liquidity risk and market risk.

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

13 Lease liabilities

	As at March 31, 2022	As at March 31, 2021
Lease liabilities (Refer note 35)	35	31
	35	31

14 Trade payables

	As at March 31, 2022	As at March 31, 2021
total outstanding dues of micro enterprises and small enterprises (Refer note 36)	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	47	134
	47	134

Ageing Schedule for the year ended March 31, 2022

Sr. No.	Particulars	Outstanding for following periods from date of transaction				Total
		Less than 1 year	1-2 Years	2-3 years	More than 3 years	
i.	Total outstanding dues of MSME	-	-	-	-	-
ii.	Total outstanding dues of creditors other than MSME	11	-	-	36	47
iii.	Disputed dues of MSME	-	-	-	-	-
iv.	Disputed dues of creditors other than MSME	-	-	-	-	-
	Total	11	-	-	36	47

Ageing Schedule for the year ended March 31, 2021

Sr. No.	Particulars	Outstanding for following periods from date of transaction				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i.	Total outstanding dues of MSME	-	-	-	-	-
ii.	Total outstanding dues of creditors other than MSME	94	40	-	-	134
iii.	Disputed dues of MSME	-	-	-	-	-
iv.	Disputed dues of creditors other than MSME	-	-	-	-	-
	Total	94	40	-	-	134

15 Other financial liabilities

	As at March 31, 2022	As at March 31, 2021
Unclaimed dividends (Refer note (i) below)	52	51
Security and other deposits	9	2
Put Option Liabilities - Derivative (Refer note 31.1 and 40)	-	6,477
Capital creditors (Refer (iii) below)	376	45
Other payables		-
Employee benefits payable	2,525	2,112
Accrued expenses	3,017	3,095
Foreign exchange forward contract	-	94
Guarantee liability payable	198	230
	6,177	12,106

Notes:

- (i) There is no amount due for payment to Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2022. (March 31, 2021 - ₹ Nil)
- (ii) Refer note 32 for liquidity risk and market risk.
- (iii) Includes dues to micro enterprises and small enterprises amounting to ₹ Nil as at March 31, 2022 (₹ 27 lakhs as at March 31, 2021)



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

16 Other current liabilities

	As at March 31, 2022	As at March 31, 2021
Contract liabilities	121	398
Statutory dues (including stamp duty, provident fund and tax deducted at source)	550	563
Deferred rent	27	40
	698	1,001

17 Provisions

	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Provision for leave entitlement*	786	664
Provision for cost overrun on contracts**	251	255
	1,037	919

*Disclosure for movement in provision for compensated absences:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening provision at the beginning of the year	664	517
Created during the year (net)	122	147
Closing provision at the end of the year	786	664

**Provision for cost overrun on contracts

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the year	255	320
Less: Reversals during the year	(4)	(65)
Balance as at end of the year	251	255

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.

18 Revenue from operations

	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of services		
Information technology services	25,670	18,714
	25,670	18,714

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.

	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue by geography		
UK	22,365	16,102
North America	1,021	1,066
Middle East	61	14
Others	2,223	1,532
	25,670	18,714

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Timing of revenue recognition		
Transferred at a point in time	685	578
Transferred over time	24,857	18,126
	25,542	18,704

The above figures exclude the amount pertaining to hedge in March 31, 2022 ₹ 128 lakhs (March 31, 2021 ₹ 10 lakhs).

Remaining performance obligation

As of March 31, 2022 the aggregate amount of transaction price allocated to remaining performance obligations, was ₹ 285 lakhs, of which approximately 100% is expected to be recognised as revenues within 3 years. (March 31, 2021 ₹ 569 lakhs)

Changes in contract assets are as follows:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	263	227
Invoices raised that were included in the contract assets balance at the beginning of the year	(98)	(227)
Increase due to revenue recognised during the year, excluding amounts billed during the year	231	263
Balance at the end of the year	396	263

Changes in contract liabilities are as follows:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	398	103
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	(311)	(33)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	34	328
Balance at the end of the year	121	398

19 Other income

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income		
- On bank deposits	238	274
- On income tax refunds	10	65
- On guarantee given	61	89
- On others	3	6
Profit on sale of current investments	1,637	657
Rental income, net*	287	418
Profit on sale of property, plant and equipment	8	17
Net gain on foreign currency transactions and translation	52	218
Dividend income from Mastek UK Limited, subsidiary (Refer note 28)	4,721	1,345
Guarantee commission	191	244
Other non-operating income	146	154
	7,354	3,487

* Rent income is net of provision of ₹ 130 lakhs (March 31, 2021: Nil)



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

20 Employee benefits expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and performance incentives	17,383	12,849
Gratuity (Refer note 26)	301	259
Contribution to provident and other funds (Refer note 26 (c))	625	475
Employee stock compensation expenses	193	312
Staff welfare expense	304	225
	18,806	14,120

21 Finance costs

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on term loan	15	13
Interest on lease liabilities (Refer note 35)	7	12
Bank charges	20	21
Other finance charges	12	12
	54	58

22 Depreciation and amortisation expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Property, plant and equipment	809	700
Right-of-use assets (refer note 35)	30	37
Investment property	36	35
Intangible assets	367	307
	1,242	1,079

23 Other expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Recruitment and training expenses	485	365
Travelling and conveyance	230	162
Communication charges	131	115
Electricity	109	116
Consultancy and sub-contracting charges	336	238
Audit fees (Refer note 39)	47	38
Rates and taxes	116	78
Repairs		
Buildings	187	223
Others	547	371
Insurance	160	113
Printing and stationery	9	2
Purchase of software license	130	137
Professional fees	586	558
Rent (Refer note 35 (iii))	50	51
Advertisement and publicity	61	24
Provision made/(written back) against receivable, loans and advances doubtful of recover, net	53	60
Hire charges	18	15
Expenditure towards corporate social responsibility (CSR) activities (Refer note 42)	182	179
Miscellaneous expenses	43	3
	3,480	2,848

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

24 Exceptional items - income/(loss) (net)

	March 31, 2022	March 31, 2021
a) Settlement provision relating to revenue contract (Refer note (i) below)	-	(700)
b) Revaluation of Put Option Liability (Refer note (ii) below)	145	241
	145	(459)

Notes:

- (i) Settlement provision relating to revenue contract with a domestic customer ₹ 700 lakhs for the year ended March 31, 2021.
- (ii) Revaluation impact of put option under written on CCPS of Mastek Enterprise Solutions Private Limited (Formerly known as Trans American Information Systems Private Limited) for the year ended March 31, 2022 ₹ 145 lakhs (March 31, 2021: ₹ 241 lakhs).

25 Earnings Per Share (EPS)

	For the year ended March 31, 2022	For the year ended March 31, 2021
The components of basic and diluted earnings per share for total operations are as follows:		
(a) Net profit attributable to equity shareholders	7,711	1,887
(b) Weighted average number of outstanding equity shares		
Considered for basic EPS	2,77,06,663	2,46,52,243
Add: Effect of dilutive potential equity shares arising from outstanding stock options	7,22,080	9,16,427
Considered for diluted EPS	2,84,28,743	2,55,68,670
(c) Nominal value of each share (in ₹)	5	5
(d) Earnings per share (in ₹)		
Basic	27.83	7.65
Diluted	27.13	7.38

26 Employee benefit plans

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Gratuity cost		
Service cost	266	242
Net interest on net defined liability	35	17
Net gratuity cost (Refer note 20)	301	259
Actuarial gain/(loss) recognised in other comprehensive income	111	(27)
Amount shown as liability in the balance sheet (Refer note 11)		
Non-current	838	648
Current	-	-
Total gratuity liability	838	648

Demographic assumptions used:	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate	6.70%	6.35%
Salary escalation	10%	10%
Retirement age	60 Years	60 Years
Mortality Rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Leaving services		
Age (Years)		
21-30	21%	21%
31-40	15%	15%
41-50	17%	17%
51-59	10%	10%



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

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

The following table sets out the status of gratuity plan:

Particulars	March 31, 2022	March 31, 2021
Obligation at the beginning of the year	2,232	2,050
Current service cost	266	242
Interest cost	132	120
Actuarial (gain)/loss due to change in financial assumption	(52)	21
Actuarial (gain)/loss due to change in experience	(51)	17
Benefits paid	(184)	(218)
Obligation at the end of the year	2,343	2,232
Change in plan assets (maintained by LIC)		
Plan assets at the beginning of the year, at fair value	1,584	1,687
Employer contribution	-	1
Interest income on plan assets	97	103
Remeasurement on plan assets less interest on plan assets	8	11
Benefits paid	(184)	(218)
Plan assets at the end of the year, at fair value	1,505	1,584

Historical information

Particulars	As at				
	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Present value of defined benefit obligation	2,343	2,232	2,050	1,925	1,740
Fair value of plan assets	1,505	1,584	1,687	1,790	1,813
(Liabilities)/assets recognised	(838)	(648)	(363)	(135)	73

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, 2022	As at March 31, 2021
Experience adjustment on plan liabilities - gain/(loss)	103	(38)
Experience adjustment on plan assets - gain	8	11

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, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount Rate (50 bps)	(69)	77	(67)	76
Salary Growth (50 bps)	75	(67)	73	(66)

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

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

Maturity profile of defined benefit obligation:

Particulars	As at March 31, 2022	As at March 31, 2021
1 year	317	299
2 year	335	301
3 year	277	272
4 year	257	244
5 year	251	226
6 year	262	216
7 year	212	230
8 year	209	182
9 year	236	181
10 years and beyond	1,488	1,466

- 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 2022-23 is ₹ 200 lakhs. (FY 2021-22 ₹ 200 lakhs)
- ii) Plan assets are investment in unquoted insurer managed funds.

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

- (b) The Obligation for compensated absence is recognised basis Company's leave policy and net change to the statement of profit and loss the year ended March 31, 2022 is ₹ 216 lakhs (March 31, 2021: ₹ 225 lakhs)

Demographic assumptions used:	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate	6.70%	6.35%
Salary escalation	10%	10%

- (c) The Company contributed ₹ 625 lakhs for the year ended March 31, 2022 (₹ 475 lakhs March 31, 2021) for the defined contribution plan, which includes contribution towards provided fund, employee state insurance commission and labour welfare fund.

27 Income taxes

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax	2,489	975
Income tax relating to earlier years	-	730
Deferred tax	(613)	45
Income tax expense recognised in the statement of profit or loss	1,876	1,750
Income tax (credit)/expense recognised in other comprehensive income	(228)	128



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

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:

Particular	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	9,587	3,637
Enacted income tax rate in India	29.12%	29.12%
Computed expected tax expense	2,792	1,059
Effect of:		
Expenses that are not deductible in determining taxable profit	(18)	(49)
Long Term Capital Gain (LTCG)/ Short Term Capital Gain (STCG) Indexation carried forward losses adjusted	(336)	
Dividend income subject to different tax rates	(1,375)	(392)
Tax provision related to Advance Pricing Arrangement	776	1,143
Others	37	(11)
Total income tax expense recognised in the statement of profit and loss	1,876	1,750

The movement in gross deferred income tax assets and liabilities (before set-off) for the year ended March 31, 2022 is as follows:

Particulars	Carrying value as at April 1, 2021	Changes through profit and loss	Changes through OCI	Utilisation of MAT credit*	Carrying value as at March 31, 2022
Property, plant and equipment and intangible assets	627	(7)	-	-	620
Provision for doubtful debts	91	(8)	-	-	83
Provision for compensated absence/gratuity	382	123	(33)	-	472
Net gain on fair value of mutual funds	(519)	156	309	-	(54)
Cash flow hedge	115	-	(504)	-	(389)
MAT Credit entitlement	1,912	-	-	317	2,229
Others	291	32	-	-	323
Total	2,899	296	(228)	317	3,284

* Adjusted in Current tax

The movement in gross deferred income tax assets and liabilities (before set-off) for the year ended March 31, 2021 is as follows:

Particulars	Carrying value as at April 1, 2020	Changes through profit and loss	Changes through OCI	Utilisation of MAT credit*	Carrying value as at March 31, 2021
Property, plant and equipment and intangible assets	638	(11)	-	-	627
Provision for doubtful debts	307	(216)	-	-	91
Provision for compensated absence/gratuity	256	118	8	-	382
Net gain on fair value of mutual funds	(321)	(134)	(64)	-	(519)
Cash flow hedge	(69)	-	184	-	115
MAT Credit entitlement	1,977	-	-	(65)	1,912
Others	28	263	-	-	291
Total	2,816	20	128	(65)	2,899

* Adjusted in Current tax

The Company offset deferred tax assets and deferred tax liabilities if and only if it has legally enforceable right to set off the said balances.

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

28 Related Party disclosures, as per Ind AS 24

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

Name of Related Party	Nature of relationship	Country of Incorporation
Mastek (UK) Limited	Subsidiary	United Kingdom
Mastek Enterprise Solution Private Limited (formerly known as Trans American Information Systems Private Limited)	Subsidiary	India
Mastek Inc. (formerly known as Digility, Inc.)	Step-down Subsidiary	United States of America
Trans American Information Systems, Inc.	Step-down Subsidiary	United States of America
Mastek Digility, Inc.	Step-down Subsidiary	Canada
Evolutionary Systems Canada Limited	Step-down Subsidiary	Canada

Acquired through Business Transfer Agreement (BTA) (Refer note 40 (i) for manner and date of acquisition)

Mastek Arabia FZ LLC	Step-down Subsidiary	United Arab Emirates
Evolutionary Systems Consultancy LLC	Step-down Subsidiary	United Arab Emirates
Evolutionary Systems Egypt LLC	Step-down Subsidiary	Egypt
Evosys Kuwait WLL	Step-down Subsidiary	Kuwait
Evolutionary Systems Saudi LLC	Step-down Subsidiary	Kingdom of Saudi Arabia
Evolutionary Systems Bahrain WLL	Step-down Subsidiary	Bahrain

Acquired through Demerger Co-operation Agreement (DCA) (Refer note 40 (ii) for manner and date of acquisition)

Evolutionary Systems Company Limited	Step-down Subsidiary	United Kingdom
Newbury Cloud, Inc.	Step-down Subsidiary	United States of America
Evolutionary Systems Corp.	Step-down Subsidiary	United States of America
Evosys Consultancy Services (Malaysia) Sdn Bhd	Step-down Subsidiary	Malaysia
Evolutionary Systems Qatar WLL	Step-down Subsidiary	Qatar
Evolutionary Systems Pty. Ltd.	Step-down Subsidiary	Australia
Evolutionary Systems BV	Step-down Subsidiary	Netherlands
Evolutionary Systems (Singapore) Pte. Ltd.	Step-down Subsidiary	Singapore

Key Management Personnel (KMP):	Ashank Desai, Vice Chairman and Managing Director
	Hiral Chandrana, Global Chief Executive Officer (w.e.f. July 6, 2021)
	Ketan Mehta, Non-executive Director
	Atul Kanagat, Non-executive Director
	S. Sandilya, Non-executive Director
	Rajeev Grover, Non-executive Director
	Priti Rao, Non-executive Director
	Arun Agarwal, Global Chief Financial Officer (w.e.f. May 31, 2021)
	Dinesh Kalani, Company Secretary

Enterprise where KMP has control:	Mastek Foundation
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Transactions with above related parties during the year were:-

Name of Related Party	Nature of transactions	For the year ended	
		March 31, 2022	March 31, 2021
Mastek (UK) Limited	Information Technology Services ^	22,365	16,102
	Others	73	80
	Dividend received from subsidiary	4,721	1,345
	Reimbursable/Other expenses recoverable	418	501
	Guarantee commission ^	227	333
	Guarantee reduced for loan availed by subsidiary ^	-	9,879
Mastek, Inc.	Information Technology Services ^	563	1,013
	Reimbursable/other expenses recoverable	96	83



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

Name of Related Party	Nature of transactions	For the year ended	
		March 31, 2022	March 31, 2021
Trans American Information Systems, Inc.	Information Technology Services ^	458	53
	Others	11	23
	Reimbursable/other expenses recoverable	1	1
Mastek Enterprise Solution Private Limited (formerly known as Trans American Information Systems Private Limited)	Information Technology Services (excluding GST)	557	220
	Other Income	-	-
	Reimbursable/other expenses recoverable (excluding GST)	13	18
	Guarantee given for facility availed by subsidiary ^	111	-
	Guarantee commission ^	25	-
	Consideration paid on behalf of subsidiary^^	45,162	26,988
Mastek Arabia FZ LLC	Information Technology Services ^	-	4
Evolutionary Systems Consultancy LLC	Information Technology Services ^	61	10
	Other expenses recoverable/ (payable)	(6)	-
Evosys Consultancy Services (Malaysia) Sdn Bhd	Information Technology Services ^	18	11
Evolutionary Systems (Singapore) Pte. Ltd.	Information Technology Services ^	42	11
Mastek Foundation	Contribution towards CSR expenses	182	179
Compensation of key management personnel of the Company		696	745

Balances outstanding are as follows:-

Name of Related Party	Nature of balances	As at	
		March 31, 2022	March 31, 2021
Mastek (UK) Limited	Trade receivables	4,144	3,437
	Other receivables	224	254
	Guarantee commission receivable ^	324	567
	Guarantee commission liability (at fair value) ^	459	634
	Guarantee given against Loan availed by subsidiary *	18,648	25,818
Mastek Inc.	Trade receivables	56	200
	Other receivables/(payables)	9	9
Trans American Information Systems, Inc.	Other receivables	-	9
	Trade receivables/(payables)	96	25
Mastek Enterprise Solution Private Limited (formerly known as Trans American Information Systems Private Limited)	Trade receivables	547	157
	Other receivables	59	2
	Guarantee commission receivable ^	101	-
	Guarantee commission liability (at fair value) ^	96	-
	Consideration paid on behalf of subsidiary^^	45,162	26,988
Mastek Arabia FZ LLC	Trade receivables	-	4
Evolutionary Systems Consultancy LLC	Trade receivables	54	10
Evosys Consultancy Services (Malaysia) Sdn Bhd	Trade receivables	28	11
Evolutionary Systems (Singapore) Pte. Ltd.	Trade receivables	41	11
Compensation of key management personnel of the Company		204	130

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

* The guarantees/security [refer notes 3(a)(*) and 38B have been given for loans availed by the subsidiary.

^ This includes foreign exchange adjustment/fair value adjustment.

^^ Consideration paid on behalf of subsidiary is pursuant to acquisition (Refer note 40).

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

Compensation of key management personnel of the Company

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Salaries and other employee benefits *	450	442
Share based payment transactions	47	202
Director sitting fees	134	79
Director commission	65	22
Compensation to key management personnel	696	745

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

29 Segment reporting

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

30 Financial instrument

The carrying value and fair value of financial instruments by categories as at March 31, 2022 and March 31, 2021 is as follows:

Particulars	Carrying Value		Fair Value	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial assets				
Amortised cost				
Trade receivable (net of provisions)	5,652	4,476	5,652	4,476
Cash and cash equivalents	1,570	2,393	1,570	2,393
Other bank balance	48	51	48	51
Other assets	918	1,274	918	1,274
Investment in term deposits	3,288	4,338	3,288	4,338
Investment in bonds	109	159	109	159
FVOCI				
Investment in mutual funds	2,457	7,934	2,457	7,934
Derivative assets	1,335	-	1,335	-
FVTPL				
Investment in liquid mutual fund	-	7,553	-	7,553
Total assets	15,377	28,178	15,377	28,178
Financial liabilities				
Amortised cost				
Borrowings	263	134	263	134
Trade payables	47	107	47	107
Lease liabilities	58	89	58	89
Other liabilities	6,696	6,120	6,696	6,120
FVOCI				
Derivative liabilities	-	398	-	398
FVTPL				
Derivative liabilities	874	7,578	874	7,578
Total liabilities	7,938	14,426	7,938	14,426



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

31 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, 2022 and March 31, 2021

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

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

Quantitative disclosures of fair value measurement hierarchy for financial assets as at March 31, 2021:

Particulars	Date of valuation	Total	Fair value measuring using		
			Level 1	Level 2	Level 3
FVTOCI financial assets designated at fair value					
Investment in mutual fund	March 31, 2021	7,934	7,934	-	-
FVTPL financial assets designated at fair value					
Investment in liquid mutual fund	March 31, 2021	7,553	7,553	-	-
Financial liabilities measuring at fair value					
Derivative liabilities	March 31, 2021	7,578	-	7,578	-
Foreign exchange forward contract	March 31, 2021	398	-	398	-

31.1 Description of valuation techniques used and significant unobservable input for valuation

Instrument	Valuation technique	Significant unobservable inputs	Range (weighted average)	
Derivative instrument (Put option)	DCF method	Long-term growth rate for cash flows for subsequent years	March 31, 2022: WACC - 16%, Terminal growth rate - 5%	March 31, 2021: WACC - 15.8%, Terminal growth rate - 5%

Derivative instrument (Put option)	As at	
	March 31, 2022	March 31, 2021
Balance at the beginning of the year	7,578	7,819
Less: Fair value gain recognised through profit and loss	(145)	(241)
Less: Fair value proportion for first tranch of CCPS buy-out of MESPL (Refer note 40)	(6,559)	-
Balance at the end of the year	874	7,578

32 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and price risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise 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:

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

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

Foreign currency risk

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

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

Derivative financial instruments:

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

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

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

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

Designated derivative instrument	As at March 31, 2022	As at March 31, 2021
Forward contract (Amount in GBP lakhs)	229	305
Number of contracts	352	462
Fair value in ₹ lakhs	1,335	(398)

Forward Contracts covers part of the exposure during the period April 2022 - March 2025

Mark-to-Market (losses)/gains	As at March 31, 2022	As at March 31, 2021
Opening balance of Mark-to-market gains receivable on outstanding derivative contracts	(398)	237
Less: Released from Hedging reserve account to statement of profit and loss under revenue upon occurrence of forecasted sales transactions	(128)	(10)
Add: Changes in the value of derivative instrument recognised in Hedging reserve account	1,861	(625)
Closing balance of Mark-to-market (losses payable)/gains receivable on outstanding derivative contracts	1,335	(398)
Disclosed under:		
Other current financial asset (Refer note 6(d))	543	-
Other non-current financial asset (Refer note 4(b))	792	-
Other current financial liabilities (Refer note 15)	-	94
Other non-current financial liabilities (Refer note 10(c))	-	304
	1,335	398



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

Non-derivative financial instruments

The following table presents foreign currency risk from non-derivative financial instrument as of March 31, 2022 and March 31, 2021.

