

**Walker ChandioK & Co LLP**

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**Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Consolidated Unaudited Year to Date Financial 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 31 December 2020 and the consolidated year to date results for the period 1 April 2020 to 31 December 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 recognition and measurement 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 and is in compliance with the presentation and disclosure 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. 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 Financial 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, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement 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:108840

**UDIN:21108840AAAAAL1067**

Place: Mumbai  
Date: 01 February 2021

# Walker ChandioK & Co LLP

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

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## 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



**MASTEK LIMITED**  
Registered Office : 804/805, President House, Opp.C.N.Vidyalaya  
Near Ambawadi Circle, Ahmedabad-380 006  
CIN No. L74140GJ1982PLC005215

**Statement of Unaudited Consolidated Financial Results for the Quarter and Nine months ended December 31, 2020**

(Rs. In lakhs)

	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1</b>	<b>Income</b>						
	(a) Revenue from operations	44,285	40,974	24,368	123,865	73,482	107,148
	(b) Other income	391	406	955	2,467	2,380	4,130
	<b>Total Income</b>	<b>44,676</b>	<b>41,380</b>	<b>25,323</b>	<b>126,332</b>	<b>75,862</b>	<b>111,278</b>
<b>2</b>	<b>Expenses</b>						
	(a) Employee benefits expenses	22,558	21,037	13,657	63,561	40,663	58,414
	(b) Finance costs	176	208	80	634	248	362
	(c) Depreciation and amortisation expenses	1,170	1,164	582	3,474	1,718	2,489
	(d) Other expenses	11,341	11,282	7,348	34,051	23,104	33,198
	<b>Total expenses</b>	<b>35,245</b>	<b>33,691</b>	<b>21,667</b>	<b>102,120</b>	<b>65,733</b>	<b>94,463</b>
<b>3</b>	<b>Profit before exceptional items &amp; tax ( 1 - 2 )</b>	<b>9,431</b>	<b>7,689</b>	<b>3,656</b>	<b>24,212</b>	<b>10,129</b>	<b>16,815</b>
<b>4</b>	<b>Exceptional items - (loss) net (Refer note 4)</b>	-	-	(453)	-	(652)	(2,407)
<b>5</b>	<b>Profit before tax ( 3 + 4 )</b>	<b>9,431</b>	<b>7,689</b>	<b>3,203</b>	<b>24,212</b>	<b>9,477</b>	<b>14,408</b>
<b>6</b>	<b>Income tax expense / (credit)</b>						
	- Current tax	2,167	1,901	904	5,838	2,640	4,081
	- Deferred tax	233	(127)	(302)	40	(650)	(1,091)
	- Tax provision relating to prior periods (Refer note 9)	-	-	-	730	-	37
	<b>- Total, net</b>	<b>2,400</b>	<b>1,774</b>	<b>602</b>	<b>6,608</b>	<b>1,990</b>	<b>3,027</b>
<b>7</b>	<b>Net Profit ( 5 - 6 )</b>	<b>7,031</b>	<b>5,915</b>	<b>2,601</b>	<b>17,604</b>	<b>7,487</b>	<b>11,381</b>
<b>8</b>	<b>Other Comprehensive (loss) / Income, net of tax (Refer note 3)</b>	(482)	10,260	(385)	13,464	5,650	767
<b>9</b>	<b>Total Comprehensive Income, net of tax ( 7 + 8 )</b>	<b>6,549</b>	<b>16,175</b>	<b>2,216</b>	<b>31,068</b>	<b>13,137</b>	<b>12,148</b>
	<b>Profit attributable to</b>						
	Owners of the Company	5,742	5,095	2,601	14,880	7,487	10,886
	Non-controlling interests	1,289	820	-	2,724	-	495
	<b>Profit after tax</b>	<b>7,031</b>	<b>5,915</b>	<b>2,601</b>	<b>17,604</b>	<b>7,487</b>	<b>11,381</b>
	<b>Other comprehensive (loss) / Income (OCI) attributable to</b>						
	Owners of the Company	(660)	10,191	(385)	13,218	5,650	831
	Non-controlling interests	178	69	-	246	-	(64)
	<b>Total other comprehensive (loss) / Income, net of taxes</b>	<b>(482)</b>	<b>10,260</b>	<b>(385)</b>	<b>13,464</b>	<b>5,650</b>	<b>767</b>
	<b>Total comprehensive Income attributable to</b>						
	Owners of the Company	5,082	15,286	2,216	28,098	13,137	11,717
	Non-controlling interests	1,467	889	-	2,970	-	431
	<b>Total comprehensive Income</b>	<b>6,549</b>	<b>16,175</b>	<b>2,216</b>	<b>31,068</b>	<b>13,137</b>	<b>12,148</b>
<b>10</b>	<b>Paid-up equity share capital ( Face value Rs. 5/- per share )</b>	<b>1,247</b>	<b>1,227</b>	<b>1,206</b>	<b>1,247</b>	<b>1,206</b>	<b>1,214</b>
<b>11</b>	<b>Other Equity</b>						<b>77,832</b>
<b>12</b>	<b>Earnings per share (of face value Rs 5/- each) (not annualised) :</b>						
	(a) Basic - Rs	23.22	20.81	10.79	60.71	31.16	45.21
	(b) Diluted - Rs	22.24	19.75	10.22	58.14	29.47	42.93



