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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Consolidated Unaudited Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Mastek Limited

1. We have reviewed the accompanying statement of consolidated unaudited financial results ('the Statement') of Mastek Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 30 September 2020 and the consolidated year to date results for the period 1 April 2020 to 30 September 2020 being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the accounting principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.



Walker Chandiook & Co LLP

Mastek Limited

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Consolidated Unaudited Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the accounting principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the interim financial results of 11 subsidiaries included in the Statement, whose financial information reflects total revenues of Rs. 10,918 lakhs (before intercompany eliminations), total net profit after tax of Rs. 1,239 lakhs, total comprehensive income of Rs. 219 lakhs for the quarter ended on 30 June 2020 as included in the Statement. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Further, all these 11 subsidiaries, are located outside India, whose interim financial results have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under International Standards on Auditing and auditing standards applicable in their respective countries. The Holding Company's management has converted the financial results of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based on the review report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

Our conclusion is not modified in respect of these matters with respect to our reliance on the work done by and the reports of the other auditors.

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



Adi P. Sethna
Partner
Membership No:108840

UDINo:20108840AAAAFB1430

Place: Mumbai
Date: 29 October 2020

Walker Chandok & Co LLP

**Mastek Limited
Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and
Consolidated Unaudited Year to Date Results of the Company Pursuant to the Regulation 33 of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

Annexure 1

List of entities included in the Statement

1. Mastek (UK) Limited
2. Trans American Information Systems Private Limited
3. Mastek, Inc.
4. Trans American Information Systems, Inc.
5. Mastek Digital, Inc.
6. Indigoblue Limited
7. Mastek Arabia FZ LLC
8. Evolutionary Systems Qatar WLL
9. Evolutionary Systems (Singapore) Pte Ltd
10. Evolutionary Systems Pty Ltd
11. Evolutionary Systems Corp
12. Evolutionary Systems Co Ltd
13. Evolutionary Systems Bahrain SPC
14. Evolutionary Systems Consultancy LLC
15. Evolutionary Systems Egypt LLC
16. Evosys Kuwait WLL
17. Newbury Cloud, Inc.
18. Evolutionary Systems BV
19. Evolutionary Systems Private Limited India
20. Evolutionary Systems Saudi LLC
21. Evosys Consultancy Services (Malaysia) Sdn Bhd



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Statement of Unaudited Consolidated Financial Results for the Quarter and Six months ended September 30, 2020

(Rs. In lakhs)

