
Walker Chandiook & Co LLP

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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and 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 **31 December 2021** and the year to date results for the period 01 April 2021 to 31 December 2021, 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.
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.



Mastek Limited

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

5. Emphasis of Matter paragraph – Restatement of prior period financial information

We draw attention to note no. 6 to the Statement which indicates that the Company has accounted for the scheme of de-merger with an appointed date of 08 February 2020, between Trans American Information Systems Private Limited (a wholly owned subsidiary of the Company), Evolutionary Systems Private Limited (demerged undertaking) and the Company in the quarter ended 30 September 2021, pursuant to the approval received from the Honorable National Company Law Tribunal on 14 September 2021, which has resulted in the restatement of the comparative financial information presented in the Statement.

Our conclusion is not modified in respect of this matter.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013



Adi P. Sethna

Partner

Membership No:108440

UDIN:22108840AAAAAH2318

Place: Mumbai

Date: 19 January 2022

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 Nine months ended December 31, 2021

(Rs. In lakhs)

	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
		(Unaudited)	(Unaudited)	(Restated refer note 6) (Unaudited)	(Unaudited)	(Restated refer note 6) (Unaudited)	(Restated refer note 6) (Audited)
1	Income						
	(a) Revenue from operations	6,759	6,107	4,560	18,822	12,831	18,714
	(b) Other income (Refer note 10)	849	2,891	2,012	4,329	3,127	3,487
	Total Income	7,608	8,998	6,572	23,151	15,958	22,201
2	Expenses						
	(a) Employee benefits expenses	4,515	4,897	3,328	13,875	9,945	14,120
	(b) Finance costs	10	23	9	43	33	58
	(c) Depreciation and amortisation expenses	310	298	315	877	836	1,079
	(d) Other expenses	814	483	674	2,079	1,905	2,848
	Total expenses	5,649	5,701	4,326	16,874	12,719	18,105
3	Profit before exceptional items & tax (1 - 2)	1,959	3,297	2,246	6,277	3,239	4,096
4	Exceptional items - Income / (loss) (Refer note 4)	134	483	(55)	828	7,060	(459)
5	Profit before tax (3 + 4)	2,093	3,780	2,191	7,105	10,299	3,637
6	Income tax expense / (credit)						
	- Current tax	760	392	536	1,655	781	1,040
	- Deferred tax	(219)	(24)	(3)	(255)	(64)	(20)
	- Tax provision relating to prior periods (Refer note 9)	-	-	-	-	730	730
	- Total tax, net	541	368	533	1,400	1,447	1,750
7	Net Profit (5 - 6)	1,552	3,412	1,658	5,705	8,852	1,887
8	Other Comprehensive (loss) / Income, net of tax (Refer note 3)	(110)	901	(669)	755	(416)	(313)
9	Total Comprehensive Income / (loss), net of tax (7 + 8)	1,442	4,313	989	6,460	8,436	1,574
10	Paid-up equity share capital (Face value Rs. 5/- per share)	1,486	1,482	1,247	1,486	1,247	1,262
11	Other Equity						46,702
12	Earnings per share (of face value Rs 5/- each) (not annualised) :						
	(a) Basic - Rs	5.23	13.11	6.71	21.13	36.12	7.65
	(b) Diluted - Rs	5.10	12.70	6.42	20.52	34.59	7.38



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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 of Directors at their respective meetings held on January 19, 2022. The auditors have carried out a limited review of the standalone financial results.
- 2 These results have been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under the Companies (Ind-AS) Rules, 2015 (as amended).

3 Other Comprehensive Income includes:

(Rs. In lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
(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	121	(90)	(27)	74	(19)	(19)
Total	121	(90)	(27)	74	(19)	(19)
(ii) Items that will be reclassified subsequently to the statement of profit or loss (net of tax):						
Gain / (loss) on change in fair value of forward contracts designated as cash flow hedges, net	94	909	(757)	931	(538)	(451)
(Loss) / gain on change in fair value of financial instruments, net	(325)	82	115	(250)	141	157
Total	(231)	991	(642)	681	(397)	(294)
Other comprehensive (loss) / income, net of tax (i+ii)	(110)	901	(669)	755	(416)	(313)

4 Exceptional items - Income / (loss) represents the following:

(Rs. In lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
Settlement provision relating to revenue contracts	-	-	-	-	(700)	(700)
Gain / (loss) on changes in fair value of put option liability	134	483	(55)	828	7,760	241
Total	134	483	(55)	828	7,060	(459)

- 5 The Company has accounted 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			Nine months ended		Year ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
Net foreign exchange (gain) / loss	(22)	132	(197)	(40)	(215)	(218)
Net realised foreign exchange (gain) / loss arising from hedging accounted under Income from Operations	(72)	(22)	10	(25)	(74)	(10)



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6 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 & cash equivalents) of USD 64.9 million i.e. ₹ 48,204 lakhs. The closing of such transaction occurred on March 17, 2020, which is considered to be the date of transfer of control or the date of acquisition, as per Ind AS 103, and necessary effects have been recognised in the standalone financial statements of the respective entities and consolidated financial statements of the Company 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 in the current quarter.