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

Currency	As at March 31, 2021					
	Amount in respective foreign currencies (in lakhs)			Amount (₹ in lakhs)		
	Financial assets	Financial liabilities	Net assets/ (liabilities)	Financial assets	Financial liabilities	Net assets/ (liabilities)
USD	4	(4)	-	280	(280)	-
GBP	18	-	18	1,792	-	1,792
Total (in ₹)				2,072	(280)	1,792

As at March 31, 2022 and March 31, 2021 respectively, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact results by approximately ₹ 27 lakhs and ₹ 18 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 is only one customer which contributes for more than 10% of outstanding total accounts receivables aggregating 74.50% as at March 31, 2022 (76.80%, March 31, 2021).

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from Top Customer	87%	86%
Revenue from Top 5 Customers	94%	95%

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 unutilised 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.

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

The Working Capital position of the Company is given below

Particulars of current financial assets	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalent	1,570	2,393
Other bank balances	48	51
Investment in mutual funds	1,432	11,477
Investment in term deposits	3,288	4,338
Investment in bonds	57	50
Total	6,395	18,309

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2022 and March 31, 2021:

Particulars	As at March 31, 2022	
	Less than 1 year	1 year and above
Borrowings	79	184
Trade payables	47	-
Lease liabilities	35	23
Other financial liabilities	6,177	1,393

Particulars	As at March 31, 2021	
	Less than 1 year	1 year and above
Borrowings	54	80
Trade payables	134	-
Lease liabilities	31	58
Other financial liabilities	12,106	1,963

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

Price risk

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

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in Mutual funds	2,457	15,487

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Price change by:		
100 basis points increase	25	155
100 basis points decrease	(25)	(155)



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

33 Capital management

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

Particulars	As at March 31, 2022	As at March 31, 2021
Total equity attributable to the Equity Share Holders of Company	60,179	47,964
As percentage of total Capital	99.56%	99.72%
Current borrowings	79	54
Non-current borrowings	184	80
Total loans and borrowings	263	134
Total Cash and cash equivalent	1,570	2,393
% based on debt to total capital	0.44%	0.28%
% based on net debt to adjusted total capital	(2.22%)	(4.94%)
Total capital (borrowings and equity)	60,442	48,098
Total adjusted capital (borrowing - cash and cash equivalent + total equity)	58,872	45,705

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

34 Employee Stock Based Compensation

i) Plan V

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

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options at beginning of the year	10,475	63	32,225	68
Granted during the year	-	-	-	-
Exercised during the year	-	-	(18,000)	66
Lapsed/Cancelled during the year	(3,750)	91	(3,750)	91
Outstanding options at end of the year	6,725	47	10,475	63
Options exercisable, end of the year	6,725	47	10,475	63

ii) Plan VI

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

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options at beginning of the year	1,18,091	114	4,27,508	82
Granted during the year	-	-	-	-
Exercised during the year	(20,769)	142	(2,58,606)	71
Lapsed/Cancelled during the year	(24,013)	73	(50,811)	98
Outstanding options at end of the year	73,309	120	1,18,091	114
Options exercisable, end of the year	73,309	120	1,18,091	114

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

iii) Plan VII

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

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options at beginning of the year	10,18,646	69	15,15,959	92
Granted during the year	14,530	5	2,67,160	5
Exercised during the year	(2,74,314)	53	(6,66,811)	97
Lapsed/Cancelled during the year	(1,25,092)	28	(97,662)	63
Outstanding options at end of the year	6,33,770	83	10,18,646	69
Options exercisable, end of the year	4,48,225	116	5,59,943	96

The following tables summarise information about the options/ shares outstanding under various programmes as at March 31, 2022 and March 31, 2021 respectively:

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

Particulars	As at March 31, 2021		
	No. of share options	Weighted average remaining contractual life in years	Weighted average exercise price
Programme V	10,475	0.3	63
Programme VI	1,18,091	2.6	114
Programme VII	10,18,646	6.7	69

The weighted average fair value of each unit under the plan, granted during the year ended March 31, 2022 was ₹ 2,356 (March 31, 2021 - ₹ 441) using the Black-Scholes model with the following assumptions:

Particulars	As at March 31, 2022	As at March 31, 2021
Weighted average grant date share price	2,443	505
Weighted average exercise price	5	5
Dividend yield %	0.58%	0.78%
Expected life	3-7	3-7
Risk free interest rate	5.90	5.40
Volatility	51.35	52.04

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



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

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.

35 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 45 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) The carrying amounts of right-of-use assets recognised and the movements during the period (Refer note 3 (b)).
- ii) Below are the carrying amounts of operating lease liabilities (included under financial liabilities) and the movements during the period:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	89	139
Additions during the year	-	-
Deletion during the year	-	(17)
Finance expense	7	12
Payments	(38)	(45)
Balance at the end of the year	58	89
Current	35	31
Non-current	23	58

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

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	67	89
More than one year less than 5 years	35	94
More than 5 years	341	350

The effective interest rate for lease liabilities as at March 31, 2022 is 11% (March 31, 2021 - 11%)

- iii) The following are the amounts recognised in profit or loss:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation expense of right-of-use assets	30	37
Interest expense on lease liabilities	7	12
Expense relating to short-term leases (included in other expenses)	50	51
Total amount recognised in Statement of profit and loss	87	100

The Company had total cash outflows for leases of ₹ 88 lakhs in FY 2021-22 (₹ 96 lakhs in FY 2020-21) including cash outflow for short term and low value leases.

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

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

The maturity analysis of lease income are disclosed herein-

Particulars	As at March 31, 2022	As at March 31, 2021
Lease income		
Future minimum lease income under non-cancellable operating lease (in respect of properties):		
Due within one year	405	405
Due later than one year but not later than five years	491	897
Total	896	1,302

36 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, 2022	As at March 31, 2021
a) Principal amount remaining unpaid to any supplier at the end of the year	-	27
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.

37 Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2022 is ₹ 395 lakhs (March 31, 2021: ₹ 18 lakhs).

38A Contingent liabilities

	As at March 31, 2022	As at March 31, 2021
1. Claims against Company not acknowledged as debts		
Disputed demands in respect of Sales tax (including pending litigation of various matters)	941	941

2. Provident fund

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

- (i) The Company does not expect any cash outflows or any reimbursements in respect of the above contingent liabilities.
- (ii) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above, pending occurrence of the default event or resolution of respective proceedings.



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

3. Social Security Code

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

	As at March 31, 2022	As at March 31, 2021
38B Guarantee given to lenders for loan availed by subsidiary (to the extent of amount outstanding)	18,648	25,818

39 Payments to the Auditor (excluding GST)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
As auditor	45	36
For reimbursement of expenses	2	2
Total	47	38

40 Note on acquisition

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

- (i) Mastek (UK) Limited, a wholly-owned subsidiary of Mastek Limited, entered into a Business Transfer Agreement ("BTA") on February 8, 2020 to acquire the business of Evosys Arabia FZ LLC and Share Transfer Agreements (STA) to acquire Middle East Companies ("MENA Acquisition") by paying a cash consideration (net of cash and cash equivalents) of USD 64.9 million i.e. ₹ 48,204 lakhs. The closing of such transaction occurred on March 17, 2020, which is considered to be the date of transfer of control or the date of acquisition, as per Ind AS 103, and necessary effects have been recognised in the standalone financial statements of the respective entities, standalone and consolidated financial statements of the Company and its subsidiaries.
- While the acquisition has been effected and full consideration has been paid, procedures to complete the legal processes like registering sale of shares in one of the geography was pending due to the pandemic condition, which has been completed as at March 31, 2022.
- (ii) With respect to a business undertaking of ESPL (including investments in certain subsidiaries of ESPL), the parties (Mastek group and Evosys group) entered into a Demerger Co-operation Agreement (DCA) and Shareholders Agreement on February 8, 2020. The manner of discharge of the non-cash consideration and the acquisition of legal ownership, was decided to be achieved through a demerger scheme filed before the National Company Law Tribunal (NCLT) ("the Scheme"), or, as per DCA, the parties were to complete this transaction with the same economic effect, by an alternate arrangement, within the period specified in the DCA. The DCA gave Mastek Enterprise Solutions Private Limited (formerly known as 'Trans American Information Systems Private Limited') (MESPL) a wholly-owned subsidiary of Mastek, the right to appoint majority of the board of directors in ESPL and its subsidiaries and also provided for the relevant activities of ESPL and its subsidiaries to be decided by a majority vote of such board of directors, thereby resulting in transfer of control of business of ESPL and its subsidiaries to Mastek Group. The date of acquisition of business undertaking for the purposes of Ind AS 103 is the date of transfer of control to the Group, i.e. February 8, 2020. Discharge of consideration for demerger is through issue of 4,235,294 equity shares of Mastek Limited (face value ₹ 5 each) and balance through Compulsorily Convertible Preference Shares (CCPS) of ₹ 10 each of MESPL which carry a Put Option to be discharged at agreed EBITDA multiples, based on actual EBITDA of 3 years commencing from financial year ending March 31, 2021 including adjustment for closing cash. Pending completion of legal acquisition, this transaction had only been considered for disclosure in the standalone financial statements for the years ended March 31, 2020 and 2021 and all periods ending June 30, 2021.

On September 14, 2021, the above transaction has been approved by the NCLT, pursuant to the Scheme of De-merger ('the Scheme'), for the demerger of Evolutionary Systems Private Limited (ESPL or demerged entity), into MESPL, with the effective date of February 1, 2020 (Appointed Date). Consequently, the effect of the De-merger has been considered in

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

the previous year's financial results in accordance with Ind AS 103 - 'Business Combinations'. Accordingly, the year ended March 31, 2021 have been restated, to give effect to the business combination, as given below.

On December 17, 2021, a board meeting was held where the Board approved the buy out of first tranche of CCPS i.e. 1/3rd of the total outstanding CCPS basis the agreed valuations. Accordingly, 254,755 equity shares of Mastek Limited (face value ₹ 5 each) have been issued on February 10, 2022.

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

Particulars	Amount
50,000 (March 31, 2021 - NIL) equity shares of ₹ 1 each, fully paid up (on account of buyout of 1/3 MESPL Cumulative Convertible Preference Shares [CCPS])	18,174
Deemed equity in MESPL (42,35,294 [March 31, 2021 - 42,35,294] equity shares of ₹ 5 each, fully paid up [share issued against the part discharge of consideration for acquisition] and Fair valuation of put option liability as at date of transaction consummation)	26,988
Total	45,162

Balance sheet

Particulars	March 31, 2021	March 31, 2021
	Before restatement	After restatement
Other equity	27,292	46,702
Retained earnings	18,281	18,530
Other Reserves	-	19,169
Other financial liabilities (non-current)	862	1,973
Put Option Liabilities - Derivative	-	1,101
Other financial liabilities (current)	5,584	12,061
Put Option Liabilities - Derivative	-	6,477
Investment in subsidiaries	1,403	28,391
Deemed equity in MESPL (Fair valuation of put option liability as at date of transaction consummation)	-	7,819
Deemed equity in MESPL (42,35,294 equity shares of ₹ 5 each, fully paid up (share issued against the part discharge of consideration for acquisition).	-	19,169

Statement of Profit and Loss

Particulars	March 31, 2021	March 31, 2021
	Before restatement	After restatement
(Loss)/Gain on changes in fair value of put option liability (Exceptional item)	(700)	(459)

41 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, impairment of financial and non-financial assets, and cyber security pertaining to the remote access of information for the year ended March 31, 2022 and up to the date of approval of its standalone 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 situations. 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 standalone financial statements and the Company will continue to closely monitor any material changes to the business due to future economic conditions.

42 Expenditure on Corporate social responsibilities

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amount required to be spent as per Section 135 of the Companies Act	80	71
Amount spent during the year:		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	182	179



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

The aforementioned amount has been contributed to the trust 'Mastek foundation' which is controlled by the Company. Mastek foundation is primarily engaged in programmes related to promoting health care including preventive health care, promoting education and ensuring environmental sustainability. (Refer note 28)

43 Disclosure of ratios

Sr. No.	Ratio	Formula for Computation	Measure (in times/ percentage)	March 31, 2022	March 31, 2021	Variation	Remarks
(a)	Current ratio	Current asset/ Current liabilities	Times	1.73	1.77	(2.08%)	Refer note a below
(b)	Debt-equity ratio	Debt/Net worth	Times	0.004	0.003	56.43%	Refer note b below
(c)	Debt service coverage ratio	EBITDA/ (Finance costs + Principal repayment of long term borrowings within one year)	Times	80.74	46.72	72.80%	Refer note c below
(d)	Return on equity ratio	Profit after tax/Net worth	Percentage	14.26%	5.03%	183.65%	Refer note d below
(e)	Inventory turnover ratio	Cost of goods sold/ Average inventory	Times	NA	NA	NA	-
(f)	Trade receivable turnover ratio	Revenue from operations/ Average trade receivables	Times	5.07	5.51	(7.99%)	Refer note f below
(g)	Trade payable turnover ratio	Net purchases/ Average trade payables	Times	NA	NA	NA	-
(h)	Net capital turnover ratio	Revenue from operations/working capital (current assets - current liability)	Times	3.96	1.71	132.23%	Refer note h below
(i)	Net profit ratio	Profit after tax/ Revenue from operations	Percentage	30.04%	10.08%	197.91%	Refer note i below
(j)	Return on capital employed	EBIT/Capital employed	Percentage	15.71%	8.64%	81.91%	Refer note j below
(k)	Return on investment	Net gain/(loss) on sale/fair value changes of Investment/ Average Investment	Percentage	6.29%	6.40%	(1.62%)	Refer note k below

Notes:

- (i) Debt = Non-current borrowings + Current borrowings
- (ii) Net worth = Paid-up share capital + Reserves created out of profit
- (iii) EBITDA = Earnings before, exceptional items, depreciation, amortisation expense and tax
- (iv) Net purchase = Purchase of stock-in-trade + Cost of materials consumed + Closing inventory of raw materials - Opening inventory of raw materials
- (v) Net assets = Property, plant and equipment (including CWIP) + Current assets - Current liabilities
- (vi) EBIT = Earnings before exceptional items, interest and tax
- (vii) Capital employed = Total equity + Non-current borrowings

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

Disclosure for change in ratio by more than 25%:

Type of ratio	Variation in ratio between March 31, 2022 and March 31, 2021	Reasons for variance
(a) Current ratio	(2.08%)	Since the changes in ratio is less than 25%, no explanation is required to be furnished.
(b) Debt-equity ratio	56.43%	Primarily on account of increase in borrowings availed during the year.
(c) Debt service coverage ratio	72.80%	Primarily on account of increase in EBITDA during the year.
(d) Return on equity ratio	183.65%	Owing to increase in profit after tax, mainly due to increase in service revenue in the current year.
(f) Trade receivable turnover ratio	(7.99%)	Since the changes in ratio is less than 25%, no explanation is required to be furnished.
(h) Net capital turnover ratio	132.23%	Service revenue growth has resulted in an improvement in the ratio.
(i) Net profit ratio	197.91%	Increase in receipt of dividend from subsidiary Company has resulted in an improvement in the ratio..
(j) Return on capital employed	81.91%	Revenue growth along with higher efficiency in operating earning has resulted in an improvement in the ratio.
(k) Return on investment	(1.62%)	Since the changes in ratio is less than 25%, no explanation is required to be furnished.

44 Other statutory information

- (i)

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

(a)

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

(b)

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

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

(a)

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

(b)

provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 45

The Company does not have any transactions and outstanding balances during the current as well previous year with Companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- 46

The Company have not defaulted on any of the loan taken from banks, financial institutions or other lenders.
- 47

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 48

The Company does not have any charge or satisfaction which is yet to be registered with ROC beyond the Statutory period.
- 49

The Company has not traded or invested in Crypto currency or Virtual currency during the financials year.
- 50

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



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

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Previous year’s figures have been regrouped or reclassified wherever necessary.

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

The Financial Statements were authorised for issue by the directors on April 19, 2022.

As per our report of even date attached

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

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

Adi P. Sethna
Partner
Membership No.: 108840

Ashank Desai
Vice Chairman and Managing Director
DIN: 00017767

S. Sandilya
Non-Executive Chairman and Independent Director
DIN: 00037542

Place: Mumbai
Date: April 19, 2022

Arun Agarwal
Global Chief Financial officer
Place: Mumbai
Date: April 19, 2022

Dinesh Kalani
Company Secretary

Independent Auditor’s Report

To the Members of Mastek Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

- 1. We have audited the accompanying consolidated financial statements of **Mastek Limited** (‘the Holding Company’) and its subsidiaries (the Holding Company and its subsidiaries together referred to as ‘the Group’), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
- 2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements (‘the financial statements’) give the information required by the Companies Act, 2013 (‘the Act’) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (‘Ind AS’) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2022 and their consolidated profit (including other comprehensive income), consolidated
- 5. We have determined the matters described below to be the key audit matters to be communicated in our report.

cash flows and the consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group, 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 consolidated 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 judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
(II) Revenue from contracts with customers (Refer notes 2(e)(xiv) and 15 to the accompanying consolidated financial statements) Revenue is recognised basis the terms of each contract with customers wherein certain commercial arrangements involve complexity and significant judgements relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation and the appropriateness of basis used to measure revenue recognised over the time period is applied in selecting the accounting basis in each case. We identified revenue of the Group as a key audit matter in the audit of consolidated financial statements of current year because of the significant judgement/estimates used in accounting of revenue contracts.	Our audit procedures relating to revenue recognition included, but were not limited to the following: <ul style="list-style-type: none">• Evaluated the design and operating effectiveness of internal controls relating to the revenue recognition.• 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 consolidated financial statements with respect to revenue in accordance with the requirements of applicable accounting standards.
(III) Valuation of Put option liability As described in note 32 to the accompanying consolidated financial statements, the Holding Company has written a put option over the equity instrument of a subsidiary, where the holders (non-controlling interests) of that instrument have the right to put their instrument back to the Group at its fair value on specified dates. The amount that may become payable at each reporting date under the option upon its exercise is recognised at present value as a written put option financial liability with a corresponding charge to equity. The valuation of put option liability as at 31 March 2022 is ₹ 49,406 lakhs. Management has appointed an independent valuation expert to value the put option liability at each reporting period. The processes and methodologies used for assessing and determining the value involves use of assumptions and is based on complex management’s judgement and estimates. Considering put option liability is significant to the consolidated financial statements and auditing management judgement and estimates as stated above involves high degree of subjectivity and require significant auditor judgement, valuation of put option liability is considered as a key audit matter for the current year audit.	Our audit procedures in relation to valuation of put option liability included but were not limited to the following: <ul style="list-style-type: none">• Evaluated appropriateness of the Company’s accounting policy in respect of recognition and measurement of put option liability in accordance with Ind AS 109, ‘Financial Instruments’.• Obtained the understanding of the process of identification, recognition and measurement of derivate financial instruments. Evaluated the design and implementation of controls implemented in such process and tested their operating effectiveness during the year.• Obtained the management’s external valuation specialist’s report on determination of fair value of put option liability and also assessed the professional competence and objectivity of the management expert.• Involved our auditor’s experts to assess the valuation assumptions used and methodology considered by the management’s expert to calculate the put option liability and the mathematical accuracy of these calculations.• Assessed the reasonability of the assumptions and estimates made by the management considered in the valuation of the put option liability basis our understanding of the business and external market conditions to the extent relevant.• Evaluated the appropriateness and adequacy of disclosures given in the consolidated financial statements, including disclosure of significant assumptions and judgements used by management, in accordance with applicable accounting standards.