	Particulars	Quarter ended			Six months ended		Year ended
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	(a) Revenue from operations	40,974	38,606	24,360	79,580	49,114	107,148
	(b) Other income	406	1,670	912	2,076	1,425	4,130
	Total Income	41,380	40,276	25,272	81,656	50,539	111,278
2	Expenses						
	(a) Employee benefits expenses	21,037	20,366	13,504	41,403	27,006	58,414
	(b) Finance costs	208	250	86	458	168	362
	(c) Depreciation and amortisation expenses	1,164	1,140	563	2,304	1,136	2,489
	(d) Other expenses	11,282	11,428	7,991	22,710	15,955	33,198
	Total expenses	33,691	33,184	22,144	66,875	44,265	94,463
3	Profit before exceptional items & tax (1 - 2)	7,689	7,092	3,128	14,781	6,274	16,815
4	Exceptional items - (loss) net (Refer note 4)	-	-	-	-	-	(2,407)
5	Profit before tax (3 + 4)	7,689	7,092	3,128	14,781	6,274	14,408
6	Income tax expense / (credit)						
	- Current tax	1,901	1,770	979	3,671	1,736	4,081
	- Deferred tax	(127)	(66)	(315)	(193)	(348)	(1,091)
	- Tax provision relating to prior periods (Refer note 8)	-	730	-	730	-	37
	- Total, net	1,774	2,434	664	4,208	1,388	3,027
7	Net Profit (5 - 6)	5,915	4,658	2,464	10,573	4,886	11,381
8	Other Comprehensive Income / (loss), net of tax (Refer note 3)	10,260	3,686	(1,685)	13,946	6,035	767
9	Total Comprehensive Income, net of tax (7 + 8)	16,175	8,344	779	24,519	10,921	12,148
	Profit attributable to						
	Owners of the Company	5,095	4,043	2,464	9,138	4,886	10,886
	Non-controlling interests	820	615	-	1,435	-	495
	Profit after tax	5,915	4,658	2,464	10,573	4,886	11,381
	Other comprehensive Income / (loss) (OCI) attributable to						
	Owners of the Company	10,191	3,687	(1,685)	13,878	6,035	831
	Non-controlling interests	69	(1)	-	68	-	(64)
	Total other comprehensive Income / (loss), net of taxes	10,260	3,686	(1,685)	13,946	6,035	767
	Total comprehensive Income attributable to						
	Owners of the Company	15,286	7,730	779	23,016	10,921	11,717
	Non-controlling interests	889	614	-	1,503	-	431
	Total comprehensive Income	16,175	8,344	779	24,519	10,921	12,148
10	Paid-up equity share capital (Face value Rs. 5/- per share)	1,227	1,221	1,201	1,227	1,201	1,214
11	Other Equity						77,832
12	Earnings per share (of face value Rs 5/- each) (not annualised) :						
	(a) Basic - Rs	20.81	16.62	10.26	37.45	20.36	45.21
	(b) Diluted - Rs	19.75	16.00	9.73	35.57	19.27	42.93



Statement of Unaudited Consolidated Financial Results for the Quarter and Six months ended September 30, 2020

(Rs. In lakhs)

	Particulars	Quarter ended			Six months ended		Year ended
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment Revenue						
	UK & Europe operations	27,548	25,195	17,433	52,743	35,488	77,240
	North America operations	7,257	6,611	6,472	13,868	12,778	24,886
	Middle East	4,395	5,460	-	9,855	-	2,354
	Others	1,774	1,340	455	3,114	848	2,668
	Revenue from operations, net	40,974	38,606	24,360	79,580	49,114	107,148
2	Segment Results profit before exceptional item, tax and finance cost						
	UK & Europe operations	6,873	5,105	2,704	11,978	5,562	13,074
	North America operations	953	544	646	1,497	1,147	2,117
	Middle East	854	574	-	1,428	-	628
	Others	(415)	159	(615)	(256)	(845)	(1,289)
	Total	8,265	6,382	2,735	14,647	5,864	14,530
	Less : i. Finance costs	208	250	86	458	168	362
	ii. Other un-allocable expenditure net of un-allocable (income)	368	(960)	(479)	(592)	(578)	(2,647)
	Profit from ordinary activities after finance costs but before exceptional Items	7,689	7,092	3,128	14,781	6,274	16,815
	Exceptional items - (loss) / gain, net (Refer note 4)						
	UK & Europe operations	-	-	-	-	-	(393)
	North America operations	-	-	-	-	-	(1,037)
	Others	-	-	-	-	-	(977)
	Exceptional (loss), net	-	-	-	-	-	(2,407)
	Profit from ordinary activities before tax	7,689	7,092	3,128	14,781	6,274	14,408

Notes on Segment Information :

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on analysis of various performance indicators by geographical region of the customers.

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 disclosure relating to total segment assets and liabilities are not practicable.

Others segment includes India, Australia, Malaysia & Singapore for the quarter ended June 30, 2020, September 30, 2020 and six months ended September 30, 2020 and India upto earlier quarter and period.