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**Statement of Unaudited Consolidated Financial Results for the Quarter and Nine months ended December 31, 2020**

		Segment Information					(Rs. In lakhs)
Particulars	Quarter ended			Nine months ended		Year ended	
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
<b>1</b>	<b>Segment Revenue</b>						
	UK & Europe operations	29,568	27,548	18,501	82,311	53,989	77,240
	North America operations	7,811	7,257	5,630	21,679	18,408	24,886
	Middle East	4,504	4,395	-	14,359	-	2,354
	Others	2,402	1,774	237	5,516	1,085	2,668
	<b>Revenue from operations, net</b>	<b>44,285</b>	<b>40,974</b>	<b>24,368</b>	<b>123,865</b>	<b>73,482</b>	<b>107,148</b>
<b>2</b>	<b>Segment Results profit before exceptional item, tax and finance cost</b>						
	UK & Europe operations	7,172	6,873	3,267	19,150	8,829	13,074
	North America operations	1,768	953	407	3,265	1,554	2,117
	Middle East	1,519	854	-	2,947	-	628
	Others	838	(415)	(528)	582	(1,174)	(1,289)
	<b>Total</b>	<b>11,297</b>	<b>8,265</b>	<b>3,146</b>	<b>25,944</b>	<b>9,209</b>	<b>14,530</b>
	<b>Less : i. Finance costs</b>	176	208	80	634	248	362
	ii. Other un-allocable expenditure net of un-allocable (income)	1,690	368	(590)	1,098	(1,168)	(2,647)
	<b>Profit from ordinary activities before exceptional Items &amp; tax</b>	<b>9,431</b>	<b>7,689</b>	<b>3,656</b>	<b>24,212</b>	<b>10,129</b>	<b>16,815</b>
	<b>Exceptional items - (loss) / gain, net (Refer note 4)</b>						
	UK & Europe operations	-	-	-	-	-	(393)
	North America operations	-	-	-	-	-	(1,037)
	Others	-	-	(453)	-	(652)	(977)
	<b>Exceptional items (loss), net</b>	-	-	(453)	-	(652)	(2,407)
	<b>Profit from ordinary activities before tax</b>	<b>9,431</b>	<b>7,689</b>	<b>3,203</b>	<b>24,212</b>	<b>9,477</b>	<b>14,408</b>

**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 disclosures relating to total segment assets and liabilities are not practicable.

Others segment includes India, Australia, Malaysia & Singapore for the quarter ended September 30, 2020, December 31, 2020, nine months ended December 31, 2020 and for the year ended March 31, 2020 and India upto earlier quarter and period.



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**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 February 1, 2021. 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			Nine months ended		Year ended
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
Net foreign exchange loss / (gain)	1,128	21	(81)	1,158	77	(1,373)
Net realised foreign exchange loss / (gain) arising from hedging accounted under Income from Operations	3	(11)	(66)	(51)	(280)	(395)

**3 Other Comprehensive (Loss) / Income includes:**

(Rs. In lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
<b>(i) Items that will not be reclassified subsequently to the statement of profit and loss (net of tax):</b>						
Defined benefit plan actuarial (loss) / gain, net	(59)	45	45	(253)	29	(37)
(Loss) / gain on change in fair value of equity instrument through OCI, net #	(90)	11,701	(2,939)	15,371	3,584	105
<b>Total</b>	<b>(149)</b>	<b>11,746</b>	<b>(2,894)</b>	<b>15,118</b>	<b>3,613</b>	<b>68</b>
<b>(ii) Items that will be reclassified subsequently to the statement of profit and loss (net of tax):</b>						
Exchange gain / (loss) on translation of foreign operations	276	(1,640)	3,060	(1,537)	2,213	739
(Loss) / gain on change in fair value of forward contracts designated as cash flow hedges, net	(780)	84	(535)	(315)	(303)	(267)
Gain/(loss) on change in fair value of financial instruments, net	171	70	(16)	198	127	227
<b>Total</b>	<b>(333)</b>	<b>(1,486)</b>	<b>2,509</b>	<b>(1,654)</b>	<b>2,037</b>	<b>699</b>
<b>Other comprehensive (loss) / Income net of tax (i+ii)</b>	<b>(482)</b>	<b>10,260</b>	<b>(385)</b>	<b>13,464</b>	<b>5,650</b>	<b>767</b>

# Includes fair value (loss) / gain aggregating 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 and fair value (loss) / gain Rs. (90) lakhs and Rs 15,371 lakhs respectively, on account of sale of 2.02 million equity shares of MAJESCO (US) by Mastek (UK) Limited for the quarter and nine months period ended December 31, 2020.