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

- 6. The Holding Company’s Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated 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 consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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



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

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

7. The accompanying consolidated financial statements have been approved by the Holding Company’s Board of Directors. The Holding Company’s Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company’s Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective entities included in the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities included in the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the respective entity or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing specified under Section 143(10) of the Act we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to consolidated financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
 - Obtain sufficient appropriate audit evidence regarding the financial information/financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements.
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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Holding Company, one subsidiary Company, incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective 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 clause (xxi) of paragraph 3 of Companies (Auditor’s Report) Order, 2020 (‘the Order’) issued by the Central Government of India in terms of Section 143(11) of the Act based on the consideration of the Order reports issued till date by us, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies. Further, following are the companies included in the consolidated financial statements for the year ended 31 March 2022 and covered under that Act that are audited by us, for which

the respective reports under Section 143(11) of the Act of such companies have not yet been issued by us.

Name	CIN	Subsidiary/ Associate/ Joint Venture
Mastek Enterprise Solutions Private Limited (Formerly known as Trans American Information Systems Private Limited)	U51505GJ1999PTC112745	Subsidiary

17. 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 aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
 - e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary company and taken on record by the Board of Directors of the Holding Company and its subsidiary company, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary Company, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in ‘Annexure A’ wherein we have expressed an unmodified opinion; and
 - g) With respect to the other matters to be included in the Auditor’s Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;



- ii. Provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company, covered under the Act, during the year ended 31 March 2022; and
- iv. (a) The respective managements of the Holding Company and its subsidiary company, incorporated in India whose financial statements have been audited under the Act have represented to us and, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- (b) The respective managements of the Holding Company and its subsidiary company, incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, no funds have been received by the Holding Company or its subsidiary company from any person or entity, including foreign entities ('the Funding Parties'), with

the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

- v. The interim dividend declared and paid by the Holding Company during the year ended 31 March 2022 and until the date of this audit report is in compliance with Section 123 of the Act and as stated in note 9.1 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

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

Adi P. Sethna
Partner
Membership No.: 108840
UDIN: 22108840AHKGLT5640

Place: Mumbai
Date: 19 April 2022

Annexure 1

The details of subsidiaries including step-down subsidiaries considered in this audit report on Consolidated Financial Statements are:

1. Mastek Enterprise Solutions Private Limited (Formerly known as Trans American Information Systems Private Limited)
2. Mastek (UK) Limited
3. Mastek, Inc.
4. Trans American Information Systems Inc.
5. Mastek Digital Inc.
6. Mastek Arabia - FZ LLC
7. Evolutionary Systems Qatar WLL
8. Evolutionary Systems (Singapore) Pte. Ltd.
9. Evolutionary Systems Pty. Ltd.
10. Evolutionary Systems Corp.
11. Evolutionary Systems Co. Limited
12. Evosys Consultancy Services (Malaysia) SDN. BHD
13. Evolutionary Systems B.V.
14. Evolutionary Systems Saudi LLC
15. Evosys Kuwait WLL
16. Evolutionary Systems Bahrain WLL
17. Evolutionary Systems Consultancy LLC
18. Evolutionary Systems Egypt LLC
19. Newbury Cloud Inc.
20. Evolutionary Systems Canada Limited

Annexure A

to the Independent Auditor's Report of even date to the members of Mastek Limited on the consolidated financial statements for the year ended 31 March 2022

Independent Auditor's Report on the internal financial controls with reference to consolidated 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 consolidated financial statements of **Mastek Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and one subsidiary company, which are covered under the Act, as at that date.

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

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('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 Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan

and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated 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 consolidated 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 internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated 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 consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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 Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Adi P. Sethna

Partner

Membership No.: 108840

UDIN: 22108840AHKGLT5640

Place: Mumbai

Date: 19 April 2022

Consolidated Balance Sheet

as at March 31, 2022

(₹ in lakhs)			
	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment, net	3(a)(i)	5,647	4,762
Capital work-in-progress	3(d)	435	154
Investment properties	3(e)	414	450
Goodwill	3(c)	69,801	66,012
Other intangible assets, net	3(a)(ii)	7,104	8,313
Right-of-use assets	3(b)	1,137	1,143
Financial assets			
Investments	4(a)	1,077	4,119
Other financial assets	4(b)	4,156	2,634
Deferred tax assets, net	23(c)	7,050	5,320
Income tax (Current-tax) assets		322	-
Other non-current assets	5	153	131
Total non-current assets		97,296	93,038
Current assets			
Financial assets			
Investments	6(a)	5,483	19,291
Trade receivables	6(b)	43,557	37,488
Cash and cash equivalents	6(c)(i)	72,658	60,761
Bank balances, other than cash and cash equivalents	6(c)(ii)	48	51
Other financial assets	6(d)	1,381	914
Other current assets	7	28,394	18,032
Total current assets		1,51,521	1,36,537
Total Assets		2,48,817	2,29,575
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	8	1,501	1,262
Other equity	9	1,05,635	84,592
Equity attributable to owners of the Holding Company		1,07,136	85,854
Non-controlling interest	9	15,034	18,203
Total equity		1,22,170	1,04,057
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	10(a)	12,080	19,024
Lease liabilities	10(b)	804	686
Other financial liabilities	10(c)	23,717	28,432
Provisions	11	2,720	2,367
Deferred tax liabilities, net	23(c)	2,124	1,831
Total non-current liabilities		41,445	52,340
Current liabilities			
Financial liabilities			
Borrowings	12(a)	6,946	6,998
Lease liabilities	12(b)	453	597
Trade payables	12(c)		
total outstanding dues of micro enterprises and small enterprises; and		19	-
total outstanding dues of creditors other than micro enterprises and small enterprises		3,308	3,069
Other financial liabilities	12(d)	51,871	42,694
Other current liabilities	13	13,600	13,219
Provisions	14	2,780	2,323
Current tax liabilities, net		6,225	4,278
Total current liabilities		85,202	73,178
Total liabilities		1,26,647	1,25,518
Total equity and liabilities		2,48,817	2,29,575

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013For and on behalf of the Board of Directors of **Mastek Limited****Ashank Desai**
Vice Chairman and Managing Director
DIN: 00017767**S. Sandilya**
Non-Executive Chairman and Independent Director
DIN: 00037542**Adi P. Sethna**
Partner
Membership No.: 108840**Arun Agarwal**
Global Chief Financial officer
Place: Mumbai
Date: April 19, 2022**Dinesh Kalani**
Company SecretaryPlace: Mumbai
Date: April 19, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in lakhs)			
	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME			
Revenue from operations	15	2,18,384	1,72,186
Other income	16	3,608	2,791
Total income (1)		2,21,992	1,74,977
EXPENSES			
Employee benefits expenses	17	1,09,545	88,272
Finance costs	18	768	810
Depreciation and amortisation expenses	19	4,287	4,495
Other expenses	20	62,588	47,467
Total expenses (2)		1,77,188	1,41,044
Profit before exceptional item and tax (3) = (1) - (2)		44,804	33,933
Exceptional items (4)		-	-
Profit before tax (5) = (3) - (4)		44,804	33,933
Tax expense/(credit)	23(a)		
Current tax		12,628	8,136
Deferred tax		(1,166)	(131)
Income tax relating to earlier years		-	753
Total tax expense (net) (6)		11,462	8,758
Profit after tax for the year (7) = (5) - (6)		33,342	25,175
Other comprehensive income (OCI)			
Items that will not be reclassified to the statement of profit or loss in subsequent period:			
Defined benefit plan actuarial gains/(losses)		251	(307)
Net change in fair value of financial instruments through OCI - gain		-	15,371
Income tax relating to items that will not be reclassified to profit and loss - (expense)/credit		(20)	46
Items that will be reclassified to the statement of profit or loss in subsequent period:			
Foreign currency translation differences - gain/(loss)		1,628	(1,391)
Net change in fair value of forward contracts designated as cash flow hedges - income/(loss)		2,053	(257)
Net change in fair value of financial instruments - (loss)/gain		(1,062)	221
Income tax relating to items that will be reclassified to profit and loss - credit		(277)	26
Total other comprehensive income for the year (8)		2,573	13,709
Total comprehensive income for the year (7) + (8)		35,915	38,884
Profit for the year attributable to			
Owners of the Holding Company		29,513	20,935
Non-controlling interests		3,829	4,240
Profit after tax for the year		33,342	25,175
Other comprehensive income (OCI) attributable to			
Owners of the Holding Company		2,555	13,452
Non-controlling interests		18	257
Total other comprehensive income for the year		2,573	13,709
Total Comprehensive income for the year attributable to			
Owners of the Holding Company		32,068	34,387
Non-controlling interests		3,847	4,497
Total comprehensive income for the year		35,915	38,884
Earnings per equity share (in ₹)	21		
(Equity shares of face value ₹ 5 each)			
Basic		106.52	84.92
Diluted		103.81	81.88

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013For and on behalf of the Board of Directors of **Mastek Limited****Ashank Desai**
Vice Chairman and Managing Director
DIN: 00017767**S. Sandilya**
Non-Executive Chairman and Independent Director
DIN: 00037542**Adi P. Sethna**
Partner
Membership No.: 108840**Arun Agarwal**
Global Chief Financial officer
Place: Mumbai
Date: April 19, 2022**Dinesh Kalani**
Company SecretaryPlace: Mumbai
Date: April 19, 2022

Consolidated Statement of Cash Flow

for the year ended March 31, 2022

	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from operating activities		
Profit for the year	33,342	25,175
Adjustments for:		
Interest income	(292)	(428)
Employee stock compensation expenses	393	836
Finance costs	768	810
Depreciation and amortisation	4,287	4,495
Tax expense	11,462	8,758
Provision for settlement against revenue contracts	-	700
Provision made/(written-back) against receivables, loans and advances doubtful of recovery, net	1,144	(344)
Loss/(Profit) on sale of property plant and equipment, net	2	(18)
Profit on sale of current investments	(1,696)	(750)
Rental income including maintenance charges	(287)	(470)
	49,123	38,764
Changes in operating assets and liabilities; net of effect from acquisitions		
(Increase) in trade receivables	(13,842)	(4,485)
(Increase) in loans and advances and other assets	(3,669)	(1,549)
Increase in trade payables, other liabilities and provisions	6,641	778
Cash generated from operating activities before taxes	38,253	33,508
Income taxes paid, net of refunds	(10,904)	(4,794)
Net cash generated from operating activities	27,349	28,714
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	19	18
Purchase of property, plant and equipment and intangible assets (including capital advance and capital creditors)	(3,685)	(1,175)
Interest received	353	258
Rental income including maintenance charges	406	442
Proceeds from sale of investment in Majesco	-	23,709
Purchase consideration paid for acquisition of subsidiaries, net of cash and cash equivalents	(16,595)	-
Purchase of other investments	(28,136)	(22,985)
Proceeds from sale of other investments	45,623	19,536
Net cash (used in)/generated from investing activities	(2,015)	19,803
Cash flows from financing activities		
Proceeds from issue of shares under the employee stock option schemes	173	845
Repayments of borrowings	(7,092)	(9,406)
Payment of lease liabilities	(693)	(934)
Dividends paid including dividend distribution tax and unclaimed dividend	(4,752)	(1,362)
Interest paid on lease and other finance charges	(23)	(346)
Interest paid on term loan	(463)	(561)
Net cash used in financing activities	(12,850)	(11,764)
Effect of changes in exchange rates for cash and cash equivalents	(587)	1,975
Net increase in cash and cash equivalents during the year	11,897	38,728
Cash and cash equivalents at the beginning of the year	60,761	22,033
Cash and cash equivalents at the end of the year (refer note 6 (c))	72,658	60,761

The accompanying notes form integral part of the consolidated financial statements

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

As per our report of even date attached

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

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

Adi P. Sethna
Partner
Membership No.: 108840

Place: Mumbai
Date: April 19, 2022

Ashank Desai
Vice Chairman and Managing Director
DIN: 00017767

Arun Agarwal
Global Chief Financial officer
Place: Mumbai
Date: April 19, 2022

S. Sandilya
Non-Executive Chairman and Independent Director
DIN: 00037542

Dinesh Kalani
Company Secretary

(a) Equity share capital (Refer note 8)

(a) Equity share capital (Refer note 8)		(₹ in lakhs)
Balance as at April 1, 2021		1,262
Add: Shares issued on exercise of stock options and restricted shares		14
Add: Issue of share capital on account of demerger of the business of Evolutionary Systems Private Limited ("ESPL") (Refer note 32)		212
Add: Issue of share for acquisition of non-controlling interest of Mastek Enterprises Solutions Pvt. Ltd. (Formerly known as Trans American Information Systems Private Limited) (Refer note 32)		13
Balance as at March 31, 2022		1,501
Balance as at April 1, 2020		1,214
Add: Shares issued on exercise of stock options and restricted shares		48
Balance as at March 31, 2021		1,262

(b) Other equity (Refer note 9)

Particulars	Reserve and surplus					Other comprehensive income (OCI)					Equity shares proposed to be issued (Refer note 32)	Put Options written on non-controlling interest (Refer note 32)	Non-Controlling Interest (Refer note 32)	Total other equity	
	Capital reserve	Capital redemption reserve	Securities premium	Share options outstanding account (net of taxes)	General reserve	Retained earnings	Employee benefit expenses	Fair value of cash flow hedge	Fair value of non current investment in debt funds	Fair value of non current investment in Majesco USA					Foreign currency translation reserve
Balance as at April 1, 2021	21	1,539	4,788	2,644	362	1,07,790	(7)	(201)	937	-	(2,415)	19,169	(50,035)	18,203	1,02,795
Issue of share capital on exercise of employee share option	-	-	159	-	-	-	-	-	-	-	-	-	-	-	159
Employee share-based compensation	-	-	-	393	-	-	-	-	-	-	-	-	-	-	393
Transferred to securities premium on exercise of employee options	-	-	923	(923)	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	29,513	-	-	-	-	-	-	-	3,829	33,342
Cash dividends and taxes thereon	-	-	-	-	-	(4,753)	-	-	-	-	-	-	-	-	(4,753)
ESOP adjustments*	-	-	-	(89)	-	89	-	-	-	-	-	-	-	-	-
Other comprehensive income (net of taxes)	-	-	-	-	-	-	195	1,435	(752)	-	1,677	-	-	18	2,573
Excess tax benefits from exercise of share-based options	-	-	-	578	-	-	-	-	-	-	-	-	-	-	578
Issue of share capital on account of acquisition of control of the business of Evolutionary Systems Private Limited ("ESPL") (Refer note 32)	-	-	18,957	-	-	-	-	-	-	-	-	(19,169)	-	-	(212)
Issue of share for acquisition of non-controlling interest of Wastek Enterprises Solutions Pvt. Ltd. (Formerly known as Trans American Information Systems Private Limited) (Refer note 32)	-	-	8,124	-	-	-	-	-	-	-	-	-	-	-	8,124
Acquisition of proportionate non-controlling interests (Refer note 32)	-	-	-	-	-	6,953	33	(20)	-	-	50	-	-	(7,016)	-

Consolidated Statement of Changes in Equity
for the year ended March 31, 2022

Particulars	Reserve and surplus				Other comprehensive income (OCI)				Equity shares proposed to be issued (Refer note 32)	Put Options written on non-controlling interest (Refer note 32)	Non-controlling Interest (Refer note 32)	Total other equity
	Capital reserve	Capital redemption reserve	Securities premium	Share options outstanding (net of taxes)	General reserve	Retained earnings	Employee benefit expenses	Fair value of cash flow hedge investment	Fair value of non-current investment in debt funds	Fair value of non-current investment in Majesco USA	Foreign currency translation reserve	
Put options written on Non-Controlling Interest (Refer note 32)	-	-	-	-	-	-	-	-	-	-	(22,330)	(22,330)
Balance as at March 31, 2022	21	1,539	32,951	2,603	362	1,39,592	221	1,214	185	-	(688)	15,034
Balance as at April 1, 2020	21	1,539	2,716	2,087	362	65,404	223	50	782	7,419	(821)	13,705
Issue of share capital on exercise of employee share option	-	-	788	-	-	-	-	-	-	-	-	-
Employee share-based compensation	-	-	-	847	-	-	-	-	-	-	-	847
Transferred to securities premium on exercise of employee options	-	-	1,284	(1,284)	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	20,935	-	-	-	-	-	-
Cash dividends and taxes thereon	-	-	-	-	-	(1,362)	-	-	-	-	-	-
ESOP adjustments*	-	-	-	(23)	-	23	(230)	(251)	155	15,371	(1,594)	-
Other comprehensive income (net of taxes)	-	-	-	-	-	-	-	-	-	-	-	-
Excess tax benefits from exercise of share-based options	-	-	-	1,017	-	-	-	-	-	-	-	1,017
Sale of equity instruments recognised through other comprehensive income (net of taxes), and presented within equity	-	-	-	-	-	22,790	-	-	-	(22,790)	-	-
Put options written on Non-Controlling Interest (Refer note 32)	-	-	-	-	-	-	-	-	-	-	(28,916)	(28,916)
Balance as at March 31, 2021	21	1,539	4,788	2,644	362	1,07,790	(7)	(201)	937	-	(2,415)	18,203

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

The accompanying notes form an integral part of the consolidated financial statements
As per our report of even date attached

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

Adi P. Sethna
Partner
Membership No.: 108840

Place: Mumbai
Date: April 19, 2022

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

Ashank Desai
Vice Chairman and Managing Director
DIN: 00017767

S. Sandilya
Non-Executive Chairman and Independent Director
DIN: 00037542

Arun Agarwal
Global Chief Financial officer
Place: Mumbai
Date: April 19, 2022

Dinesh Kalani
Company Secretary



Summary of significant accounting policies and other explanatory information as at and for the year ended March 31, 2022

1 Company overview

Mastek Limited (the ‘Company’/‘Holding Company’) is a public limited company domiciled in India and is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company and its subsidiaries (collectively referred hereinunder as “the Group”) are providers of vertically-focused enterprise technology solutions.

The portfolio of the Group’s offering includes business and technology services comprising of Application Development, Application Maintenance, Business Intelligence and Data Warehousing, Testing & Assurance, Digital Commerce, Agile Consulting and Legacy Modernisation, Oracle Cloud, Oracle ERP Cloud, product-as-a-service solutions and machine learning. The Group carries out its operations in India, UK, USA, EMEA (Europe, the Middle East and Africa), APAC (Asia-Pacific) and has its offshore software development centres in India at Mumbai, Gurugram, Noida, Pune, Chennai, Mahape and Ahmedabad.

2 Basis of preparation and presentation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, and the presentation and disclosure requirement of Division II of Schedule III to the Act and the guidelines issued by the Securities and Exchange Board of India to the extent applicable.

These consolidated financial statements of the Group (“financial statements”) as at and for the year ended March 31, 2022 were approved and authorised by the Company’s board of directors as on April 19, 2022.

All amounts included in the consolidated financial statements are reported in Indian rupees (in lakhs) except share and per share data unless otherwise stated and “0” denotes amounts less than one lakh rupees.