Unaudited Consolidated Balance Sheet as at September 30, 2020

(Rs. In lakhs)

Particulars	As at	
	September 30, 2020	March 31, 2020
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property plant & equipment, net	4,792	5,142
Capital work-in-progress	193	167
Right-of-use Asset	1,660	1,991
Investment property	467	485
Goodwill	66,447	67,667
Other intangible assets, net	9,079	10,389
Financial assets		
Investments	4,187	12,182
Loans	279	190
Other financial assets	1,882	459
Income tax (Current - tax) assets, net	436	1,221
Deferred tax assets, net	4,989	3,776
Other non-current assets	148	119
Total Non Current Assets	94,559	103,788
Current Assets		
Financial Assets		
Investments	15,271	15,376
Trade receivables	31,035	31,572
Cash and Cash equivalents	27,957	22,033
Bank balances, other than cash & cash equivalents	64	64
Loans	293	218
Other financial assets	26,320	2,276
Other current assets	14,283	14,913
Total Current Assets	115,223	86,452
Total Assets	209,782	190,240



Unaudited Consolidated Balance Sheet as at September 30, 2020

(Rs. In lakhs)

Particulars	As at	
	September 30, 2020	March 31, 2020
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	1,227	1,214
Other Equity	96,528	77,832
Total Equity	97,755	79,046
Non Controlling Interest	15,208	13,705
Total Equity	112,963	92,751
LIABILITIES		
Non Current Liabilities		
Financial liabilities		
Borrowings	21,095	24,085
Other financial liabilities	27,970	22,546
Deferred tax liabilities, net	1,897	1,473
Provisions	3,394	2,536
Total Non Current Liabilities	54,356	50,640
Current Liabilities		
Financial liabilities		
Borrowings	4,141	7,480
Trade payables	4,051	10,539
Other financial liabilities	16,023	17,000
Other current liabilities	14,509	9,480
Provisions	1,164	1,084
Current tax liabilities, net	2,575	1,266
Total Current Liabilities	42,463	46,849
Total Liabilities	96,819	97,489
Total Equity & Liabilities	209,782	190,240



MASTEK LIMITED

Registered Office : 804/805, President House, Opp.C.N.Vidyalaya

Near Ambawadi Circle, Ahmedabad-380 006

CIN No. L74140GJ1982PLC005215

Unaudited Consolidated Statement of Cash Flow for Six months ended September 30, 2020

(Rs. In lakhs)

Particulars	Six months ended	Six months ended
	September 30, 2020	September 30, 2019
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit for the period	10,573	4,886
Adjustments for:		
Interest income	(179)	(136)
Employee stock compensation expenses	332	529
Finance costs	330	124
Depreciation and amortisation	2,304	1,136
Provision for cost overrun on contracts, net	-	45
Tax expense	4,208	1,388
Bad debts written off	376	-
Provision for doubtful debts and loans and advances	17	249
(Profit) / Loss on sale of property plant and equipment, net	(3)	29
Finance cost due to Ind AS 116 adjustment	76	44
Profit on sale of current investments	(577)	(304)
Rental income	(236)	(122)
Changes in operating assets and liabilities; net of effects from acquisitions	17,221	7,868
Increase in trade receivables	(260)	(1,480)
Decrease in loans and advances and other assets	631	668
Increase / (Decrease) in trade payables, other liabilities and provisions	438	(291)
Cash generated from operating activities before taxes	18,030	6,765
Income taxes paid, net of refunds	(2,272)	(2,163)
Net cash generated from operating activities	15,758	4,602
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	3	7
Purchase of property, plant and equipment and software	(354)	(553)
Interest received	133	22
Rental income	219	3
Earnout payment on account of Business Combination	-	(816)
Purchase of current investments	(10,851)	(5,271)
Proceeds from current investments	10,116	5,219
Net cash (used in) investing activities	(734)	(1,389)
Cash flows from financing activities		
Proceeds from issue of shares under the employee stock option schemes	240	11
(Repayments) / Proceeds from long term loan net of repayments	(8,503)	18
Payment of lease liabilities	(485)	(287)
Dividends paid including dividend distribution tax and unclaimed dividend	-	(1,201)
Interest paid on vehicle finance	(7)	(8)
Interest paid term loan	(342)	(81)
Net cash (used in) financing activities	(9,097)	(1,548)
Effect of changes in exchange rates for cash and cash equivalents	(3)	(236)
Net increase in cash and cash equivalents during the period	5,924	1,429
Cash and cash equivalents at the beginning of the period	22,033	9,295
Cash and cash equivalents at the end of the period	27,957	10,724