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- 4 Exceptional items includes : (i) material provisions for doubtful debts on certain revenue contracts (Mastek India and US operations) Rs.1,882 lakhs for the year ended March 31,2020, Rs. 453 and Rs.652 for the quarter and period ended December 31, 2019, (ii) Contingent consideration written back (Mastek US operations) Rs.194 lakhs for the year ended March 31,2020; 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 December 31, 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 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 4,235,294 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 for the year ended March 31, 2020 and standalone unaudited results for the period ended December 31, 2020 and will be given effect to on receiving NCLT approval or on executing the alternate arrangement in accordance with the DCA. The management is expecting to complete the entire process of getting approval from NCLT by June quarter of financial year 2021-2022. 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.
- 7 The consolidated financial results for the quarter and nine month ended December 31, 2019 do not include the impact of the aforesaid acquisition made 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 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 for the quarter and nine months ended December 31, 2020 includes impact of the same amounting to Rs. 230 lakhs and Rs. 340 lakhs, respectively, recognised on a similar basis.
- 10 Previous period's / year's figures have been regrouped or reclassified wherever necessary.

Place : Mumbai, India  
Date : February 01, 2021



  
**Ashank Desai**  
**Vice Chairman & Managing Director**

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**Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Standalone Unaudited Year to Date Financial 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 31 December 2020 and the year to date results for the period 1 April 2020 to 31 December 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 recognition and measurement 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 and is in compliance with the presentation and disclosure 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. 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.





# Walker Chandio & Co LLP

## **Mastek Limited**

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

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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 recognition and measurement 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 Chandio & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013



**Adi P. Sethna**

Partner

Membership No:108440

**UDIN:21108840AAAAAK3254**

Place: Mumbai

Date: 01 February 2021

MASTEK LIMITED

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

Near Ambawadi Circle, Ahmedabad-380 006

CIN No. L74140GJ1982PLC005215

Statement of Unaudited Standalone Financial Results for the Quarter and Nine months ended December 31, 2020

(Rs. In lakhs)

	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Income</b>						
	(a) Revenue from operations	4,560	4,211	3,660	12,831	12,307	16,344
	(b) Other income	2,012	409	1,269	3,127	3,337	4,886
	<b>Total Income</b>	<b>6,572</b>	<b>4,620</b>	<b>4,929</b>	<b>15,958</b>	<b>15,644</b>	<b>21,230</b>
2	<b>Expenses</b>						
	(a) Employee benefits expenses	3,328	3,594	3,081	9,945	9,233	12,364
	(b) Finance costs	9	12	7	33	31	45
	(c) Depreciation and amortisation expenses	315	264	281	836	871	1,113
	(d) Other expenses	674	588	807	1,905	2,992	3,642
	<b>Total expenses</b>	<b>4,326</b>	<b>4,458</b>	<b>4,176</b>	<b>12,719</b>	<b>13,127</b>	<b>17,164</b>
3	<b>Profit before exceptional items &amp; tax ( 1 - 2 )</b>	<b>2,246</b>	<b>162</b>	<b>753</b>	<b>3,239</b>	<b>2,517</b>	<b>4,066</b>
4	<b>Exceptional items - (loss) (Refer note 4)</b>	-	<b>(700)</b>	<b>(453)</b>	<b>(700)</b>	<b>(652)</b>	<b>(683)</b>
5	<b>Profit / (Loss) before tax ( 3 + 4 )</b>	<b>2,246</b>	<b>(538)</b>	<b>300</b>	<b>2,539</b>	<b>1,865</b>	<b>3,383</b>
6	<b>Income tax expense / (credit)</b>						
	- Current tax	536	(56)	174	781	595	869
	- Deferred tax	(3)	(51)	(159)	(64)	(270)	(231)
	- Tax provision relating to prior periods (Refer note 10)	-	-	-	730	-	-
	<b>- Total, net</b>	<b>533</b>	<b>(107)</b>	<b>15</b>	<b>1,447</b>	<b>325</b>	<b>638</b>
7	<b>Net Profit / (Loss) ( 5 - 6 )</b>	<b>1,713</b>	<b>(431)</b>	<b>285</b>	<b>1,092</b>	<b>1,540</b>	<b>2,745</b>
8	<b>Other Comprehensive (Loss)/Income, net of tax (Refer note 3)</b>	<b>(669)</b>	<b>65</b>	<b>(531)</b>	<b>(416)</b>	<b>(122)</b>	<b>152</b>
9	<b>Total Comprehensive Income / (Loss), net of tax (7 + 8)</b>	<b>1,044</b>	<b>(366)</b>	<b>(246)</b>	<b>676</b>	<b>1,418</b>	<b>2,897</b>
10	<b>Paid-up equity share capital ( Face value Rs. 5/- per share )</b>	<b>1,247</b>	<b>1,227</b>	<b>1,206</b>	<b>1,247</b>	<b>1,206</b>	<b>1,214</b>
11	<b>Other Equity</b>						<b>25,698</b>
12	<b>Earnings per share (of face value Rs 5/- each) (not annualised) :</b>						
	(a) Basic - Rs	6.93	(1.76)	1.19	4.46	6.41	11.40
	(b) Diluted - Rs	6.64	(1.76)	1.12	4.27	6.06	10.82