(b) Basis of preparation

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

- i. Derivative financial instruments;
- ii. Certain financial assets and liabilities measured at fair value;

- iii. Share based payment transactions;
- iv. Defined benefit and other long-term employee benefits; and
- v. Contingent consideration

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

(c) Use of estimate and judgement

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, 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 judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- (i) **Revenue recognition:** The Group applies the percentage of completion method in accounting for its fixed price contracts. Use of the percentage of completion method requires the Group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.
- (ii) **Income taxes:** The Group’s major tax jurisdictions are India, UK, USA, EMEA and APAC. Significant judgements are involved in determining the provision for income taxes, including judgement on whether tax positions are probable of being sustained in the tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.
- (iii) **Business combination:** Business combinations are accounted for using Ind AS 103. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued

Summary of significant accounting policies and other explanatory information as at and for the year ended March 31, 2022

in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets and their estimated useful life. These valuations are conducted by independent valuation experts.

- (iv) **Defined benefit plans and compensated absences:** The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- (v) **Property, plant and equipment:** Property, plant and equipment represent a significant proportion of the asset base of the Group. 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 Group’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.
- (vi) **Impairment testing:** Goodwill and Intangible assets recognised on business combination are tested for impairment at least annually or when events occur or changes in circumstances indicate that the recoverable amount of the asset or the cash generating unit (CGU) to which these pertain is less than the carrying value. The recoverable amount of the asset or the cash generating units is higher of value-in-use and fair value less cost of disposal. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future

cash flows, risk-adjusted discount rate, future economic and market conditions.

- (vii) **Expected credit losses on financial assets:** On application of Ind AS 109, the impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group’s past history of collections, customer’s credit-worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.
- (viii) **Research and development credit:** Research and development credit, in accordance with Ind AS 20 are recognised only to the extent there is reasonable assurance that the related conditions will be met and amounts will be received.

Government grant relating to income are deferred and recognised in the profit and loss over the period necessary to match them with costs that they are intended to compensate and presented within the other income/credit to related expenses.
- (ix) **Deferred taxes:** Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.
- (x) **Provisions:** Provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement obligation and compensated expenses) are not discounted to its present value and are determined based on best estimate required to settle obligation at the



Summary of significant accounting policies and other explanatory information as at and for the year ended March 31, 2022

balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

- (xi) **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 consolidated statement of profit and loss with a corresponding adjustment to equity.
- (xii) **Leases:** Determining the lease term of contracts with renewal and termination options - Group 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 Group has several lease contracts that include extension and termination options. The Group 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 Group 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 Group includes such extended term and ignore termination option in determination of lease term.

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to

measure lease liabilities. The Group has taken indicative rates from its bankers and used them for Ind AS 116 calculation purposes.

- (xiii) **Estimation uncertainties relating to the Pandemic - COVID-19:** The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, intangibles and goodwill. The Group 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 Group, 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 Group 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 Group’s financial statements may differ from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.
- (xiv) **Evaluation of indicators for impairment of assets:** The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- (xv) **Contingent liabilities:** At each balance sheet date, basis the management judgement, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.
- (xvi) **Impairment of financial assets -** At each balance sheet date, based on historical default rates observed over expected life, existing market conditions as well as forward looking estimates, the management assesses the expected credit losses on outstanding receivables. Further, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with industry and country in which the customer operates.



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(xvii) **Impairment of assets:** In assessing impairment, management estimates the recoverable amounts of each asset (in case of non-financial assets) based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future cash flows and the determination of a suitable discount rate.

(d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control exists when the parent has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases and extent of control is considered based on participative/beneficial rights.

The financial statements of subsidiaries are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain/loss from such transactions are eliminated upon consolidation. The financial statements are prepared by applying uniform policies in use at the Group.

The Consolidated Financial Statements are prepared using uniform accounting policy for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any, have been made in the consolidated financial statements.

Non-controlling interests, if any, in the results and equity of subsidiary companies are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet.

(e) Summary of Significant accounting policies

(i) Functional and Presentation Currency

Items included in the consolidated financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The consolidated financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

(ii) Foreign currency transactions and balances

Foreign currency transactions of the Group 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 consolidated statement of profit and loss. Non-monetary assets and liabilities are continued to be carried at rates of initial recognition.

For the purposes of presenting the consolidated financial statements assets and liabilities of Group's foreign operations with functional currency different from the Company are translated into Company's functional currency i.e. INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the balance sheet date.

(iii) Financial instruments

A. Initial recognition and measurement

The Group 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

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

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 Group has made an irrevocable election to present subsequent changes 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, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

(e) Derivative instruments

The Group 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 hedge.

The hedge accounting is discontinued when the hedging instruments expires or is sold, terminated or no longer qualifies for hedge accounting and the cumulative gain and loss on the hedging instruments recognised in hedging reserve till the price hedge was effective remain in cash flow hedge reserve until the forecasted transaction occurs. The cumulative gain and loss previously recognised in the cash flows hedging reserve is transferred to the consolidated statement of profit and loss upon the occurrence of related forecasted transactions.

Derivative financial instruments which are not designated as hedge are recognised initially at fair value and subsequently any changes to the fair value are recognised in the consolidated statement of profit and loss.

C. Derecognition of financial instruments

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

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

Offsetting of financial instruments: Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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) Current versus non-current classification

- An asset is considered as current when it is:
 - Expected to be realised or intended to be sold or consumed in the normal operating cycle, or
 - Held primarily for the purpose of trading, or
 - Expected to be realised within twelve months after the reporting period, or
 - Cash or cash equivalents 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.

Summary of significant accounting policies and other explanatory information as at and for the year ended March 31, 2022

3. Liability is considered as current when it is:
- (a) Expected to be settled in the normal operating cycle, or

(b) Held primarily for the purpose of trading, or

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

(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
4. All other liabilities are classified as non-current.
5. Deferred tax assets and liabilities are classified as non-current assets and liabilities.
6. All assets and liabilities have been classified as current or non-current as per the Group’s operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

(v) Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost, less accumulated depreciation, amortisation 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. The cost of property, plant and equipment acquired in a business combination is recorded at fair value on the date of acquisition.

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

The Group 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	5 years
Leasehold improvement	5-15 years or the primary period of lease whichever is less
Leasehold land	Lease term ranging from 95-99 years

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

The Group depreciates Furniture and fixtures and Vehicles over 5 years from the date of original purchase. The Company, based on technical assessment made by technical expert and management estimate, depreciates the Furniture and fixtures and Vehicles over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

(vi) Intangible assets

Intangible assets (having a finite useful life) are stated at cost less accumulated amortisation and impairment if any. Intangible assets are amortised over their respective estimated useful life on a straight line method.

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:



Summary of significant accounting policies and other explanatory information as at and for the year ended March 31, 2022

Category	Useful Life
Computer Software	1-5 years
Customer Contracts	1-3 years
Customer Relationships	7-15 years

Refer (ix) below for goodwill

(vii) 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 consolidated statement of profit and loss.

(viii) Leases

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

a) Right of use assets

The Group 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.

b) Lease liabilities

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group 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.

c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of plant 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-

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

lines, 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 Group 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 term. 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.

(ix) Business combination

Business combinations are accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group.

For convenience, an acquisition date may be considered to be at the beginning or end of a month, in which the control is acquired rather than the actual acquisition date, unless events between the ‘convenience’ date and the actual acquisition date result in material changes in the amounts recognised. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Contingent consideration is remeasured at fair value at each reporting date and any changes in the fair value are recognised in the consolidated statement of profit and loss.

The interest of non-controlling shareholders is initially measured at fair value as on the acquisition date. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest’s share of subsequent changes in equity.

Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

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

Acquisition costs that the Group incurs in connection with a business combination are expensed as incurred.

Goodwill: Goodwill represents the excess of the cost of an acquisition over the fair value of the Company’s share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated to the cash-generating units (CGU) expected to benefit from the synergies of the combination for the purpose of impairment testing. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

For the purpose of impairment testing, goodwill is allocated to a Cash generating unit (CGU) representing the lowest level within the group at which goodwill is monitored for internal management purposes, and which is not higher than the group operating segment. Goodwill is tested for impairment at least annually or whenever there is an indication that goodwill may be impaired. For goodwill impairment testing, the carrying amount of CGU’s (including allocated goodwill) is compared with its recoverable amount by the Group. The recoverable amount of a CGU is the higher of its fair value less cost to sell or its value in use. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to other assets of the CGU pro rata on the basis of the carrying amount of such assets in CGU.

(x) Impairment of assets

(a) Non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability



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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 consolidated 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 consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

(b) Financial assets

The Group recognise loss allowances using the expected credit loss (ECL) model for financial assets or group of 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.

(xi) Employee Benefits

A. Long-Term Employee Benefits

(a) Defined contribution plan

The Group has defined contribution plans for post employment benefits in the form of provident fund, employees’ state insurance, labour welfare fund and superannuation fund in India which are administered through Government of India and/or Life Insurance Corporation of India (LIC). The Group also makes contributions towards defined contribution plans in respect of its

subsidiaries and branches in foreign jurisdictions, as applicable. Under the defined contribution plans, the Group has no further obligation beyond making the contributions. Such contributions are charged to the consolidated statement of profit and loss as incurred.

(b) Defined benefit plan

The Group has defined benefit plans for post employment benefits in the form of gratuity for its employees in India. The gratuity scheme of the Group is administered through Life Insurance Corporation of India (LIC). Liability/Asset for defined benefit plans are recognised on the basis of actuarial valuations, as at the balance sheet date, carried out by an independent actuary which is net of the present value of defined obligation and the fair value of the plan assets. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method.

Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit liability or asset. The discount rate used is with reference to market yields on government bonds for a term approximating with the term of related obligation. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising of actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

The Group has other defined benefit plans for subsidiaries operating outside India as per respective local laws. The amount of liability in respect of these plans is recognised based on actuarial valuation.

(c) Other long-term employee benefits

The employees of the Group are also entitled for other long-term benefit in the form of compensated absences as

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per the policy of the Group. Employees are entitled to accumulate leave balance up to the upper limit as per the Group’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 or death while in employment or on termination of employment leave encashment vests equivalent to salary payable for number of days of accumulated leave balance. Liability for such benefits is provided on the basis of actuarial valuations, as at the balance sheet date, carried out by an independent actuary using 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 also include 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 consolidated statement of profit and loss when the Group has a present obligation as a result of past event, when a reliable estimate can be made of the amount of the obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

(xii) Share based payment

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

The amounts recognised in “share options outstanding account” are transferred to share capital and securities premium upon exercise of

stock options by employees. Where employee stock options lapse after vesting, an amount equivalent to the cumulative cost for the lapsed option is transferred from ‘Shares option outstanding account’ to retained earnings.

(xiii) Provisions and Contingent Liabilities

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

(xiv) Revenue recognition

The Group derives revenue primarily from Information Technology services which includes IT Outsourcing services, support and maintenance services. The Group recognises revenue over time, over time of period of contract, on transferring control of deliverables (products, solutions and services) to its customers in an amount reflecting the consideration to which the Group expects to be entitled. To recognise revenues, Group 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.

Group accounts for a contract when it has approval and commitment from all parties, the rights of the parties are identified, payment terms are identified, the contract



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has commercial substance and collectability of consideration is probable.

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

Multiple element arrangements -

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

IT support and maintenance -

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

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 Group includes an estimate of the amount it expects to receive for the total transaction price if it is probable that a significant reversal of cumulative revenue 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 are added to the existing contract 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 Group 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” to the consolidated financial statements and primarily relate to unbilled amounts on fixed-price contracts utilising the cost to cost method i.e. percentage of completion method (POCM) of revenue recognition. Contract liabilities consist of advance payments and billings in excess of revenues recognised.

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

Cost to fulfil the contracts -

Recurring operating costs for contracts with customers are recognised as incurred. Non-recurring cost and additional cost like sales commission are due for payment only if related revenue is billed, these costs are expensed off in proportion to the revenue recognised during the year.

Revenue recognition excludes any government taxes but includes reimbursement of out of pocket expenses.

Provision of onerous contract are recognised when the expected benefits to be derived by the group from a contract are lower than

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the unavoidable cost of meeting the future obligation 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 Group has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to render services which may require revision of estimated 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 Group has concluded that the impact of COVID-19 is not material based on these estimates. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

(xv) **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.

Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. Though the Company has considered all these issues in estimating its income taxes, there could be an unfavourable resolution of such issues that may affect results of the Company's operations.

Deferred income tax (including asset for Minimum Alternative Tax (MAT) credit) is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying

amount in the respective standalone financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset (including Minimum Alternative Tax (MAT) credit) 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 utilised. Deferred income tax liabilities are recognised for all taxable temporary differences.

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

(xvi) **Other Income**

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

(xvii) **Finance/Borrowing costs**

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

(xviii) **Government grants**

Grants/assistance from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Grants related to income (revenue in nature) are presented as part of the profit or loss as deduction while reporting the related expense.

(xix) **Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period



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attributable to equity Shareholders of the Group 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 Group and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

(xx) **Cash and cash equivalent**

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

(xxi) **Restructuring provision**

On an ongoing basis, management assesses the profitability of a business and possibly may decide to restructure the operations of such businesses.

Severance liabilities as a result of reduction in work force are recognised when they are determined to be probable and estimable and create a constructive obligation about the execution of plan. Other liabilities for costs associated with restructuring activity are recognised when the liability is incurred, instead of upon commitment of plan.

Significant assumptions are used in determining the amount of the estimated liability for restructuring. If the assumptions regarding early termination and the timing prove to be inaccurate, Group may be required to record additional losses, or conversely, a future gain.

(xxii) **Financial guarantee contracts**

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

(xxiii) **Recent Announcements**

1. **Amendment to Ind AS 16, Property, Plant and Equipmen**

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 16 which specifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

The Group is evaluating the requirement of the said amendment and its impact on these consolidated financial statements.

2. **Amendments to Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets**

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 37 which specifies that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

The Group is evaluating the requirement of the said amendment and its impact on these consolidated financial statements.

3. **Amendments to Ind AS 103, Business Combinations**

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 103 and has added a new exception in the standard for liabilities and contingent liabilities. The Group is evaluating the requirement of the said amendment and its impact on these consolidated financial statements.

4. **Amendments to Ind AS 109, Financial Instruments**

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 109 which clarifies the fees an entity should include when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The Group is evaluating the requirement of the said amendment and its impact on these consolidated financial statements.

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(₹ in lakhs)

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

Particulars	Gross value (at cost)				Depreciation/Amortisation					Net value		
	As at April 1, 2021	Additions	Foreign Exchange Translation Adjustments	Disposal	As at March 31, 2022	As at April 1, 2021	For the year	Foreign Exchange Translation Adjustments	Disposal	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
a) Own assets:												
Buildings (Refer note (iii))	5,049	5	-	-	5,054	2,265	200	-	-	2,465	2,589	2,784
Computers	3,999	2,470	(14)	(294)	6,161	3,282	1,110	4	(285)	4,111	2,050	717
Plant and equipment	2,250	-	(1)	(7)	2,242	2,099	75	(2)	(6)	2,166	76	151
Furniture and fixtures	4,908	3	-	(49)	4,862	4,616	124	(1)	(46)	4,693	169	292
Vehicles	545	268	3	(8)	808	336	121	2	(8)	451	357	209
Office equipment	2,169	34	2	(43)	2,162	1,733	189	1	(33)	1,890	272	436
Total (A)	18,920	2,780	(10)	(401)	21,289	14,331	1,819	4	(378)	15,776	5,513	4,589
b) Leased assets:												
Leasehold land	386	-	-	-	386	315	4	-	-	319	67	71
Leasehold improvements	474	-	-	-	474	395	28	-	-	423	51	79
Vehicles	113	-	-	(15)	98	90	7	-	(15)	82	16	23
Total (B)	973	-	-	(15)	958	800	39	-	(15)	824	134	173
Total (A + B)	19,893	2,780	(10)	(416)	22,247	15,131	1,858	4	(393)	16,600	5,647	4,762

3(a)(ii) Other intangible assets

Particulars	Gross Value (at cost)				Amortisation					Net Value		
	As at April 1, 2021	Additions	Foreign Exchange Translation Adjustments	Disposal	As at March 31, 2022	As at April 1, 2021	For the year	Foreign Exchange Translation Adjustments	Disposal	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Computer softwares	1,166	448	25	(5)	1,634	899	457	(1)	(5)	1,350	284	267
Customer contracts	1,576	-	34	-	1,610	1,372	110	31	-	1,513	97	203
Customer relationships	9,865	-	162	-	10,027	2,023	1,227	54	-	3,304	6,723	7,843
Total	12,607	448	221	(5)	13,271	4,294	1,794	84	(5)	6,167	7,104	8,313

3(b) Right-of-use assets

Particulars	Gross Value (at cost)				Depreciation					Net Value		
	As at April 1, 2021	Additions	Foreign Exchange Translation Adjustments	Disposal	As at March 31, 2022	As at April 1, 2021	For the year	Foreign Exchange Translation Adjustments	Disposal	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Building	2,699	581	21	(67)	3,234	1,556	599	9	(67)	2,097	1,137	1,143
Total	2,699	581	21	(67)	3,234	1,556	599	9	(67)	2,097	1,137	1,143



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(₹ in lakhs)

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

For previous year ended March 31, 2021

Particulars	Gross Value (at cost)				Depreciation/Amortisation					Net Value		
	As at April 1, 2020	Additions	Foreign exchange translation adjustments	Disposal	As at March 31, 2021	As at April 1, 2020	For the year	Foreign exchange translation adjustments	Disposal	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
a) Own assets:												
Buildings (Refer note (iii))	5,014	2	33	-	5,049	2,063	202	-	-	2,265	2,784	2,951
Computers	4,206	756	5	(968)	3,999	3,759	453	21	(951)	3,282	717	447
Plant and equipment	2,297	34	8	(89)	2,250	2,090	92	6	(89)	2,099	151	207
Furniture and fixtures	4,954	2	17	(65)	4,908	4,460	205	16	(65)	4,616	292	494
Vehicles	520	60	(2)	(33)	545	280	91	(2)	(33)	336	209	240
Office equipment	2,189	33	1	(54)	2,169	1,569	216	1	(53)	1,733	436	620
Total (A)	19,180	887	62	(1,209)	18,920	14,221	1,259	42	(1,191)	14,331	4,589	4,959
b) Leased assets:												
Leasehold land	386	-	-	-	386	311	4	-	-	315	71	75
Leasehold improvements	468	-	6	-	474	368	27	-	-	395	79	100
Vehicles	104	23	5	(19)	113	96	8	5	(19)	90	23	8
Total (B)	958	23	11	(19)	973	775	39	5	(19)	800	173	183
Total (A + B)	20,138	910	73	(1,228)	19,893	14,996	1,298	47	(1,210)	15,131	4,762	5,142

3(a)(ii) Other intangible assets

Particulars	Gross Value (at cost)				Amortisation					Net Value		
	As at April 1, 2020	Additions	Foreign exchange translation adjustments	Disposal	As at March 31, 2021	As at April 1, 2020	For the year	Foreign exchange translation adjustments	Disposal	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Computer softwares	3,812	396	1	(3,043)	1,166	3,499	416	27	(3,043)	899	267	313
Customer contracts	1,615	-	(39)	-	1,576	726	671	(25)	-	1,372	204	889
Customer relationships	10,015	-	(150)	-	9,865	828	1,226	(31)	-	2,023	7,842	9,187
Total	15,442	396	(188)	(3,043)	12,607	5,053	2,313	(29)	(3,043)	4,294	8,313	10,389

3(b) Right-of-use assets

Particulars	Gross Value (at cost)				Depreciation					Net Value		
	As at April 1, 2020	Additions	Foreign Exchange Translation Adjustments	Disposal	As at March 31, 2021	As at April 1, 2020	For the year	Foreign Exchange Translation Adjustments	Disposal	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Building	2,802	163	50	(316)	2,699	811	849	16	(120)	1,556	1,143	1,991
Total	2,802	163	50	(316)	2,699	811	849	16	(120)	1,556	1,143	1,991

Notes:

- Refer note 10 and 12 for information on vehicles provided as collateral or security for borrowings or finance facilities availed by the Company.
- Refer note 33 for capital commitments.
- For the year ended March 31, 2022 and year ended March 31, 2021, Building includes Chennai property mortgaged as security for loan availed by subsidiary.