Notes to the consolidated financial results:

- The above results were reviewed by the Audit Committee and were thereafter approved by the Board of Directors at their respective meetings held on October 29, 2020. The auditors have carried out limited review of the unaudited consolidated financial results.
- The Group has accounted net foreign exchange gain under "Other income" and net foreign exchange loss under "Other Expenses". Further, 'Revenue from operations' includes net realised foreign exchange loss / (gain) arising from currency hedges relating to certain firm commitments and forecasted sales transactions. The table below shows the impact of the net foreign exchange (gain) / loss on the Group's results in each of the periods presented:

(Rs. In lakhs)

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
Net foreign exchange loss/(gain)	21	9	24	30	158	(1,373)
Net realised foreign exchange (gain) arising from hedging accounted under Income from Operations	(11)	(53)	(124)	(64)	(214)	(395)

3 Other Comprehensive Income includes:

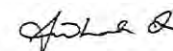
(Rs. In lakhs)

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
(i) Items that will not be reclassified subsequently to the statement of profit and loss (net of tax):						
Defined benefit plan actuarial gain/(loss), net	45	(239)	(65)	(194)	(16)	(37)
Gain / (loss) on change in fair value of equity instrument through OCI, net #	11,701	3,760	(2,064)	15,461	6,523	105
Total	11,746	3,521	(2,129)	15,267	6,507	68
(ii) Items that will be reclassified subsequently to the statement of profit and loss (net of tax):						
Exchange (loss) / gain on translation of foreign operations	(1,640)	(173)	268	(1,813)	(847)	739
Gain/ (loss) on change in fair value of forward contracts designated as cash flow hedges, net	84	381	36	465	232	(267)
Gain/(loss) on change in fair value of financial instruments, net	70	(43)	140	27	143	227
Total	(1,486)	165	444	(1,321)	(472)	699
Other comprehensive Income / (loss) net of tax (i+ii)	10,260	3,686	(1,685)	13,946	6,035	767

Includes fair value (loss) / gain aggregating to Rs. (1,849) lakhs and Rs. 1,952 lakhs respectively, on account of sale of 3 million equity shares of MAJESCO (US) by Mastek (UK) Limited at different points of time during the year ended March 31, 2020.