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**Notes to the standalone 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 February 01, 2021. The auditors have carried out a limited review of the unaudited standalone financial results.
- 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:

Particulars	(Rs. In lakhs)					
	Quarter ended			Nine months ended		Year ended
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
Net foreign exchange (gain) / loss	(197)	(22)	(276)	(215)	(197)	(127)
Net realised foreign exchange loss / (gain) arising from hedging accounted under Income from Operations	10	(13)	(66)	(74)	(280)	(396)

**3 Other Comprehensive (Loss) / Income includes:**

Particulars	(Rs. In lakhs)					
	Quarter ended			Nine months ended		Year ended
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
<b>(i) Items that will not be reclassified subsequently to the statement of profit and loss (net of tax):</b>						
Defined benefit plan actuarial (loss) / gain, net	(27)	49	27	(19)	30	5
<b>Total</b>	<b>(27)</b>	<b>49</b>	<b>27</b>	<b>(19)</b>	<b>30</b>	<b>5</b>
<b>(ii) Items that will be reclassified subsequently to the statement of profit or loss (net of tax):</b>						
(loss) / gain on change in fair value of forward contracts designated as cash flow hedges, net	(757)	(53)	(542)	(538)	(279)	(79)
gain / (loss) on change in fair value of financial instruments, net	115	69	(16)	141	127	226
<b>Total</b>	<b>(642)</b>	<b>16</b>	<b>(558)</b>	<b>(397)</b>	<b>(152)</b>	<b>147</b>
<b>Other comprehensive income, net of tax (i+ii)</b>	<b>(669)</b>	<b>65</b>	<b>(531)</b>	<b>(416)</b>	<b>(122)</b>	<b>152</b>



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- 4 Exceptional items represent (a) settlement provision relating to revenue contracts is Rs. 700 lakhs for the quarter ended September 30, 2020 and nine months ended December 31, 2020; (b) legal costs related to acquisition is Rs.31 lakhs and material provisions for doubtful debts on certain revenue contracts is Rs. 652 lakhs for the year ended March 31, 2020; and (c) material provision for doubtful debts on certain revenue contracts for the quarter and nine months ended December 31, 2019 is Rs. 453 lakhs and Rs. 652 lakhs, respectively.
- 5 Other income for the quarter and nine months ended December 31, 2020 includes dividend income from subsidiary Rs. 1,345 lakhs (Rs. 597 lakhs and Rs.1,886 lakhs for quarter and nine months ended December 31, 2019, respectively).
- 6 These results have been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under the Companies (Ind-AS) Rules, 2015 (as amended).
- 7 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 akhs. 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 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 4,235,294 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 for the year ended March 31, 2020 and standalone unaudited results for the period ended December 31, 2020 and will be given effect to on receiving NCLT approval or on executing the alternate arrangement in accordance with the DCA. The management is expecting to complete the entire process of getting approval from NCLT by June quarter of financial year 2021-2022.
- 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.
- 8 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 December 31, 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.
- 9 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.
- 10 During the 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 for the quarter and nine months ended December 31, 2020 includes impact of the same amounting to Rs. 230 lakhs and Rs. 340 lakhs, respectively, recognised on a similar basis.
- 11 Previous period's / year's figures have been regrouped or reclassified wherever necessary.

Place : Mumbai, India  
Date : February 01, 2021



**Ashank Desai**  
**Vice Chairman & Managing Director**