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(₹ in lakhs)

3(c) Goodwill

	As at March 31, 2022	As at March 31, 2021
Carrying value at the beginning	66,012	67,667
Evosys - Goodwill	2,064	-
Translation differences including Adjustments	1,725	(1,655)
Carrying value at the end	69,801	66,012

Impairment assessment

Goodwill having a carrying value of ₹ 69,801 lakhs (March 31, 2021: ₹66,012 lakhs) includes Goodwill of ₹ 10,632 lakhs (March 31, 2021: ₹10,276 lakhs) on Taistech US Group which has been allocated to the Mastek US business (CGU) and ₹ 59,169 lakhs (March 31, 2021: ₹ 55,736 lakhs) which has been allocated to the Evosys business (CGU). The goodwill relating to the Evosys CGU includes ₹2,064 lakhs (March 31, 2021 ₹ Nil) being the adjustments on account of contractual obligations relating to Evosys acquisition (refer note 32), reconciled and identified during the current year. The estimated value-in-use of both CGU, is based on the present value of the future cash flows using a 2.5% and 5% (March 31, 2021: 3% and 5%) respectively, annual growth rate for periods subsequent to the forecast period of 4 years (March 31, 2021: 5 years) and discount rate of 15% and 16% (March 31, 2021: 11.70% and 15.75%) respectively. An analysis of the sensitivity of the computation to a change in key parameters (Growth rate and discount rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

Non-current assets

3(d) Capital work-in-progress (CWIP)

	As at March 31, 2022	As at March 31, 2021
Capital work-in-progress	435	154
	435	154
Balance at the beginning of the year	154	167
Add: Addition during the year	363	61
Less: Deletion during the year	(82)	(74)
Balance at the end of the year	435	154

CWIP ageing schedule

As at March 31 2022

Sr. No.	Particulars	Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i	Projects in progress	327	18	8	-	353
ii	Projects temporarily suspended*	-	-	-	82	82
	Total	327	18	8	82	435

As at March 31 2021

Sr. No.	Particulars	Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i	Projects in progress	61	11	-	-	72
ii	Projects temporarily suspended*	-	-	-	82	82
	Total	61	11	-	82	154

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



Summary of significant accounting policies and other explanatory information as at and for the year ended March 31, 2022

(₹ in lakhs)

3(e) Investment properties

	As at March 31, 2022	As at March 31, 2021
(A) Investment properties (at cost less accumulated depreciation) (Refer note (i) below)		
Gross block		
Opening	1,136	1,136
Additions	-	-
Closing	1,136	1,136
Accumulated depreciation		
Opening	686	651
Depreciation for the year	36	35
Closing	722	686
Net value	414	450
(B) Fair value of investment properties by an independent valuer (Refer note (ii) below)		
(i) Fair value of investment properties	6,881	4,603
(ii) Valuation method used by the independent valuer (Refer note (iii) below)	Sale Comparison Method	Sale Comparison Method
The amounts recognised in statement of profit or loss account for:		
(i) rental income from investment properties	287	424
(ii) direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the period; and	44	46
(iii) direct operating expenses (including repairs and maintenance) arising from investment properties that did not generate rental income during the period.	-	-
Depreciation Method used	SLM	SLM
Useful lives or depreciation rates used	28 years	28 years

Notes:

- (i) For the year ended March 31, 2022 and year ended March 31, 2021, Investment properties includes Pune property mortgaged as security for loan availed by subsidiary. Since Pune property has been mortgaged as security, valuation has been carried out for the same.
- (ii) Valuation for Prabhadevi, Mumbai property not carried out since the rental and carrying value are not significant and the same is not mortgaged as security.
- (iii) The Company's investment properties consist of two commercial properties in India one situated at Prabhadevi, Mumbai and another at Cerebrum Park, Pune. Fair Valuation is done for Pune property only. These valuations are based on valuations performed by Muzoomdar Associates Private Limited, an accredited independent valuer. Muzoomdar Associates Private Limited, is a specialist in valuing these types of investment properties and is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. A valuation approach in accordance with that recommended by the Indian Accounting Standards has been applied.

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

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

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

The direct comparison approach involves a comparison of the subject property to similar properties that have actually sold in arms - length transactions or are offered for sale. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. Statute and case laws define a market value standard for assessment. In assessment litigation, under the "rules of evidence" a bona fide sale of the subject property is usually considered the best evidence of market value. In the absence of a sale of the subject, sales prices of comparable properties are usually considered the best evidence of market value. Consequently, the comparative sale approach is the preferred approach when sales data are available. The comparative sale approach models the behaviour of the market by

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

comparing the properties being appraised with similar properties that have recently sold (comparable properties) or for which offers to purchase have been made. Comparable properties are selected for similarity to the subject property by way of attributes, such things as the age, size, quality of construction, building features, condition, design, gentry, etc. Their sale prices are then adjusted for their difference from the subject. Finally a market value for the subject is estimated from the adjusted sales price of the comparable properties. The economic principles of supply and demand provide a framework for understanding how the market works. The interaction of supply and demand factors determines property value.

4 Financial assets

	As at March 31, 2022	As at March 31, 2021
a) Investments		
(A) Investment in mutual funds (unquoted):		
Kotak Corporate Bond Fund - Standard Growth (Regular plan)	-	504
(0 units, March 31, 2021 - 17,391 units)		
ICICI Prudential Corporate Bond Fund - Growth	-	1,427
(0 units, March 31, 2021 - 6,291,134 units)		
HDFC Short-Term Debt Fund - Regular Plan - Growth	402	1,462
(1,563,507 units, March 31, 2021 - 5,949,282 units)		
HDFC Ultra Short-Term Fund - Reg Growth	-	16
(0 units, March 31, 2021 - 133,410 units)		
IDFC Low Duration Fund - Growth	623	601
(1,987,665 units, March 31, 2021 - 1,987,665 units)		
	1,025	4,010
(B) Investment in bonds at amortised cost (unquoted):		
10.90% Bond with Punjab & Sind Bank	-	56
8.50% Bond with State Bank of India	52	53
	52	109
Aggregate carrying value of unquoted investments (A+B)	1,077	4,119
Aggregate amount of impairment in value of investments	-	-
b) Other financial assets		
Advances to employees	36	38
Security deposits	221	277
Margin money deposit*	2,854	2,319
Foreign exchange forward contract	1,045	-
	4,156	2,634

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

5 Other non-current assets

	As at March 31, 2022	As at March 31, 2021
Capital advances	14	-
Prepaid expenses	43	35
Security deposit	96	96
	153	131



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

Current assets

6 Financial assets

a) Investments

	As at March 31, 2022		As at March 31, 2021	
	Units	Amount	Units	Amount
(i) Investment in mutual funds				
Investment in mutual funds at FVTPL (unquoted):				
Aditya Birla Sun Life Liquid Fund - Regular - Growth	-	-	6,044	20
Kotak Liquid regular plan - Growth	-	-	1,390	58
Aditya Birla Sun Life Money Manager Fund - Regular	-	-	8,30,342	2,366
ICICI Prudential Money Market Fund - Regular Growth	-	-	3,79,689	1,113
Kotak Money Market Scheme-Regular - Growth	-	-	61,587	2,135
HDFC Money Market Fund - Growth	-	-	59,378	2,623
UTI Money Market Fund IP - Growth	-	-	5,876	140
Kotak Equity Arbitrage - Growth	-	-	10,32,537	300
Total (A)		-		8,755
Investment in mutual funds at FVOCI (unquoted):				
Kotak Corporate Bond Fund Standard Growth (Regular Plan)	19,81,675	844	41,894	1,215
IDFC Corporate Bond Fund Regular Plan Growth	-	-	14,99,617	225
Aditya Birla Sun Life Floating Rate Fund - Long-Term Plan - Regular - Growth	-	-	1,22,776	326
Kotak Savings Fund-Growth	2,93,604	102	20,17,768	680
Kotak Bond Fund - Short-Term - Regular Plan - Growth			19,81,675	810
HDFC Corporate Bond Fund - Regular Plan - Growth	18,59,914	486	18,59,914	464
HDFC Ultra Short-Term Fund - Reg Growth	-	-	84,73,819	1,004
ICICI Ultra Short-Term Fund - Growth	-	-	37,09,306	800
Total (B)		1,432		5,524
Total (A+B)		1,432		14,279
(ii) Investment in term deposit (unquoted):				
Term deposit with HDFC Limited		2,542		1,298
Term deposit with Standard Chartered Bank Limited		-		25
Term deposit with LIC Housing Finance Limited		400		2,150
Term deposit with Axis Bank		-		117
Term deposit with ICICI Bank		847		699
Term deposit with Bank of America		-		7
Term deposit with ICICI Home Finance Co. Limited		198		636
Term Deposit with Bank of India		8		30
Total (C)		3,995		4,962
(iii) Investment in bonds at cost (unquoted):				
9.21% Bond with Punjab National Bank		-		50
10.90% Bond with Punjab & Sind Bank		56		-
Total (D)		56		50
Aggregate carrying value of unquoted investments in mutual funds (A+B)		1,432		14,279
Aggregate carrying value of unquoted investment in term deposits (C)		3,995		4,962
Aggregate carrying value of unquoted investment in bonds at cost (D)		56		50
Aggregate amount of impairment in value of investments		-		-
Grand Total		5,483		19,291

Refer note 28 for information on market risk.

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

b) Trade receivables (unsecured)

	As at March 31, 2022	As at March 31, 2021
Trade receivables, considered good - unsecured	43,557	37,488
Trade receivables - credit impaired	3,977	3,047
Less: Allowance for bad and doubtful debts	(3,977)	(3,047)
	43,557	37,488

Ageing Schedule as on March 31, 2022

Sr. No.	Particulars	Outstanding for following periods from due date of transaction						Total
		Current but not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
i.	Undisputed Trade Receivables - Considered Good	30,294	13,089	104	-	-	-	43,487
ii.	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii.	Undisputed Trade receivable - credit impaired	-	-	941	988	716	447	3,092
iv.	Disputed Trade receivables - considered good	-	-	-	-	36	34	70
v.	Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi.	Disputed Trade receivables - credit impaired	-	-	-	4	683	198	885
	Total	30,294	13,089	1,045	992	1,435	679	47,534
	Less: Allowance for doubtful trade receivables							(3,977)
								43,557

Ageing Schedule as on March 31, 2021

Sr. No.	Particulars	Outstanding for following periods from due date of transaction						Total
		Current but not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
i.	Undisputed Trade Receivables - Considered Good	26,586	10,694	43	97	-	-	37,420
ii.	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii.	Undisputed Trade receivable - credit impaired	-	-	726	817	338	305	2,186
iv.	Disputed Trade receivables - considered good	-	-	-	35	-	33	68
v.	Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi.	Disputed Trade receivables - credit impaired	-	-	4	660	35	162	861
	Total	26,586	10,694	773	1,609	373	500	40,535
	Less: Allowance for doubtful trade receivables							(3,047)
								37,488

Notes:

- (i) Group has a history of collecting all receivables in the age group of less than 6 month. Management has evaluated allowance for bad and doubtful debts on receivables having age of more 6 months, which have significant increase in credit risk or are credit impaired. Accordingly, all trade receivables outstanding more than 6 months have been fully provided, except immaterial balances considered recoverable on specific basis.
- (ii) No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person, nor any trade or other receivables are due from firm or private companies respectively in which director is partner, a director or a member. Trade receivables are non-interest bearing.
- (iii) Refer note 28 for information on credit risk and market risk.
- (iv) Refer note 10 and 12 for information on assets provided as collateral or security for borrowings or finance facilities availed by the Company.



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

c) Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
(i) Cash and cash equivalents		
Cash on hand	23	52
Bank balances		
In current accounts	55,566	51,419
Fixed deposits	17,069	9,290
	72,658	60,761
(ii) Bank balances, other than cash and cash equivalents		
Bank balances in unclaimed dividend account	48	51
	48	51

Notes:

- (i) Refer note 28 for information on credit risk and market risk.
- (ii) Refer note 10 and 12 for information on assets provided as collateral or security for borrowings or finance facilities availed by the Company.
- (iii) There are no repatriation restrictions with regards to cash and cash equivalents.

d) Other financial assets

	As at March 31, 2022	As at March 31, 2021
Advances to employees	155	68
Interest accrued on bank deposits	132	173
Security deposit	308	307
Margin money deposits	18	212
Rent receivables	6	98
Reimbursable expenses receivable	3	36
Foreign exchange forward contract	737	-
Others	22	20
	1,381	914

Notes:

- (i) Refer note 28 for information on credit risk and market risk.
- (ii) Refer note 10 and 12 for information on assets provided as collateral or security for borrowings or finance facilities availed by the Company.

7. Other current assets

	As at March 31, 2022	As at March 31, 2021
Contract assets	20,181	13,039
Prepaid expenses	1,379	1,006
Input tax credit receivable	2,262	1,276
Advances to suppliers	1,082	432
Interest accrued on income tax refunds	185	175
R&D credit receivable	3,116	1,947
Others	189	157
	28,394	18,032

Notes:

- (i) Refer note 10 and 12 for information on assets provided as collateral or security for borrowings or finance facilities availed by the Company.
- (ii) During the year, ₹ 3,064 lakhs is recognised by way of credit to the respective expenses (₹ 1,484 lakhs from Salaries, wages and performance incentives classified under 'Employee benefits expenses' and ₹ 1,580 lakhs from Consultancy and sub-contracting charges classified under 'Other expenses'). ₹ 972 lakhs was recognised under 'Other Income' during the year ended March 31, 2021.

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

8 Equity share capital

	As at March 31, 2022	As at March 31, 2021
Authorised:		
40,000,000 (March 31, 2021: 40,000,000) equity shares of ₹ 5 each	2,000	2,000
2,000,000 (March 31, 2021: 2,000,000) preference shares of ₹ 100 each	2,000	2,000
	4,000	4,000
Issued, subscribed and fully paid up:		
30,018,021 (March 31, 2021 : 25,232,889) equity shares of ₹ 5 each fully paid	1,501	1,262
	1,501	1,262

(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, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Balance as at the beginning of the year	2,52,32,889	1,262	2,42,89,472	1,214
Add: Shares issued on exercise of stock options and restricted shares	2,95,083	14	9,43,417	48
Add: Issue of share capital on account of demerger of the business of Evolutionary Systems Private Limited ("ESPL") (Refer note 32)	42,35,294	212	-	-
Add: Issue of share for acquisition of non-controlling interest of Mastek Enterprises Solutions Pvt. Ltd. (Formerly known as Trans American Information Systems Private Limited) (Refer note 32)	2,54,755	13	-	-
Balance as at the end of the year	3,00,18,021	1,501	2,52,32,889	1,262

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

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

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

Shares held by promoters at the end of the year	As at March 31, 2022		As at March 31, 2021		% change during the year*
	No. of shares	% of holding	No. of shares	% of holding	
Ashank Desai	33,63,328	11.2%	33,29,552	13.2%	1.0%
Ketan Mehta	22,74,100	7.6%	22,74,100	9.0%	0.0%
Girija Ram	17,53,280	5.8%	17,53,280	6.9%	0.0%
Radhakrishnan Sundar	13,40,800	4.5%	13,40,800	5.3%	0.0%

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

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

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

Shares held by promoters at the end of the year	As at March 31, 2022		As at March 31, 2021		% change during the year*
	No. of shares	% of holding	No. of shares	% of holding	
Ashank Desai	33,63,328	11.2%	33,29,552	13.2%	1.0%
Girija Ram	17,53,280	5.8%	17,53,280	6.9%	0.0%
Ketan Mehta	22,74,100	7.6%	22,74,100	9.0%	0.0%
Umang Tejkaran Nahata	16,11,668	5.4%	-	-	100.0%
Radhakrishnan Sundar	13,40,800	4.5%	13,40,800	5.3%	0.0%

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

(e) Shares reserved for issue under options

	As at March 31, 2022	As at March 31, 2021
Number of shares to be issued under the employee stock option plans (Refer note 30)	7,13,804	11,47,212

(f) Shares issued for consideration other than cash

	As at March 31, 2022	As at March 31, 2021
Number of shares issued for acquisition (Refer note 32)	44,90,049	-

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

The Company has neither issued bonus shares nor there has been any buy back of shares during five years immediately preceding March 31, 2022

8.1 Other Instruments - Step down subsidiary:

0.001% Compulsory Convertible Preference Shares ('CCPS') issued by Mastek Enterprise Solutions Private Limited ('MESPL') (formerly known as Trans American Information Systems Private Limited)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	-	-	-	-
Add: CCPS issued during the year (Face Value ₹ 10 each)	15,000	1,50,000	-	-
CCPS Split - from face value of ₹ 10 to ₹ 1	1,50,000	1,50,000	-	-
Balance as at the end of the year (Face Value ₹ 1 each)	1,50,000	1,50,000	-	-

Pursuant to the approved Scheme of Arrangement by NCLT (also refer Note 32), on September 14, 2021, the MESPL Board of Directors allotted 15,000 CCPS of ₹ 10 each fully paid up on November 12, 2021, to the erstwhile shareholders of the acquired entity. Further MESPL, at the request of the CCPS holders, sub-divided the CCPS face value from ₹ 10 to ₹ 1 each, in terms of the approval given by the Equity Shareholders through the Extra-Ordinary General Meeting held on November 12, 2021. This resulted in the increase in number of CCPS to 150,000. Mastek Limited bought out the first tranche of 50,000 CCPS (refer note 9.1) from the CCPS holders (in terms of the Share Holders Agreement dated February 8, 2020 - also refer Note 32) during the year.

9 Other equity

	As at March 31, 2022	As at March 31, 2021
a) Capital reserve	21	21
Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instrument is transferred to capital reserve.		
b) Capital redemption reserve	1,539	1,539
Non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares.		
c) Securities premium	32,951	4,788
Amount received (on issue of shares) in excess of the face value has been classified as securities premium.		

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
d) Share options outstanding account (net of taxes)	2,603	2,644
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.		
e) General reserve	362	362
This represents appropriation of profit by the Company.		
f) Retained earnings	1,39,592	1,07,790
Retained earnings comprises of the prior year's undistributed earning after taxes increased by undistributed profits for the year.		
g) Foreign currency translation reserve	(688)	(2,415)
Exchange difference relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.		
h) Other items of other comprehensive income	1,620	729
Other items of other comprehensive income consist of FVOCI financial assets and financial liabilities and remeasurement of defined benefit assets and liabilities.		
i) Equity Shares proposed to be issued (Refer note 32)	-	19,169
This represents 4,235,294 (March 31, 2021 - 4,235,294) equity shares of ₹ 5 each, fully paid up (share to be issued against the part discharge of consideration for acquisition.		
j) Put option written on Non-Controlling Interest (Refer note 32)	(72,365)	(50,035)
Represents put option written by the Holding Company on Non-Controlling Interest in MESPL pursuant to Demerger Co-operation Agreement (DCA) and Shareholders Agreement.		
Other equity	1,05,635	84,592
k) Non-controlling interest (Refer note 32)	15,034	18,203
	1,20,669	1,02,795

9.1 Reconciliation/movement of balances in Non-controlling Interest

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the year	18,203	13,705
Acquisition of proportionate preference share*	(4,426)	-
Share in profit for the year	3,829	4,240
Profit for the year transferred to retained earnings on account of acquisition of non-controlling interest	(2,527)	-
Share in other comprehensive income	18	258
Other Comprehensive Income transferred on account of acquisition of non-controlling interest	(63)	-
Other Comprehensive Income transferred on account of acquisition of non-controlling interest	15,034	18,203

* 50,000 Compulsory Convertible Preference Shares allotted by Mastek Enterprise Solutions Private Limited ('MESPL') (formerly known as Trans American Information Systems Private Limited) and bought back by Mastek Limited during the year. Further, difference between consideration paid to non-controlling shareholders and carrying value of the interest in MESPL has been recognised in retained earnings within equity.

9.2 Distributions made and proposed

The Board of Directors at its meeting held on January 19, 2022 had declared an interim dividend of 140% (₹ 7 per equity share of par value of ₹ 5 each). This has resulted in cash outflow of ₹ 2,081 lakhs. Further, the Board of Directors at its meeting held on April 19, 2022 had recommended a final dividend of 240% (₹ 12 per equity share of par value of ₹ 5 each), which is subject to approval by the shareholders at their ensuing Annual General Meeting. Proposed dividend on equity shares is not recognised as a liability as at March 31, 2022. Dividend declared by the Company are based on profit available for distribution.