- 4 Exceptional items for the year ended March 31, 2020, include (i) material provisions for doubtful debts on certain revenue contracts (Mastek India and US operations) Rs. 1882 lakhs (ii) Contingent consideration written back (Mastek US operations) Rs. 194 lakhs; and (iii) legal and professional costs (UK and India regions) Rs. 719 lakhs, relating to the business combination consummated during the quarter ended March 31, 2020.
- 5 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 quarter ended September 30, 2020 and up to the date of approval of financial results. 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. However, the impact of COVID-19 may be different from that estimated as on the date of approval of these financial results and the Group will continue to closely monitor any material changes to the business due to future economic conditions.
- 6 During the quarter ended March 31, 2020 the group has acquired control of 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 Middle East and North Africa business ("MENA business") of Evosys (except Qatar) by paying a cash consideration (net of debt and including cash & cash equivalents) of USD 64.9 million i.e. Rs. 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.
- While the acquisition has been effected and full consideration has been paid, procedures to complete the legal process viz. registering sale of shares, etc. in certain geographies is ongoing. The legal procedures are delayed because of COVID-19 pandemic related lockdown in certain geographies, and the Company has been legally advised that such legal procedures are administrative in nature, and the parties to the BTA expect to complete these post the lockdown is relaxed / lifted i.e. before the close of the financial year 2020-21.
- ii) With respect to a business undertaking of Evosys (including investments in certain subsidiaries of ESPL), the parties 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, is decided to be achieved through a demerger scheme to be filed before the NCLT ("the Scheme"), or, as per DCA between Mastek and the sellers of Evosys, the parties shall complete this transaction with the same economic effect, by an alternate arrangement within the period specified in the DCA. The DCA gives Mastek the right to appoint majority of the board of directors in ESPL and its subsidiaries and also provides for the relevant activities of ESPL and its subsidiaries to be decided by a majority vote of such board of directors, thereby resulting in transfer of control of business of ESPL and its subsidiaries to Mastek group. The transfer of legal title of such business undertaking shall be completed in financial year 2020-21. The date of acquisition of business undertaking for the purposes of Ind AS 103 is the date of transfer of control to Mastek, i.e. February 8, 2020. Discharge of consideration through demerger will be done through issue of 42,35,294 equity shares of Mastek Limited (face value Rs. 5 each) and balance through Compulsorily Convertible Preference Shares (CCPS) of Trans American Information Systems Private Limited (a subsidiary of Mastek) which carry a Put Option to be discharged at agreed EBITDA multiples, over the next 4 years. Pending completion of legal acquisition, this transaction has only been considered for disclosure in the standalone financial statements / results for the year ended March 31, 2020 (till date) and will be given effect to on receiving NCLT approval or on executing the alternate arrangement in accordance with the DCA.
- Accordingly, the equity shares which are proposed to be issued have not been considered for calculating the earnings per share both basic and diluted till such time that the acquisition is recognised in the standalone financial statements / results.
- Purchase consideration for both the acquisitions aggregates Rs. 80,647 lakhs which has resulted in a Goodwill of Rs.37,657 lakhs for MENA acquisition and Rs.18,763 lakhs for acquisition through DCA, 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 Evosys's workforce and expected synergies. The loss on fair value of put options instrument Rs.5,709 lakhs is debited to other equity for the six months ended on September 30, 2020.
- 7 The consolidated financial results (including the statement of cash flows) for the quarter and six months ended September 30, 2019 do not include the impact of the aforesaid acquisitions during the quarter ended March 31, 2020 and hence, are not comparable to that extent.
- 8 These results have been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under the Companies (Ind-AS) Rules, 2015 as amended.
- 9 During the previous quarter ended June 30, 2020, 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, Rs. 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 amounting to Rs. 55 Lakhs and Rs 110 lakhs has been recognised respectively on a similar basis for the quarter and six months ended September 30, 2020.
- 10 The Board of Directors have recommended an interim dividend @ 110 % (Rs 5.50 per share of face value Rs.5/- each) at the meeting held on October 29, 2020.
- 11 Previous period's / year's figures have been regrouped or reclassified wherever necessary.



SUDHAKAR RAM
Vice Chairman & Managing Director

Place : Mumbai, India
Date : October 29, 2020



Walker Chandiook & Co LLP
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One International Center,
SB Marg, Prabhadevi (W)
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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Standalone Unaudited Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Mastek Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of **Mastek Limited** ('the Company') for the quarter ended 30 September 2020 and the unaudited year to date results for the period 1 April 2020 to 30 September 2020 being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the accounting principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the accounting principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Adi P. Sethna
Partner
Membership No:108440

UDINo:20108840AAAAFA5130

Place: Mumbai
Date: 29 October 2020

MASTEK LIMITED

Registered Office : 804/805, President House, Opp.C.N.Vidyalaya

Near Ambawadi Circle, Ahmedabad-380 006

CIN No. L74140GJ1982PLC005215

Statement of Unaudited Standalone Financial Results for the Quarter and Six months ended September 30, 2020

(Rs. In lakhs)

	Particulars	Quarter ended			Six months ended		Year ended
		September 30,	June 30,	September 30,	September 30,	September 30,	March 31,
		2020 (Unaudited)	2020 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2019 (Unaudited)	2020 (Audited)
1	Income						
	(a) Revenue from operations	4,211	4,060	4,231	8,271	8,647	16,344
	(b) Other income	409	706	1,669	1,115	2,068	4,886
	Total Income	4,620	4,766	5,900	9,386	10,715	21,230
2	Expenses						
	(a) Employee benefits expenses	3,594	3,023	3,184	6,617	6,152	12,364
	(b) Finance costs	12	12	14	24	24	45
	(c) Depreciation and amortisation expenses	264	257	294	521	590	1,113
	(d) Other expenses	588	643	1,092	1,231	2,185	3,642
	Total expenses	4,458	3,935	4,584	8,393	8,951	17,164
3	Profit before exceptional items & tax (1 - 2)	162	831	1,316	993	1,764	4,066
4	Exceptional items - (loss) (Refer note 4)	(700)	-	(199)	(700)	(199)	(683)
5	(Loss) / Profit before tax (3 + 4)	(538)	831	1,117	293	1,565	3,383
6	Income tax expense / (credit)						
	- Current tax	(56)	301	266	245	421	869
	- Deferred tax	(51)	(10)	(95)	(61)	(111)	(231)
	- Tax provision relating to prior periods (Refer note 9)	-	730	-	730	-	-
	- Total, net	(107)	1,021	171	914	310	638
7	Net (Loss) / Profit (5 - 6)	(431)	(190)	946	(621)	1,255	2,745
8	Other Comprehensive Income, net of tax (Refer note 3)	65	188	139	253	409	152
9	Total Comprehensive (Loss) / Income, net of tax (7 + 8)	(366)	(2)	1,085	(368)	1,664	2,897
10	Paid-up equity share capital (Face value Rs. 5/- per share)	1,227	1,221	1,201	1,227	1,201	1,214
11	Other Equity						25,698
12	Earnings per share (of face value Rs 5/- each) (not annualised) :						
	(a) Basic - Rs	(1.76)	(0.78)	3.94	(2.55)	5.23	11.40
	(b) Diluted - Rs	(1.76)	(0.78)	3.73	(2.55)	4.95	10.82



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Unaudited Standalone Balance Sheet as at September 30,2020

(Rs. In lakhs)

Particulars	As at	
	September 30, 2020	March 31, 2020
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property plant & equipment	2,988	3,184
Capital work-in-progress	193	167
Right-of-use assets	114	134
Investment property	467	485
Intangible assets	73	200
Investment in subsidiaries	1,403	1,403
Financial assets		
Investments	4,186	3,844
Loans	109	88
Other financial assets	750	772
Deferred tax assets	2,690	2,816
Income tax (Current - tax) assets, net	734	1,269
Other non-current assets	130	105
Total Non Current Assets	13,837	14,467
Current Assets		
Financial Assets		
Investments	13,426	12,190
Trade receivables	3,030	2,561
Cash and Cash equivalents	2,117	2,018
Bank balances other than cash & cash equivalents	64	64
Loans	13	13
Other financial assets	1,036	1,333
Other current assets	1,138	980
Total Current Assets	20,824	19,159
Total Assets	34,661	33,626



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CIN No. L74140GJ1982PLC005215

Unaudited Standalone Balance Sheet as at September 30,2020

(Rs. In lakhs)

Particulars	As at	
	September 30, 2020	March 31 ,2020
	(Unaudited)	(Audited)
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	1,227	1,214
Other Equity	25,876	25,698
Total Equity	27,103	26,912
LIABILITIES		
Non Current Liabilities		
Financial liabilities		
Borrowings	95	113
Other financial liabilities	888	987
Provisions	1,212	990
Total Non Current Liabilities	2,195	2,090
Current Liabilities		
Financial liabilities		
Trade payables		
Dues of micro and small enterprises	1	1
Dues of creditors other than micro and small enterprises	117	111
Other financial liabilities	4,490	3,746
Other current liabilities	527	555
Provisions	228	211
Total Current Liabilities	5,363	4,624
Total Liabilities	7,558	6,714
Total Equity & Liabilities	34,661	33,626