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

Non-current Liabilities 10 Financial Liabilities

(a) Borrowings

	As at March 31, 2022	As at March 31, 2021
Secured		
Term loan from Standard Chartered bank (Refer note (a) below)	1,864	3,778
Term loan from Citi bank NA (Refer note (b) below)	9,946	15,113
Vehicle loans from bank (Refer note (c) below)	270	133
	12,080	19,024

Nature of security

Nature of security	Terms of repayment
(a) (i) Secured by floating charges on Receivables of Mastek (UK) Ltd. and their proceeds.	Payment in eight equal half yearly instalments over a period of five years starting after the end of 18 months from the date of disbursement of loan i.e. October 2018 along with interest at 6 months LIBOR + 150 basis points
(ii) Secured by mortgage of Pune property of Mastek Limited.	Rate of interest @ 1.74 % p.a. as at year end (March 31, 2021: 1.58% p.a.)
(iii) Secured by corporate guarantee of GBP 6.56 million given by the Company.	
(b) (i) Secured by floating charges on Receivables of Mastek (UK) Ltd. and their proceeds	Payment in eight equal half yearly instalments over a period of five years starting after the end of 18 months from the date of disbursement of loan i.e. March 2020 along with interest at 1 month LIBOR + 190 basis points
(ii) Secured by mortgage of Chennai property of Mastek Limited	Rate of interest @ 0.9% - 1.44 % p.a. as at year end (March 31, 2021: 0.9% - 1.04 % p.a)
(iii) Secured by corporate guarantee of GBP 28 million given by the Company.	
(c) Loans from bank are secured by hypothecation of assets (Vehicles) purchased there against.	Monthly payment of Equated monthly instalments beginning from the month subsequent to taking the loan along with interest at 6.6% - 9.35% per annum is payable till Feb 2027.
(d) Refer note 28 for liquidity risk and market risk.	
(e) Cash flow changes in liabilities arising from financing activities	

Particulars	Borrowings
As at April 1, 2020	33,318
Cash flows (net)	(7,296)
As at March 31, 2021	26,022
Cash flows (net)	(6,996)
As at March 31, 2022	19,026

(b) Lease liabilities

	As at March 31, 2022	As at March 31, 2021
Lease liabilities (Refer note 31)	804	686
	804	686

(c) Other financial liabilities

	As at March 31, 2022	As at March 31, 2021
Security and other deposits	162	153
Put option written on Non-Controlling Interest (Refer note 32)	23,555	28,042
Foreign exchange forward contract	-	237
	23,717	28,432

Note:

(i) Refer note 28 for liquidity risk and market risk.

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

11 Provisions

	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Provision for gratuity (Refer note 22(a))	1,929	1,580
Provision for other defined benefits (Refer note 22(b))	791	787
	2,720	2,367

Current liabilities

12 Financial liabilities

(a) Borrowings

	As at March 31, 2022	As at March 31, 2021
Secured:		
Current maturities of long-term loan (Refer note 10 (a) above, for security)	1,865	1,889
Current maturities of loan from Citi bank NA (Refer note 10(b) above, for security)	4,973	5,038
Current maturities of vehicle loan from bank (Secured) (Refer note 10 (c) above, for security)	108	71
	6,946	6,998

Notes:

(i) The Company has, during the year ended March 31, 2022, availed/renewed certain working capital facility from banks against which the security has been created on current asset specified by the bankers. The Company has not utilised the facility during the year and hence, no amount is outstanding against the same as at March 31, 2022 (March 31, 2021 - ₹ Nil).

(ii) Refer note 28 for liquidity risk and market risk.

(b) Lease liabilities

	As at March 31, 2022	As at March 31, 2021
Lease liabilities (Refer note 31)	453	597
	453	597

(c) Trade payables

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (Refer note 35)	19	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,308	3,069
	3,327	3,069

Ageing schedule for the year ended March 31, 2022

Sr. No.	Particulars	Outstanding for following periods from date of transaction				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i.	Total outstanding dues of MSME	8	-	-	-	8
ii.	Total outstanding dues of creditors other than MSME	3,202	28	-	78	3,308
iii.	Disputed dues of MSME	-	11	-	-	11
iv.	Disputed dues of creditors other than MSME	-	-	-	-	-
	Total	3,210	39	-	78	3,327

Ageing Schedule for the year ended March 31, 2021

Sr. No.	Particulars	Outstanding for following periods from date of transaction				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
i.	Total outstanding dues of MSME	-	-	-	-	-
ii.	Total outstanding dues of creditors other than MSME	2,487	541	29	12	3,069
iii.	Disputed dues of MSME	-	-	-	-	-
iv.	Disputed dues of creditors other than MSME	-	-	-	-	-
	Total	2,487	541	29	12	3,069



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

(d) Other financial liabilities

	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	39	224
Current portion of put option written on Non-controlling interest	25,851	21,993
Unclaimed dividends (Refer note (i) below)	52	51
Security and other deposits	9	2
Capital creditors (Refer note (ii) below)	720	142
Other payables		
Employee benefits payable		
Accrued expenses	9,809	8,381
Foreign exchange forward contract	15,391	11,866
	-	35
	51,871	42,694

Notes:

(i) There is no amount due for payment to Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2022 and March 31, 2021.

(ii) Includes dues to micro enterprises and small enterprises amounting to ₹ Nil in March 31, 2022 (₹ 27 lakhs in March 31, 2021)

(iii) Refer note 28 for liquidity risk and market risk.

13 Other current liabilities

	As at March 31, 2022	As at March 31, 2021
Contract liabilities	6,256	6,916
Revenue received in advance	40	68
Deferred rent	27	40
Statutory dues (including stamp duty, provident fund and tax deducted at source)	7,277	6,195
	13,600	13,219

14 Provisions

	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Provision for Gratuity (Refer Note 22(a))	50	37
Provision for other defined benefits (Refer Note 22(b))	65	60
Provision for leave entitlement *	2,414	1,971
Other Provision		
Provision for cost overrun on contracts**	251	255
	2,780	2,323

*Disclosure for movement in provision for leave entitlement

Particulars	March 31, 2022	March 31, 2021
Opening provision at the beginning of the year	1,971	1,712
Created during the year (net)	443	259
Closing provision at the end of the year	2,414	1,971

**Provision for cost overrun on contracts

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the year	255	320
Less: Reversals during the year	(4)	(65)
Balance as at end of the year	251	255

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

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

15 Revenue from operations

	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of service		
Information technology services	2,17,986	1,72,077
Other operating revenue	398	109
	2,18,384	1,72,186

Disaggregated revenue

The table below presents disaggregated revenues from contracts with customers by customer location and service line for each of the 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.

	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue by geography		
UK & Europe operations	1,48,485	1,16,089
North America operations	38,556	28,755
Middle East	19,006	18,948
Others	12,337	8,394
	2,18,384	1,72,186

	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue by service line		
Digital & Application Engineering	99,428	82,269
Oracle Cloud & Enterprise Apps	72,000	52,272
Digital Commerce & Experience	25,789	23,612
Data, Automation and AI	21,167	14,033
	2,18,384	1,72,186

	For the year ended March 31, 2022	For the year ended March 31, 2021
Timing of revenue recognition		
Transferred at a point in time	1,00,929	76,230
Transferred over time	1,17,240	95,939
	2,18,169	1,72,169

Notes:

- (i) The above figures exclude the amount pertaining to hedge in March 31, 2022 ₹ 215 lakhs (March 31, 2021 ₹ 17 lakhs)
- (ii) The above figures have been extracted from MIS generated report, to compute T&M and Fix Bid Revenue.

Remaining performance obligation

As of March 31, 2022, the aggregate amount of transaction price allocated to remaining performance obligations, was ₹ 106,347 lakhs of which approximately 100% is expected to be recognised as revenues within 3 years. (March 31, 2021 ₹ 74,049 lakhs)

Changes in contract assets are as follows:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	13,039	12,964
Invoices raised that were included in the contract assets balance at the beginning of the year	(10,351)	(11,166)
Increase due to revenue recognised during the year, excluding amounts billed during the year	17,246	11,063
Translation exchange difference	247	178
Balance at the end of the year	20,181	13,039



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

Changes in unearned and deferred revenue are as follows:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	6,916	4,752
Revenue recognised that was included in the contract liability balance at the beginning of the year	(6,534)	(3,640)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	5,868	5,594
Translation exchange difference	6	210
Balance at the end of the year	6,256	6,916

16 Other income

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income		
- On bank deposits	271	347
- On income tax refunds	13	65
- On others	8	16
Profit on sale of current investments	1,696	751
Rental income *	287	424
Profit on sale of property, plant and equipment, net	-	18
Net gain on foreign currency transactions and translation	1,202	-
Research & development credit	-	972
Other non-operating income	131	198
	3,608	2,791

* Rent income is net of provision of ₹ 130 lakhs (March 31, 2021: Nil)

17 Employee benefits expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and performance incentives	98,809	79,253
Gratuity (Refer note 22(a))	604	457
Other defined benefits (Refer note 22(b))	285	206
Contribution to provident and other funds (Refer note 22(d))	7,002	5,817
Employee stock compensation expenses	393	836
Staff welfare expense	2,452	1,703
	1,09,545	88,272

18 Finance costs

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on term loan	476	528
Operating lease (Refer note 31)	80	132
Bank charges	126	138
Other finance charges	86	12
	768	810

19 Depreciation and amortisation expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Property, plant and equipment	1,858	1,298
Right-of-use assets (Refer note 31)	599	849
Investment property	36	35
Intangible assets	1,794	2,313
	4,287	4,495

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

20 Other expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Recruitment and training expenses	2,133	1,682
Travelling and conveyance	3,852	2,123
Communication charges	523	538
Electricity	198	199
Consultancy and sub-contracting charges	43,661	32,085
Purchase of hardware and software	1,031	1,794
Rates and taxes	1,363	919
Repairs		
Buildings	521	501
Others	1,411	816
Insurance	644	518
Printing and stationery	29	17
Professional fees	3,221	3,088
Rent (Refer note 31)	637	615
Advertisement and publicity	579	317
Net loss on foreign currency transactions and translation	-	1,385
Provision/(reversal) for doubtful debts including bad debts written off, net	1,144	(344)
Hire charges	24	14
Expenditure towards corporate social responsibility (CSR) activities	300	226
Loss on sale of property, plant and equipment, net	2	-
Miscellaneous expenses	1,315	974
	62,588	47,467

21 Earnings Per Share (EPS)

	For the year ended March 31, 2022	For the year ended March 31, 2021
The components of basic and diluted earnings per share for total operations are as follows:		
(a) Net income attributable to equity shareholders	29,513	20,935
(b) Weighted average number of outstanding equity shares		
Considered for basic EPS	2,77,06,662	2,46,52,243
Add: Effect of dilutive potential equity shares arising from outstanding stock options	7,22,081	9,16,427
Considered for diluted EPS	2,84,28,743	2,55,68,670
(c) Nominal value of each share (in ₹)	5	5
(d) Earnings per share (net of taxes) in ₹ (Face value per share ₹ 5/- each)		
Basic	106.52	84.92
Diluted	103.81	81.88

22 Employee benefit plans

(a) Defined benefit plans

Defined benefit plans includes Gratuity as per Indian law.

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Gratuity cost		
Service cost	506	392
Net interest on net defined liability	98	65
Net gratuity cost (Refer note 17)	604	457
Actuarial gain/(loss) recognised under Other comprehensive income	78	(123)
Amount shown as liability in the balance sheet		
Non current (Refer note 11)	1,929	1,580
Current (Refer note 14)	50	37
Total	1,979	1,617



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

Demographic assumptions used:	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate	6.7-7.25%	6.35-6.8%
Salary escalation	6-10%	6-10%
Retirement age	60 Years	60 Years
Mortality Rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Leaving services		
Age (Years)		
21-30	10-21%	10-21%
31-40	5-15%	5-15%
41-50	3-17%	3-17%
51-59	2-10%	2-10%

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 2% to 21%. Mortality and attrition rate was same for the year ended March 31,2021.

The following table sets out the status of gratuity plan:

Particulars	March 31, 2022	March 31, 2021
Obligation at the beginning of the year	3,231	2,794
Service cost	506	392
Interest cost	198	171
Actuarial (gain)/loss - due to change in financial assumptions	(113)	25
Actuarial loss - due to change in experience	42	108
Actuarial (gain)- demographic assumptions	-	-
Benefits paid	(347)	(259)
Obligation at the end of the year	3,517	3,231
Change in plan assets		
Plan assets at the beginning of the year, at fair value	1,614	1,714
Employer contribution	163	44
Interest income on plan assets	100	106
Remeasurement on plan assets less interest on plan assets	7	11
Benefits paid	(346)	(261)
Plan assets at the end of the year, at fair value	1,538	1,614

Historical information

Particulars	As at				
	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Present value of defined benefit obligation	3,517	3,231	2,794	2,147	1,905
Fair value of plan assets	1,538	1,614	1,714	1,814	1,837
Liabilities recognised	(1,979)	(1,617)	(1,080)	(333)	(68)

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, 2022	As at March 31, 2021
Experience adjustment on plan liabilities - gain/(loss)	71	(133)
Experience adjustment on plan assets - gain	7	11

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

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, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount Rate (50 bps)	(135)	160	(125)	149
Salary Growth (50 bps)	138	(121)	130	(114)

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

Maturity profile of defined benefit obligation:

Particulars	As at March 31, 2022	As at March 31, 2021
1 year	385	352
2 year	405	359
3 year	353	334
4 year	343	310
5 year	331	299
6 year	340	279
7 year	295	292
8 year	283	249
9 year	306	240
10 year and beyond	4,488	3,922

- i) The Company has setup an income tax approved irrevocable trust fund to finance the plan liability for funded benefits. The trustees of the trust fund are responsible for the overall governance of the plan. Expected contribution to the Fund in FY 2022-23 is ₹ 230 lakhs (FY 2021-22 - ₹ 230 lakhs).

- ii) Plan assets are investment in unquoted insurer managed fund

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

(b) Other benefit plans in foreign jurisdiction

The following table sets out the status of other benefit plans:

Particulars	As at March 31, 2022	As at March 31, 2021
Balance transferred on account of acquisition	847	508
Add: Service cost, net of benefits paid	285	206
Add: Actuarial (gain)/loss charged to Other Comprehensive Income	(173)	184
Add: Foreign exchange translation adjustments	(103)	(51)
Closing balance of other benefit plans	856	847
Amount shown as liability in the Balance Sheet		
Non Current	791	787
Current	65	60
Total	856	847

Demographic assumptions used:	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate	3.85%	2.52%
Salary escalation	4%	4%
Retirement age	60 Years	60 Years
Mortality Rate	Saudi Arabia mortality rate	Saudi Arabia mortality rate
Leaving Services	10%	10%



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

- (c) The Obligation for compensated absence is recognised basis Company's leave policy and net change to the statement of profit and loss for the year is ₹1,195 lakhs (March 31, 2021: ₹714 lakhs)

Demographic assumptions used:	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate	1.47-7.25%	0.31-6.85%
Salary escalation	2.5-10%	2-10%

(d) Defined contribution plan

The Group contributed ₹ 7,002 lakhs for the year ended March 31, 2022 (₹ 5,817 lakhs March 31, 2021) for the defined contribution plan which includes contribution towards provident fund, employee state insurance commission and labour welfare fund. Out of the total contributions, an amount of ₹ 5,958 lakhs for the year ended March 31, 2022 (₹ 5,171 lakhs March 31, 2021) is contributed in foreign jurisdictions as per applicable local laws.

23 Income taxes

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax*	12,628	8,136
Deferred tax	(1,166)	(131)
Income tax relating to earlier years*	-	753
Income tax expense recognised in the consolidated statement of profit and loss	11,462	8,758
Income tax (credit)/expense recognised in other comprehensive income:	(297)	72

* During the year ended March 31, 2021, the holding company has recognised a provision towards the possible impact of an uncertain tax treatment based on the present status of the on-going proceedings of its Advance Pricing Arrangement with the tax authorities. Accordingly, ₹ 730 lakhs was provided as an impact for prior years, which will be adjusted based on additional facts and/or ultimate outcome. Current tax expense for the year ended March 31, 2022 and March 31, 2021 includes impact for the same amounting to ₹ 776 lakhs and ₹ 413 lakhs respectively, recognised on a similar basis. The matter is under discussion between the revenue authorities of the respective countries and pending ultimate conclusion, the holding company has recognised the provision on a best estimate basis.

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

Particular	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	44,804	33,933
Enacted income tax rate in India	29.12%	29.12%
Computed expected tax expense	13,047	9,881
Effect of:		
Income tax charge/write back for earlier years	-	23
Tax provision related to Advance Pricing Agreement	776	1,143
Expenses that are not deductible in determining taxable profit	142	44
Tax on income at different tax rates as per respective jurisdictions	(2,875)	(2,380)
Others	372	47
Total income tax expense recognised in the statement of profit and loss	11,462	8,758

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

c) The movement in gross deferred income tax assets and liabilities (before set-off) for the year ended March 31, 2022 is as follows:

Particulars	Carrying value as at April 1, 2021	Changes through profit and loss	Changes through OCI	Changes through Equity	Utilisation of MAT credit*	Foreign Currency Translation Reserve	Carrying value as at March 31, 2022
Property, plant and equipment and intangible assets	50	(142)	-	-	-	(23)	(115)
Provision for doubtful debts	395	265	-	-	-	14	674
Net gain on fair value of mutual funds	(518)	156	308	-	-	-	(54)
Cash flow hedge	84	-	(585)	-	-	-	(501)
MAT Credit entitlement	1,912	-	-	-	318	-	2,230
Undistributed Profits of Subsidiaries	(821)	-	-	-	-	-	(821)
Liabilities relating to employee benefits and bonus	770	395	(20)	-	-	4	1,149
Employee share based plan	383	18	-	-	-	(4)	397
Excess tax benefits from exercise of share-based options (OCI)	881	-	-	601	-	(25)	1,457
Others	353	156	-	-	-	1	510
Total	3,489	848	(297)	601	318	(33)	4,926

Gross deferred tax assets and liabilities are as follows:

Particular	As at March 31, 2022		
	Assets	Liabilities	Net
Property, plant and equipment and intangible assets	651	(766)	(115)
Provision for doubtful debts	674	-	674
Net gain on fair value of mutual funds	22	(76)	(54)
Cash flow hedge	(38)	(463)	(501)
MAT Credit entitlement	2,230	-	2,230
Undistributed Profits of Subsidiaries	(2)	(819)	(821)
Liabilities relating to employee benefits and bonus	1,149	-	1,149
Employee share based plan	397	-	397
Excess tax benefits from exercise of share-based options (OCI)	1,457	-	1,457
Others	510	-	510
	7,050	(2,124)	4,926

The movement in gross deferred income tax assets and liabilities (before set-off) for the year ended March 31, 2021 is as follows:

Particulars	Carrying value as at April 1, 2020	Changes through profit and loss	Changes through OCI	Changes through Equity	Utilisation of MAT credit*	Foreign Currency Translation Reserve	Carrying value as at March 31, 2021
Property, plant and equipment and intangible assets	141	(108)	-	-	-	17	50
Provision for doubtful debts	632	(227)	-	-	-	(10)	395
Net gain on fair value of mutual funds	(379)	(75)	(64)	-	-	-	(518)
Cash flow hedge	(6)	-	90	-	-	-	84
MAT Credit entitlement	1,977	-	-	-	(65)	-	1,912
Undistributed Profits of Subsidiaries	(821)	-	-	-	-	-	(821)
Liabilities relating to employee benefits and bonus	471	254	46	-	-	(1)	770
Employee share based plan	276	82	-	-	-	25	383
Excess tax benefits from exercise of share-based options (OCI)	(137)	-	-	1,017	-	1	881
Others	149	205	-	-	-	(1)	353
Total	2,303	131	72	1,017	(65)	31	3,489

* Adjusted in Current tax

Note:

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has legally enforceable right to set off the said balances.



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

Gross deferred tax assets and liabilities are as follows:

Particular	As at March 31, 2021		
	Assets	Liabilities	Net
Property, plant and equipment and intangible assets	670	(620)	50
Provision for doubtful debts	395	-	395
Net gain on fair value of mutual funds	(133)	(385)	(518)
Cash flow hedge	84	-	84
MAT Credit entitlement	1,912	-	1912
Undistributed Profits of Subsidiaries	5	(826)	(821)
Liabilities relating to employee benefits and bonus	770	-	770
Employee share based plan	383	-	383
Excess tax benefits from exercise of share-based options (OCI)	881	-	881
Others	353	-	353
	5,320	(1,831)	3,489

The Company offset deferred tax assets and deferred tax liabilities if and only if it has legally enforceable right to set off the said balances.

24 Related party disclosures, as per Ind AS 24

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

Key Management Personnel (KMP):	Ashank Desai, Vice-chairman and Managing Director
	Hiral Chandrana, Global Chief Executive Officer (w.e.f. July 6, 2021)
	Ketan Mehta, Non-executive Director
	Atul Kanagat, Non-executive Director
	S. Sandilya, Non-executive Director
	Rajeev Grover, Non-executive Director
	Priti Rao, Non-executive Director
	Arun Agarwal, Global Chief Financial Officer (w.e.f. May 31, 2021)
	Dinesh Kalani, Company Secretary
Enterprise where KMP has control:	Mastek Foundation

Balances outstanding are as follows:-

Name of Related Party	As At	
	March 31, 2022	March 31, 2021
Compensation of key management personnel of the Company	327	257

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

Transaction with key managerial person

Name of Related Party	For the year ended	
	March 31, 2022	March 31, 2021
Salaries and other employee benefits*	866	656
Share based payment transactions	47	202
Director sitting fees	146	92
Director commission paid	65	18
Total compensation paid to key management personnel	1,124	968

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

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

Transactions with above related parties during the year were:-

Name of Related Party	Nature of transactions	For the year ended	
		March 31, 2022	March 31, 2021
Mastek Foundation	Contribution towards CSR expenses	226	213

25 Segment reporting

The CEO of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Group’s performance and allocates resources based on an analysis of various performance indicators by geographical information. Accordingly, segment information has been presented for geographies where group operates.

The organisational and reporting structure of the Group is based on geographical concept. Geographies are the operating segments for which separate financial information is available and for which operating results are evaluated regularly by CODM in deciding how to allocate resources and in assessing performance. The Group’s primary reportable segments consist of four different geographies which are based on the risks and returns in different geographies and the location of the customers: North America Operations, UK Operations, Middle-East and Others.

Income and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while the remainder of costs are apportioned on an appropriate basis. Certain income and expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The management therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as “unallocated” and directly charged against total income.

Property, Plant and Equipment used in the Group’s business or liabilities contracted have not been identified to any of the reportable segments, as the Property, Plant and Equipment and the support services are used interchangeably between segments. Accordingly disclosures relating to total segments assets and liabilities are not practicable.

Geographical information on revenue and industry revenue information is collated based on individual customer invoices or in relation to which the revenue is otherwise recognised.

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Segment Revenue		
UK & Europe operations	1,48,485	1,16,089
North America operations	38,556	28,755
Middle East	19,006	18,948
Others	12,337	8,394
Revenue from operations	2,18,384	1,72,186

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Segment Results profit before exceptional item, tax and finance cost		
UK & Europe operations	41,363	26,745
North America operations	3,333	4,312
Middle East	(148)	3,950
Others	2,919	1,520
Total	47,467	36,527
Less: Finance costs	768	810
Less: Other un-allocable expenditure net of un-allocable (income)	1,895	1,784
Profit before tax	44,804	33,933

Revenues and expenses directly attributable to segments are reported under each reportable segment. All other costs i.e. corporate costs and support function costs, which are not directly attributable or allocable to segments have been disclosed as common unallocable charges, net. Similarly revenues and income not allocable to segments are disclosed as net of not allocable expenditure. Property, Plant and Equipment and the support services are used interchangeably between segments. Accordingly disclosures relating to total segment assets and liabilities are not practicable.

The accounting policies consistently used in the preparation of the consolidated financial statements are also applied to item of revenue and expenditure in individual segment.



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

26 Financial instrument

The carrying value and fair value of financial instruments by categories as at March 31, 2022 and March 31, 2021 is as follows:

Particulars	Carrying Value		Fair Value	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial assets				
Amortised cost				
Loans	529	584	529	584
Trade receivables (net of provisions)	43,557	37,488	43,557	37,488
Cash and cash equivalents	72,658	60,761	72,658	60,761
Other bank balance	48	51	48	51
Other assets	372	2,474	372	2,474
Investment in bond	108	159	108	159
Investment in term deposit	6,849	7,125	6,849	7,125
FVOCI				
Investment in mutual fund	2,457	9,534	2,457	9,534
Derivative assets	1,782		1,782	-
FVTPL				
Investment in liquid fund	-	8,755	-	8,755
Total financial assets	1,28,360	1,26,931	1,28,360	1,26,931
Financial liabilities				
Amortised cost				
Borrowings	19,026	26,022	19,026	26,022
Lease liabilities	1,257	1,283	1,257	1,283
Trade payables	3,327	3,069	3,327	3,069
Other liabilities	26,182	20,819	26,182	20,819
FVOCI				
Derivative liabilities	49,406	50,307	49,406	50,307
Total financial liabilities	99,198	1,01,500	99,198	1,01,500

27 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, 2022 and March 31, 2021.

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

Particulars	Date of valuation	Total	Fair value measuring using		
			Level 1	Level 2	Level 3
Financial assets measuring at fair value					
Derivative assets					
Foreign exchange forward contract	March 31, 2022	1,782	-	1782	-
FVTOCI financial assets designated at fair value					
Investment in mutual funds	March 31, 2022	2,457	2,457		-
FVTPL financial assets designated at fair value March 31, 2022					
Investment in liquid funds		-	-	-	-
Financial liabilities measuring at fair value					
Derivative liabilities					
Derivative instrument (Put option)	March 31, 2022	49,406	-	-	49,406
Foreign exchange forward contract	March 31, 2022	-	-	-	-

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2021:

Particulars	Date of valuation	Total	Fair value measuring using		
			Level 1	Level 2	Level 3
FVTOCI financial assets designated at fair value					
Investment in mutual funds	March 31, 2021	9,534	9,534	-	-
FVTPL financial assets designated at fair value					
Investment in liquid funds	March 31, 2021	8,755	8,755	-	-
Financial liabilities measuring at fair value					
Derivative liabilities					
Derivative instrument (Put option)	March 31, 2021	50,035	-	-	50,035
Foreign exchange forward contract	March 31, 2021	272	-	272	-

27.1 Description of valuation techniques used and significant unobservable input for valuation

Instument	Valuation technique	Significant unobservable inputs	Range (weighted average)	
Financial liabilities measuring at fair value - Derivative instrument (Put option)	DCF method. Monte Carlo simulation has been used to simulate EBITDAs for each relevant financial year.	Long-term growth rate for cash flows for subsequent years	March 31, 2021: WACC - 15.8%, Terminal growth rate - 5% Expected EBITDA volatility - 54.79%	March 31, 2022: WACC - 16%, Terminal growth rate - 5% Expected EBITDA volatility - 54.79%

27.2 Put option written on Non-Controlling Interest

Particulars	As at	
	March 31, 2022	March 31, 2021
Balance at the beginning of the year	50,035	21,119
Add: Fair value adjustment during the year	22,330	28,916
Add: Adjustments on account of contractual obligations relating to Evosys acquisition (refer note 32)	1,773	-
Less: Total consideration paid for acquisition of proportionate non-controlling interests	(24,732)	-
Balance at the end of the year	49,406	50,035

28 Financial risk management

The Group’s activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and price risk. The Group’s primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The Group’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 Group is foreign exchange risk.

Foreign currency risk

The Group’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 relevant group entity. The Group 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 Group’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. Group has designated major portion of derivative instruments as cash flow hedges to mitigate the foreign exchange exposure of forecasted highly probable cash flows.



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

The following table presents the aggregate contracted principal amounts of the Group’s derivative contracts outstanding:

Designated derivative instrument	As at March 31, 2022	As at March 31, 2021
Forward contract (Amount in GBP lakhs)	239	305
Number of contracts	388	462
Fair value gains/(loss)	1,412	(398)
Forward contract (Notional amount in USD lakhs)	334	60
Number of contracts	493	104
Fair value gains	370	157

Non-designated derivative instrument	As at March 31, 2022	As at March 31, 2021
Forward contract (Notional amount in USD lakhs)	-	58
Number of contracts	-	132
Fair value (loss)	-	(19)

Forward Contracts covers part of the exposure during the period April 2021 - January 2025

Mark-to-Market (losses)/gains	As at March 31, 2022	As at March 31, 2021
Opening balance of Mark-to-market gains receivable on outstanding derivative contracts	(272)	(27)
Less: Reclassified from Hedging reserve account to statement of profit and loss	(216)	(17)
Add: Changes in the fair value of designated derivative instrument recognised in OCI	2,270	(209)
Add: Changes in the fair value of non-designated derivative instrument recognised in statement of profit and loss	-	(19)
Closing balance of Mark-to-market (losses)/gains receivable on outstanding derivative contracts	1,782	(272)
Disclosed under:		
Other current financial asset (Refer note 6(d))	737	-
Other non-current financial asset (Refer note 4(b))	1,045	-
Other current financial liabilities (Refer note 12(d))	-	(35)
Other non-current financial liabilities (Refer note 10(c))	-	(237)
	1,782	(272)

Non-Derivative Financial Instruments

The following table presents foreign currency risk from non-derivative financial instrument as of March 31, 2022 and March 31, 2021.

Currency	As at March 31, 2022					
	Amount in respective foreign currencies (in lakhs)			Amount (₹in lakhs)		
	Financial assets	Financial liabilities	Net assets/(liabilities)	Financial assets	Financial liabilities	Net assets/(liabilities)
GBP	27	(15)	12	2,708	(1,453)	1,255
USD	95	(14)	81	7,170	(1,041)	6,129
EUR	8	-	8	696	-	696
AED	83	(177)	(94)	1,717	(3,646)	(1,929)
AUD	5	-	5	268	-	268
QAR	37	-	37	776	-	776
BHD	-	0	0	-	(6)	(6)
SGD	35	(9)	26	1,963	(504)	1,459
PHP	84	-	84	124	-	124
NZD	1	-	1	63	-	63
SAR	201	-	201	4,057	-	4,057
KWD	1	-	1	352	-	352
CAD	7	(2)	5	401	(148)	253
OMR	1	(0)	1	122	(18)	104
MYR	29	-	29	521	-	521
Total (in ₹)				20,938	(6,816)	14,122

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

Currency	As at March 31, 2021					
	Amount in respective foreign currencies (in lakhs)			Amount (₹ in lakhs)		
	Financial assets	Financial liabilities	Net assets/(liabilities)	Financial assets	Financial liabilities	Net assets/(liabilities)
GBP	21	(5)	16	2,120	(461)	1,659
USD	62	(12)	50	4,536	(846)	3,690
EUR	6	-	6	513	-	513
AED	3	(191)	(188)	60	(3,797)	(3,737)
AUD	3	-	3	140	-	140
BHD	-	-	-	26	-	26
SGD	6	(4)	2	303	(200)	103
PHP	1	-	1	2	-	2
EGP	-	(13)	(13)	-	(60)	(60)
NZD	-	-	-	11	-	11
SAR	167	(0)	166	3,246	(2)	3,244
KWD	1	-	1	294	-	294
CAD	-	(1)	(1)	-	(66)	(66)
Total (in ₹)				11,251	(5,432)	5,819

As at March 31, 2022 and March 31, 2021 respectively, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact results by approximately ₹141 lakhs and ₹ 47 lakhs respectively.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the 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 Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment and accordingly the Group accounts for expected credit loss. No single customer contributes for more than 10% of outstanding total accounts receivables as at March 31, 2022 and March 31, 2021.

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Percentage of revenue from top customer	9%	11%
Percentage of revenue from top 5 customers	30%	31%

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Group has unutilised credit limits with banks. The Group's corporate treasury department is responsible for managing and monitoring liquidity, funding as well as its settlement. In addition, processes and policies related to such risks are overseen by senior management. The management monitors the Group's net liquidation through rolling forecast on the basis of expected cash flows.

The Working Capital position of the Group is given below:

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalent	72,658	60,761
Other bank balances	48	51
Investment in mutual fund	1,432	14,279
Investment in term deposit	3,995	4,962
Investment in bonds	56	50
Total	78,189	80,103



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2022 and March 31, 2021:

Particulars	As at March 31, 2022	
	Less than 1 Year	1 Year and above
Borrowing	6,946	12,080
Trade payable	3,210	117
Other financial liabilities	51,871	23,717

Particulars	As at March 31, 2021	
	Less than 1 Year	1 Year and above
Borrowing	6,998	19,024
Trade payable	2,487	582
Other financial liabilities	42,694	28,432

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

Price risk

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

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in mutual funds	2,457	18,289

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Price change by:		
100 basis points increase	25	183
100 basis points decrease	(25)	(183)

Interest rate sensitivity

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

If the interest rates had been 50 basis points higher or lower and all the other variables, in particular foreign currency exchange rates, were held constant, the effect on interest expense for the respective year and consequent effect on Company's profit or loss before tax in that year would have been as below:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Borrowings	18,648	25,818

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest rate change by:		
50 basis points increase	93	129
50 basis points decrease	(93)	(129)

29 Capital management

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

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Total equity attributable to the Equity Share holders of Group	1,22,170	1,04,057
Equity capital as a percentage of total capital	86.53%	80.00%
Current borrowing	6,946	6,998
Non-current borrowing	12,080	19,024
Total loan and borrowing	19,026	26,022
Total Cash and cash equivalent	72,658	60,761
% based on debt to total capital	13.47%	20.00%
% based on net debt to adjusted total capital	(78.25%)	(50.12%)
Total capital (borrowing and total equity)	1,41,196	1,30,079
Total adjusted capital (borrowing - cash and cash equivalent + total equity)	68,538	69,318

The Group is predominantly equity financed which is evident from capital structure table. Further, the Group has always been a net cash positive with 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.

30 Employee stock based compensation

i) Plan V

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

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options, beginning of the year	10,475	63	32,225	68
Granted during the year	-	-	-	-
Exercised during the year	-	-	(18,000)	66
Lapsed/Cancelled during the year	(3,750)	91	(3,750)	91
Outstanding options, end of the year	6,725	47	10,475	63
Options exercisable, end of the year	6,725	47	10,475	63

ii) Plan VI

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

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options, beginning of the year	1,18,091	114	4,27,508	82
Granted during the year	-	-	-	-
Exercised during the year	(20,769)	142	(2,58,606)	71
Lapsed/Cancelled during the year	(24,013)	73	(50,811)	98
Outstanding options, end of the year	73,309	120	1,18,091	114
Options exercisable, end of the year	73,309	120	1,18,091	114

iii) Plan VII

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



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	No. of share options	Weighted average Exercise price	No. of share options	Weighted average Exercise price
Outstanding options, beginning of the year	10,18,646	69	15,15,959	92
Granted during the year	14,530	5	2,67,160	5
Exercised during the year	(2,74,314)	53	(6,66,811)	97
Lapsed/cancelled during the year	(1,25,092)	28	(97,662)	63
Outstanding options, end of the year	6,33,770	83	10,18,646	69
Options exercisable, end of the year	4,48,225	116	5,59,943	96

The following tables summarise information about the options/shares outstanding under various programmes as at March 31, 2022 and March 31, 2021 respectively:

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

Particulars	As at March 31, 2021		
	No. of share options	Weighted average remaining contractual life in years	Weighted average exercise price
Programme V	10,475	0.3	63
Programme VI	1,18,091	2.6	114
Programme VII	10,18,646	6.7	69

The weighted average fair value of each unit under the plan, granted during the year ended March 31,2022 was ₹ 2,356 (March 31,2021 - ₹ 441) using the Black-Scholes model with the following assumptions:

Particulars	As at March 31, 2022	As at March 31, 2021
Weighted average grant date share price	2,443	505
Weighted average exercise price	5	5
Dividend yield %	0.58%	0.78%
Expected life	3-7 years	3-7 years
Risk free interest rate	5.90	5.40
Volatility	51.35	52.04

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 the National Stock Exchange 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 have calculated expected life as the average of the minimum and the maximum life of the options.

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

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

31 Leases

Company as a lessor

At the inception of the lease the Group 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 Group’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 45 years. The Company has applied low value exemption for leases of laptops, lease lines, furniture and equipment and accordingly these are excluded from Ind AS 116, at present.

- i) The carrying amounts of right-of-use assets recognised and the movements during the period (refer note 3(b)).
- ii) Below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	1,283	2,100
Additions during the year	575	157
Deletion during the year	-	(209)
Accretion of interest	80	132
Payments	(693)	(934)
Foreign Currency translation	12	37
Balance at the end of the year	1,257	1,283
Current	453	597
Non-current	804	686

Maturity analysis of lease liabilities:

The contractual maturity analysis of lease liabilities (includes amount falling under Ind AS 116) are disclosed herein on an undiscounted basis-

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Less than one year	526	371
More than one year to five year	890	503
More than five years	341	350
	1,757	1,224

The effective interest rate for lease liabilities as at March 31, 2022 is 10.67% (March 31,2021-10.55%)

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation expense for right-of-use assets	599	849
Finance expense on lease liabilities	80	132
Expense relating to short-term, low value and variable leases (included in other expenses)	637	615
Total amount recognised in statement of consolidated profit and loss	1,316	1,596

The Company had total cash outflows for leases of ₹ 1,330 lakhs in FY 2021-22 (₹ 1,549 lakhs in FY 2020-21) including cash outflow for short-term and low value leases.



Summary of significant accounting policies and other explanatory information

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(₹ in lakhs)

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.

The maturity analysis of lease income are disclosed herein:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Lease income		
Future minimum lease income under non-cancellable operating lease (in respect of properties):		
Due within one year	405	404
Due later than one year but not later than five years	492	897
Total	897	1,301

32 Business combinations

Acquisition of entities

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

- i. Mastek (UK) Limited, a wholly-owned subsidiary of Mastek Limited, entered into a Business Transfer Agreement (“BTA”) on February 8, 2020 to acquire the business of Evosys Arabia FZ LLC and Share Transfer Agreements (STA) to acquire Middle East Companies (“MENA Acquisition”) by paying a cash consideration (net of cash & 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 Group during the year ended March 31, 2020.

While the acquisition has been effected and full consideration has been paid, procedures to complete the legal processes like registering sale of shares in certain of the geography was pending due to the pandemic condition, which has been completed in the year ended March 31, 2022.
- ii. With respect to a business undertaking of ESPL (including investments in certain subsidiaries of ESPL), the parties (Mastek group and Evosys group) entered into a Demerger Co-operation Agreement (DCA) and Shareholders Agreement on February 8, 2020. The manner of discharge of the non-cash consideration and the acquisition of legal ownership, was decided to be achieved through a demerger scheme filed before the NCLT (“the Scheme”), or, as per DCA, the parties were to complete this transaction with the same economic effect, by an alternate arrangement within the period specified in the DCA. The DCA gave Trans American Information Systems Private Limited (TAISPL) (now renamed as Mastek Enterprise Solutions Private Limited) a wholly owned subsidiary of Mastek the right to appoint majority of the board of directors in ESPL and its subsidiaries and also provided for the relevant activities of ESPL and its subsidiaries to be decided by a majority vote of such board of directors, thereby resulting in transfer of control of business of ESPL and its subsidiaries to Mastek Group. The date of acquisition of business undertaking for the purposes of Ind AS 103 is the date of transfer of control to the Group, i.e. February 8, 2020. Discharge of consideration for demerger is through issue of 4,235,294 equity shares of Mastek Limited (face value ₹ 5 each) and balance through 15 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 which carry a Put Option to be discharged at agreed EBITDA multiples, based on actual EBIDTA of 3 years commencing from financial year ending March 31, 2021 including adjustments for closing cash. During the current quarter the CCPS has been sub divided to face value of ₹ 1 each. Subsequent change in fair valuation of put option liability written on non-controlling interest is debited to other equity.

Purchase consideration for both the acquisitions (EVOSYS) aggregates ₹ 80,647 lakhs which has resulted in a Goodwill of ₹ 38,017 lakhs for MENA acquisition and ₹ 18,402 lakhs for acquisition through DCA as at March 31, 2020, as per the purchase price allocation valuation report. Such goodwill, which is the excess of fair value of purchase consideration determined over the fair value of assets acquired, is primarily attributable to growth expectations, expected future profitability, the substantial skill and expertise of acquired workforce and expected synergies.

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

On September 14, 2021, the above transaction has been approved by the National Company Law Tribunal, pursuant to the Scheme of De-merger ('the Scheme'), for the demerger of Evolutionary Systems Private Limited (ESPL or demerged entity), into TAISPL, with the effective date of February 1, 2020 (Appointed Date). Accordingly, 4,235,294 equity shares of Mastek Limited (face value ₹ 5 each) have been issued on September 17, 2021 and considered for the calculation of basic earnings per share from the quarter ended September 30, 2021.

On December 17, 2021, a board meeting was held where the Board approved the buy out of first tranche of CCPS i.e. 1/3rd of the total outstanding CCPS basis the agreed valuations. Accordingly, 254,755 equity shares of Mastek Limited (face value ₹ 5 each) have been issued on February 10, 2022.