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Unaudited Standalone Statement of Cash Flow for Six months ended September 30, 2020

Particulars	Six months ended	Six months ended
	September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)
Cash flows from operating activities		
(Loss) / Profit for the period	(621)	1,255
Adjustments for :		
Interest income	(180)	(136)
Guarantee Commission	(115)	(46)
Employee stock compensation expenses	136	203
Finance costs	13	16
Depreciation and amortisation	521	590
Receivables, loans and advances doubtful of recovery / written off (net of recoveries)	77	50
Provision for cost overrun on contracts, net	-	45
Tax expense	914	310
Exceptional item	700	199
Dividend from subsidiary	-	(1,290)
(Profit)/ Loss on sale of property, plant and equipment and software, net	(3)	29
Profit on sale of current investments	(523)	(278)
Finance cost due to Ind AS 116 adjustment	7	8
Rental income	(232)	(122)
Operating profit before working capital changes	694	833
(Increase) / Decrease in trade receivables	(547)	184
Decrease / (Increase) in loans and advances and other assets	603	(25)
Increase in trade payables, other liabilities and provisions	188	381
Cash generated from operating activities before taxes	938	1,373
Income taxes paid, net of refunds	(357)	(338)
Net cash generated from operating activities	581	1,035
Cash flows from investing activities		
Proceeds from sale of property, plant & equipment	3	7
Purchase of property, plant & equipment and software	(194)	(144)
Interest received	91	-
Dividend from subsidiary	-	1,290
Rental income	219	3
Guarantee Commission received	223	37
Purchase of current investments	(5,899)	(5,271)
Proceeds from current investments	4,880	5,094
Net cash (used in) / generated from investing activities	(677)	1,016
Cash flows from financing activities		
Proceeds from issue of shares under the employee stock compensation schemes	240	11
Proceeds and repayment of borrowings, net	(14)	18
Dividends paid including dividend distribution tax and unclaimed dividends	-	(1,201)
Payment of lease liabilities	(24)	(19)
Interest paid on finance lease and others	(7)	(8)
Net cash generated from / (used in) financing activities	195	(1,199)
Net increase in cash and cash equivalents during the period	99	852
Cash and cash equivalents at the beginning of the period	2,018	1,172
Cash and cash equivalents at the end of the period	2,117	2,024



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Notes to the standalone financial results:

- 1 The above results were reviewed by the Audit Committee and were thereafter approved by the Board at their respective meetings held on October 29, 2020. The auditors have carried out a limited review of the unaudited standalone financial results.
- 2 The Company has presented net foreign exchange gain under "Other income" and net foreign exchange loss under "Other Expenses". Further, during the period company has realised foreign exchange loss / (gain) arising from currency hedges relating to certain firm commitments and forecasted sales transactions. The table below shows the amount of gain or loss in each of the periods presented:

(Rs. In lakhs)

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
Net foreign exchange (gain) / loss	(22)	4	(37)	(18)	79	(127)
Net realised foreign exchange (gain) arising from hedging accounted under Income from Operations	(13)	(70)	(124)	(83)	(214)	(396)

(Rs. In lakhs)

- 3 Other Comprehensive Income includes:

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
(i) Items that will not be reclassified subsequently to the statement of profit and loss (net of tax):						
Defined benefit plan actuarial gain / (loss), net	49	(41)	(55)	8	3	5
Total	49	(41)	(55)	8	3	5
(ii) Items that will be reclassified subsequently to the statement of profit or loss (net of tax):						
(loss) / gain on change in fair value of forward contracts designated as cash flow hedges, net	(53)	272	54	219	263	(79)
gain / (loss) on change in fair value of financial instruments, net	69	(43)	140	26	143	226
Total	16	229	194	245	406	147
Other comprehensive income, net of tax (i+ii)	65	188	139	253	409	152