Evosys Group focuses on Oracle Cloud implementation & consultancy, with 13 years of experience and 1000+ Oracle Cloud customers across 30+ countries. This transaction allows Mastek to diversify its geographic concentration, leverage the customer acquisition velocity that Evosys brings and provides an immediate addressable opportunity to increase the share of wallet and deliver more value for its customers.

33 Capital Commitments and Contingent Liabilities

I Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2022 is ₹ 433 lakhs (March 31, 2021: ₹ 198 lakhs)

II Contingent liabilities

	Year ended March 31, 2022	Year ended March 31, 2021
A. Claims against Company not acknowledged as debts		
Disputed demands in respect of Sales tax (including pending litigation of various matters)	941	941

B. Provident fund

Based on the judgement by the Honorable 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 Group does not expect any cash outflows or any reimbursements in respect of the above contingent liabilities.
- (ii) It is not practicable for the Group 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.

34 Net debt reconciliation

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	72,658	60,761
Current - Investment (other than cash and cash equivalents)	5,483	19,291
Borrowings including Interest payable on loans	(19,065)	(26,246)

Reconciliation	Current - Investment (other than cash and cash equivalents)	Cash and cash equivalents	Borrowings including Interest payable on loans	Total
Net debt as at March 31, 2020	15,376	22,033	(33,410)	3,999
Cash flows	3,246	38,728	9,406	51,380
Finance cost recognised	-	-	(528)	(528)
Finance cost paid	-	-	561	561
Realised profits	479	-	-	479
Fair valuation of Investments (including interest income)	190	-	-	190
FCTR	-	-	(2,275)	(2,275)
Net debt as at March 31, 2021	19,291	60,761	(26,246)	53,806



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

Reconciliation	Current - Investment (other than cash and cash equivalents)	Cash and cash equivalents	Borrowings including Interest payable on loans	Total
Cash flows	(15,043)	11,897	7,092	3,946
Finance cost recognised	-	-	(476)	(476)
Finance cost paid	-	-	463	463
Realised profits	1,884	-	-	1,884
Fair valuation of Investments (including interest income)	(649)	-	-	(649)
FCTR	-	-	102	102
Net debt as at March 31, 2022	5,483	72,658	(19,065)	59,076

35 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, 2022	As at March 31, 2021
a) Principal amount remaining unpaid to any supplier at the end of the year	19	27
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.

36 Impact of COVID-19

The Group 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, 2022 and up to the date of approval of the consolidated financial statements. While assessing the impact, Group 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 situation. Group expects to recover the carrying amount of its assets and retain effectiveness of its hedge transactions. Further there have been no changes in the financial control/process followed by the Group. However, the impact of COVID-19 may be different from that estimated as on the date of approval of these consolidated financial statements and the Group will continue to closely monitor any material changes to the business due to future economic conditions.

37 Disclosure of ratios

Sr. No.	Ratio	Formula for Computation	Measure (in times/ percentage)	March 31, 2022	March 31, 2021	Variation	Remarks
(a)	Current ratio	Current assets /Current liabilities	Times	1.78	1.87	(4.69%)	Refer note a below
(b)	Debt-equity ratio	Debt/Net worth	Times	0.16	0.25	(37.73%)	Refer note b below
(c)	Debt service coverage ratio	EBITDA/(Finance costs + Principal repayment of long-term borrowings within one year)	Times	6.46	5.03	28.62%	Refer note c below
(d)	Return on equity ratio	Profit after tax/Average net worth	Percentage	29.48%	25.58%	15.22%	Refer note d below
(e)	Inventory turnover ratio	Cost of goods sold/Average inventory	Times	NA	NA	NA	

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

Sr. No.	Ratio	Formula for Computation	Measure (in times/percentage)	March 31, 2022	March 31, 2021	Variation	Remarks
(f)	Trade receivable turnover ratio	Revenue from operations/Average trade receivables	Times	5.39	4.99	8.07%	Refer note f below
(g)	Trade payable turnover ratio	Net purchases/Average trade payables	Times	NA	NA	NA	
(h)	Net capital turnover ratio	Revenue from operations/working capital (current assets - current liability)	Times	3.29	2.72	21.17%	Refer note h below
(i)	Net profit ratio	Profit after tax/Revenue from operations	Percentage	15.27%	14.62%	4.42%	Refer note i below
(j)	Return on capital employed	EBIT/Capital employed	Percentage	31.80%	26.34%	20.73%	Refer note j below
(k)	Return on investment	Net gain/(loss) on sale/fair value changes of Investment/Average Investment	Percentage	6.04%	5.18%	16.68%	Refer note k below

Notes:

- (i) Debt = Non-current borrowings + Current borrowings
- (ii) Net worth = Paid-up share capital + Reserves created out of profit - Accumulated losses
- (iii) EBITDA = Earnings before finance costs, depreciation expense and tax
- (iv) Cost of goods sold = Cost of materials consumed + Purchase of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in-progress
- (v) Net purchase = Purchase of stock-in-trade + Cost of materials consumed + Closing inventory of raw materials - Opening inventory of raw materials
- (vi) Net assets = Property, plant and equipment (including CWIP) + Current assets - Current liabilities
- (vii) EBIT = Earnings before interest and tax
- (viii) Capital employed = Total equity + Non-current borrowings

Disclosure for change in ratio by more than 25%:

Sr No.	Type of ratio	Variation in ratio between March 31, 2022 and 31 March 2021	Reasons for variance
(a)	Current ratio	(4.69%)	Since the changes in ratio is less than 25%, no explanation is required to be furnished.
(b)	Debt-equity ratio	(37.73%)	Decrease is primarily on account of issue of shares, profit earned during the year and repayment of loans which has resulted into increase in overall net worth.
(c)	Debt service coverage ratio	28.62%	Revenue growth along with higher efficiency on operating earning has resulted in an improvement in the ratio.
(d)	Return on equity ratio	15.22%	Since the changes in ratio is less than 25%, no explanation is required to be furnished.
(e)	Trade receivable turnover ratio	8.07%	Since the changes in ratio is less than 25%, no explanation is required to be furnished.
(f)	Net capital turnover ratio	21.17%	Since the changes in ratio is less than 25%, no explanation is required to be furnished.
(g)	Net profit ratio	4.42%	Since the changes in ratio is less than 25%, no explanation is required to be furnished.
(h)	Return on capital employed	20.73%	Since the changes in ratio is less than 25%, no explanation is required to be furnished.
(i)	Return on investment	16.68%	Since the changes in ratio is less than 25%, no explanation is required to be furnished.



Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

38 Other statutory information

- (i) The Company has not advanced or loaned or invested funds to any person or any entity, including foreign entities (Intermediaries) with the understanding that the intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by a or on behalf of the Company (Ultimate Beneficiaries); or
 - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (ii) The Company has not received any fund from any person or any entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by a or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

40 The Group have not defaulted on any of the loan taken from banks, financial institutions or other lenders.

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

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

43 The Group has not traded or invested in Crypto currency or Virtual currency during the financials year.

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

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

The Financial Statements were authorised for issue by the directors on April 19, 2022.

Summary of significant accounting policies and other explanatory information as at and for the year ended March 31, 2022

45 Disclosure mandated by Schedule III by way of additional information for the year ended March 31, 2022

Name of Entity	Country of Incorporation	Net Assets i.e. Total assets-Total liabilities		Share in profit or loss		Share in OCI		Share in Total comprehensive income	
		As a % of consolidated net assets	₹ in lakhs	As a % of consolidated profit	₹ in lakhs	As a % of consolidated other comprehensive income	₹ in lakhs	As a % of consolidated total comprehensive income	₹ in lakhs
A. Parent									
Mastek Limited	India	55.0%	58,975	25.6%	7,567	21.6%	553	25.3%	8,120
B. Direct Subsidiaries									
India									
Mastek Enterprise Solutions Private Limited (Formerly known as Trans American Information Systems Private Limited) ^{(5) (7) (8)}	India	(59.7%)	(63,920)	5.4%	1,608	20.7%	530	6.7%	2,138
Foreign									
Mastek (UK) Limited	UK	72.8%	78,047	51.7%	15,259	(20.0%)	(511)	46.0%	14,748
C. Indirect Subsidiaries									
Foreign									
Indigo Blue Consulting Limited ⁽¹⁾	UK	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Mastek, Inc. ⁽²⁾	USA	0.7%	778	(9.6%)	(2,825)	6.7%	171	(8.3%)	(2,654)
Taistech LLC ⁽³⁾	USA	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Trans American Information Systems Inc.	USA	5.5%	5,908	2.3%	671	10.8%	277	3.0%	948
Mastek Digital Inc	Canada	0.4%	476	1.6%	462	0.4%	10	1.5%	472
Evolutionary Systems Consultancy LLC	Abu Dhabi	(0.9%)	(981)	(4.4%)	(1,286)	2.5%	64	(3.8%)	(1,222)
Evolutionary Systems Pty. Ltd. ^{(5) (7)}	Australia	2.4%	2,616	3.2%	959	2.7%	69	3.2%	1,028
Evolutionary Systems Bahrain WLL	Bahrain	0.6%	623	(0.0%)	(10)	1.0%	26	0.0%	16
Mastek Arabia - FZ LLC ⁽⁴⁾	Arabia	(0.4%)	(449)	(2.8%)	(824)	58.5%	1,495	2.1%	671
Evolutionary Systems Egypt LLC	Egypt	0.2%	169	0.4%	122	(0.9%)	(22)	0.3%	100
Evosys Kuwait WLLC	Kuwait	0.1%	85	0.7%	208	0.2%	4	0.7%	212
Evosys Consultancy Services (Malaysia) SDN. BHD ^{(5) (7)}	Malaysia	0.4%	453	1.4%	401	0.2%	5	1.3%	406
Newbury Cloud, Inc ^{(5) (7)}	USA	0.1%	116	0.4%	112	0.2%	4	0.4%	116
Evolutionary Systems B.V. ^{(5) (7)}	Netherland	2.2%	2,390	3.5%	1,038	(1.9%)	(49)	3.1%	989
Evolutionary Systems Qatar WLL ^{(5) (7)}	Qatar	0.7%	794	0.7%	203	1.3%	33	0.7%	236
Evolutionary Systems Saudi LLC ^{(6) (7)}	Saudi	1.8%	1,878	0.9%	253	2.8%	72	1.0%	325
Evolutionary Systems (Singapore) Pte. Ltd. ^{(5) (7)}	Singapore	0.0%	34	(1.8%)	(534)	0.3%	8	(1.6%)	(526)
Evolutionary Systems Company Limited (UK) ^{(5) (7)}	UK	15.6%	16,695	18.8%	5,549	(10.0%)	(255)	16.5%	5,294
Evolutionary Systems Corp. ^{(5) (7)}	USA	2.3%	2,439	1.9%	549	2.8%	71	1.9%	620
Evolutionary Systems Canada Limited	Canada	0.0%	10	0.1%	31	0.0%	-	0.1%	31
Total		100.0%	1,07,136	100.0%	29,513	100.0%	2,555	100.0%	32,068
D. Non-controlling Interest (NCI) ⁽⁷⁾			15,034		3,829		18		3,847



Summary of significant accounting policies and other explanatory information as at and for the year ended March 31, 2022

Disclosure mandated by Schedule III by way of additional information for the year ended March 31, 2021

Name of Entity	Country of Incorporation	Net Assets i.e. Total Assets-Total Liabilities		Share in Profit or Loss		Share in OCI		Share in Total comprehensive income		
		As a % of consolidated net assets	₹ in lakhs	As a % of consolidated profit	₹ in lakhs	As a % of consolidated other comprehensive income	₹ in lakhs	As a % of consolidated total comprehensive income	₹ in lakhs	
A. Parent										
Mastek Limited	India	54.6%	46,865	8.2%	1,708	(2.3%)	(312)	4.1%	1,396	
B. Direct Subsidiaries										
India										
Trans American Information Systems Private Limited ⁽⁸⁾	India	(66.6%)	(57,137)	(2.8%)	(584)	1.7%	229	-1.0%	(355)	
Foreign										
Mastek (UK) Limited	UK	77.9%	66,894	37.0%	7,755	115.7%	15,561	67.8%	23,321	
C. Indirect Subsidiaries										
India										
Evolutionary Systems Private Limited ^{(5) (7)(8)}	India	5.0%	4,272	5.3%	1,109	(0.6%)	(82)	3.0%	1,027	
Foreign										
Indigo Blue Consulting Limited ⁽¹⁾	UK	0.0%	-	0.0%	-	0.0%	-	0.0%	-	
Mastek, Inc. ⁽²⁾	USA	4.3%	3,727	(7.3%)	(1,535)	(2.3%)	(307)	-5.4%	(1,842)	
Taistech LLC ⁽³⁾	USA	0.0%	-	0.0%	-	(3.5%)	(468)	-1.4%	(468)	
Trans American Information Systems Inc.	USA	5.8%	4,961	7.4%	1,548	1.8%	246	5.2%	1,794	
Mastek Digital Inc	Canada	0.0%	4	0.0%	5	0.0%	-	0.0%	-	
Evolutionary Systems Consultancy LLC	Abu Dhabi	0.3%	240	2.4%	512	(1.3%)	(177)	1.0%	334	
Evolutionary Systems Pty. Ltd. ^{(5) (7)}	Australia	1.5%	1,297	5.3%	1,107	0.5%	69	3.4%	1,176	
Evolutionary Systems Bahrain WLL	Bahrain	0.7%	607	2.5%	525	0.0%	2	1.5%	526	
Mastek Arabia - FZ LLC ⁽⁴⁾	Arabia	(1.3%)	(1,119)	(1.6%)	(331)	(12.3%)	(1,650)	-5.8%	(1,981)	
Evolutionary Systems Egypt LLC	Egypt	0.1%	69	0.1%	22	(0.0%)	(1)	0.1%	21	
Evosys Kuwait WLLC	Kuwait	(0.1%)	(127)	(0.3%)	(70)	0.0%	0	-0.2%	(70)	
Evosys Consultancy Services (Malaysia) SDN. BHD ^{(5) (7)}	Malaysia	0.0%	18	0.1%	24	0.0%	0	0.1%	24	
Newbury Cloud, Inc. ^{(5) (7)}	USA	(0.0%)	(16)	0.8%	173	0.0%	2	0.5%	175	
Evolutionary Systems B.V. ^{(5) (7)}	Netherland	1.3%	1,159	5.7%	1,199	(0.1%)	(13)	3.5%	1,187	
Evolutionary Systems Qatar WLL ^{(5) (7)}	Qatar	0.6%	533	0.6%	125	(0.1%)	(16)	0.3%	109	
Evolutionary Systems Saudi LLC ^{(6) (7)}	Saudi	1.7%	1,425	7.3%	1,536	(0.5%)	(74)	4.3%	1,462	
Evolutionary Systems (Singapore) Pte. Ltd. ^{(5) (7)}	Singapore	0.7%	570	0.5%	100	0.1%	8	0.3%	108	
Evolutionary Systems Company Limited (UK) ^{(5) (7)}	UK	11.8%	10,158	22.4%	4,681	3.4%	461	15.0%	5,142	
Evolutionary Systems Corp. ^{(5) (7)}	USA	1.7%	1,454	6.3%	1,326	(0.2%)	(27)	3.8%	1,300	
Total		100.0%	85,854	100.0%	20,935	100.0%	13,451	100%	34,386	
D. Non-controlling Interest (NCI) ⁽⁷⁾			18,203		4,240		258		4,498	

(1) Merged into Mastek (UK) Limited with effect from June 30, 2018.

(2) Formally known as Digility, Inc.

Summary of significant accounting policies and other explanatory information

as at and for the year ended March 31, 2022

(₹ in lakhs)

- (3) Merged into Trans American Information Systems, Inc. with effect from December 31, 2019.
- (4) Incorporated with effect from March 3, 2020.
- (5) Acquired with effect from February 8, 2020 (Demerger Co-operation Agreement “DCA” acquisition) through board control (refer note 32).
- (6) Acquired 50% with effect from February 8, 2020 and 50% from March 17, 2020 (refer note 32).
- (7) Non-controlling Interest (NCI), refer note 32(ii).
- (8) Evolutionary Systems Private Limited merged with Trans American Information Systems Private Limited pursuant to demerger apporval during the year and subsequently name has been changed to Mastek Enterprise Solutions Private Limited.

45.1 Financial information of subsidiaries that have material non-controlling interests:

The Group has Mastek Enterprise Solutions Private Limited (‘MESPL’) (formerly known as Trans American Information Systems Private Limited), which is the only subsidiary with non-controlling interests that is material to the Group.

Proportion of total share capital held by non-controlling interests:

Name	Country of incorporation and operation	March 31, 2022	March 31, 2021
Mastek Enterprise Solutions Private Limited (‘MESPL’) (formerly known as Trans American Information Systems Private Limited)	India	20.00%	30.00%

Particulars	As at March 31, 2022	As at March 31, 2021
Current assets	14,369	9,110
Non-current assets	40,574	39,415
Current liabilities	5,367	2,406
Non-current liabilities	1,712	1,593
Revenue from operations	32,198	17,560

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalent		
Cash and cash equivalents at the beginning of the year	928	2,192
Increase/(Decrease) in cash and cash equivalents during the year	365	(1,264)
Cash and cash equivalents at the end of the year	1,293	928

46 Previous year’s figures have been regrouped or reclassified wherever necessary.

As per our report of even date attached

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

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

Adi P. Sethna
Partner
Membership No.: 108840

Ashank Desai
Vice Chairman and Managing Director
DIN: 00017767

S. Sandilya
Non-Executive Chairman and Independent Director
DIN: 00037542

Arun Agarwal
Global Chief Financial officer
Place: Mumbai
Date: April 19, 2022

Dinesh Kalani
Company Secretary

Place: Mumbai
Date: April 19, 2022



Notice to Member

Corporate
Overview

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Shareholder
Information



MASTEK LIMITED

(CIN: L74140GJ1982PLC005215)

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

E-mail: investor_grievances@mastek.com; Website: www.mastek.com;
Tel: +91-79-2656-4337

Notice to Members

40th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE 40TH ANNUAL GENERAL MEETING (“AGM”) OF MASTEK LIMITED (“THE COMPANY”) WILL BE HELD ON WEDNESDAY, SEPTEMBER 14, 2022 AT 5.00 P.M. IST THROUGH VIDEO CONFERENCING (“VC”) / OTHER AUDIO VISUAL MEANS (“OAVM”) ORGANISED BY THE COMPANY TO TRANSACT THE FOLLOWING BUSINESS.

Ordinary Business

1. Adoption of Audited Financial Statements.

To receive, consider and adopt:

- a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2022, including the Audited Balance Sheet as of March 31, 2022, the Statement of Profit and Loss, the Cash Flow Statement of the Company for the year ended on that date and notes related thereto together with the Reports of the Board of Directors and Auditors thereon; and
- b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022, including the Audited Balance Sheet as of March 31, 2022, the Statement of Profit and Loss, the Cash Flow Statement of the Company for the year ended on that date and notes related thereto together with the Report of the Auditors thereon.

2. Confirmation on the payment of an Interim Dividend and declaration of a Final Dividend.

To confirm the payment of an Interim Dividend of ₹7.00 per equity share (on Face Value of ₹5.00 each) and also to declare a Final Dividend of ₹12.00 per equity share (on Face Value of ₹5.00 each) for the Financial Year 2021-22.

3. Re-appointment of Director retiring by rotation.

To appoint a Director in place of Mr. Ketan Mehta (DIN: 00129188), Non-Executive / Non-Independent Director who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

4. Re-appointment of Statutory Auditors for the second term of 5 (five) consecutive years.

To re-appoint M/s. Walker Chandiok & Co. LLP, Chartered Accountants, (Firm Registration Number: 001076N/ N500013) as Statutory Auditors of the Company for the second term of 5 (five) consecutive years and to fix their remuneration.

To consider and if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force) read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, and pursuant to the recommendations of the Audit Committee and the Board of Directors, the consent of the Members of the Company be and is hereby accorded for the re-appointment of M/s. Walker Chandiok & Co. LLP Chartered Accountants, (Firm Registration No. 001076N/N500013) as Statutory Auditors of the Company for their second term of 5 (five) consecutive years, to hold office from the conclusion of this 40th AGM of the Company till the conclusion of the 45th AGM of the Company to be held in the Year 2027. The Statutory Auditors, subject to their re-appointment, shall be entitled to a Remuneration plus applicable taxes and out-of-pocket expenses, as detailed in the Explanatory Statement annexed to the notice convening this meeting.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution the Board (including the Audit Committee of the Board or any other person(s) authorised by the Board in this regard), be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters, and actions as may be necessary, expedient and desirable to give effect to this resolution.”