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- 4 Exceptional items represent (a) settlement provision relating to revenue contracts for the quarter and six months ended September 30, 2020; (b) legal costs related to acquisition and includes material provisions for doubtful debts on certain revenue contracts for the year ended March 31, 2020; and (c) material provision for doubtful debts on certain revenue contracts for the quarter and six months ended September 30, 2019.
- 5 These results have been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under the Companies (Ind-AS) Rules, 2015 (as amended).
- 6 During the quarter ended March 31, 2020 the group has acquired control of 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 Middle East and North Africa business ("MENA business") of Evosys (except Qatar) by paying a cash consideration (net of debt and including cash & cash equivalents) of USD 64.9 million i.e. Rs. 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 for the year ended March 31, 2020.
- ii. With respect to a business undertaking of Evosys (including investments in certain subsidiaries of ESPL), the parties 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, is decided to be achieved through a demerger scheme to be filed before the NCLT ("the Scheme"), or, as per DCA between Mastek and the sellers of Evosys, the parties shall complete this transaction with the same economic effect, by an alternate arrangement within the period specified in the DCA. The DCA gives Mastek the right to appoint majority of the board of directors in ESPL and its subsidiaries and also provides for the relevant activities of ESPL and its subsidiaries to be decided by a majority vote of such board of directors, thereby resulting in transfer of control of business of ESPL and its subsidiaries to Mastek group. The transfer of legal title of such business undertaking shall be completed in financial year 2020-21. The date of acquisition of business undertaking for the purposes of Ind AS 103 is the date of transfer of control to Mastek, i.e. February 8, 2020. Discharge of consideration through demerger will be done through issue of 42,35,294 equity shares of Mastek Limited (face value Rs. 5 each) and balance through Compulsorily Convertible Preference Shares (CCPS) of Trans American Information Systems Private Limited (a subsidiary of Mastek) which carry a Put Option to be discharged at agreed EBITDA multiples, over the next 4 years. Pending completion of legal acquisition, this transaction has only been considered for disclosure in the standalone financial statements / results for the year ended March 31, 2020 (till date) and will be given effect to on receiving NCLT approval or on executing the alternate arrangement in accordance with the DCA. Accordingly, the equity shares which are proposed to be issued have not been considered for calculating the earnings per share both basic and diluted till such time that the acquisition is recognised in the standalone financial statements / results.
- 7 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 quarter ended September 30, 2020 and up to the date of approval of financial results. 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 situation. Company expects to recover the carrying amount of its assets and retain effectiveness of its hedge transactions. However, the impact of COVID-19 may be different from that estimated as on the date of approval of these financial results and the Company will continue to closely monitor any material changes to the business due to future economic conditions.
- 8 In accordance with Ind AS 108 – 'Operating Segments', the Company has opted to present segment information along with the consolidated financial results of the Group.
- 9 During the previous quarter ended June 30, 2020, the company has recognised a provision towards the possible impact of an uncertain tax treatment based on the present status of the on-going proceedings of its Advance Pricing Arrangement with the tax authorities. Accordingly, Rs. 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 amounting to Rs. 55 Lakhs and Rs 110 lakhs has been recognised respectively on a similar basis for the quarter and six months ended September 30, 2020.
- 10 The Board of Directors have recommended an interim dividend @ 110 % (Rs 5.50 per share of face value Rs.5/- each) at the meeting held on October 29, 2020.
- 11 Previous period's / year's figures have been regrouped or reclassified wherever necessary.

Place : Mumbai, India
Date : October 29, 2020



SUDHAKAR RAM
Vice Chairman & Managing Director