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) 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 TAISPL, 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 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). Consequently, the effect of the De-merger has been considered in the previous quarter financial results in accordance with Ind AS 103 – 'Business Combinations'. Accordingly, the preceding quarter ended December 31, 2020 and nine months ended December 31, 2020, and year ended March 31, 2021, have been restated. 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.

Statement of Profit and Loss

(Rs. In lakhs)

Particulars	Quarter ended	Nine months ended	Year ended
	December 31, 2020	December 31, 2020	March 31, 2021
Before restatement			
Gain / (loss) on changes in fair value of put option liability (Exceptional item)	-	-	-
After restatement			
(loss) / Gain on changes in fair value of put option liability (Exceptional item)	(55)	7,760	241

- 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 transactions, goodwill, valuation of financial and non-financial assets / liabilities, and Cyber security pertaining to the remote access of information for the quarter ended December 31, 2021 and upto 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 quarter ended June 30, 2020, the company had recognised a provision Rs. 730 Lakhs, for prior years 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. These adjustments have been incorporated on a similar basis while estimating the current tax expense for all periods commencing with the period ended June 30, 2020. Current tax expense for the quarter ended and for the period ended December 31, 2021 includes ₹ 208 lakhs and ₹ 612 lakhs, respectively, recognised on a similar basis.
- 10 Other income for the quarter ended September 30, 2021 and nine months ended December 31, 2021 includes dividend income from subsidiary Rs. 2,696 lakhs. (Rs. 1,345 lakhs for the quarter and nine months ended December 31, 2020 and year ended March 31, 2021)
- 11 The Board of Directors have recommended an interim dividend @ 140 % (Rs. 7 per share of face value Rs.5/- each) at the meeting held on January 19, 2022.
- 12 Previous period's / year's figures have been regrouped or reclassified wherever necessary.

Place : Mumbai, India
Date : January 19, 2022



Ashank Desai
Vice Chairman & Managing Director

Walker Chandiook & Co LLP

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and 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 unaudited consolidated 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 2021** and the consolidated year to date results for the period 01 April 2021 to 31 December 2021, 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.



Mastek Limited

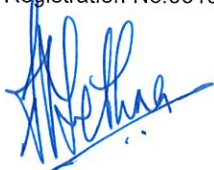
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4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles 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 Chandio & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013



Adi P. Sethna

Partner

Membership No:108840

UDIN:22108840AAAAAI1019

Place: Mumbai

Date: 19 January 2022

Mastek Limited
Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and 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. Mastek, Inc.
3. Mastek Digital Inc.
4. Mastek Arabia FZ LLC
5. Trans American Information Systems Private Limited
6. Trans American Information Systems Inc. USA
7. Newbury Cloud Inc
8. Indigo Blue Consulting Limited (Merged with Mastek (UK) Limited, w.e.f. 1 July 2018)
9. Evosys Kuwait WLL
10. Evosys Consultancy Services (Malaysia) SDN. BHD
11. Evolutionary Systems Saudi LLC
12. Evolutionary Systems Qatar WLL
13. Evolutionary Systems Pty Limited
14. Evolutionary Systems Private Limited
15. Evolutionary Systems Egypt LLC
16. Evolutionary Systems Corp.
17. Evolutionary Systems Consultancy LLC
18. Evolutionary Systems Co. Limited
19. Evolutionary Systems Canada Limited
20. Evolutionary Systems Bahrain WLL
21. Evolutionary Systems B.V
22. Evolutionary Systems (Singapore) Pte Limited



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Statement of Unaudited Consolidated Financial Results for the Quarter and Nine months ended December 31, 2021

(Rs. In lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Income						
(a) Revenue from operations	55,191	53,393	44,285	160,231	123,865	172,186
(b) Other income	574	771	391	1,815	2,467	2,791
Total Income	55,765	54,164	44,676	162,046	126,332	174,977
2 Expenses						
(a) Employee benefits expenses	27,316	27,385	22,558	80,422	63,961	88,272
(b) Finance costs	160	185	176	516	634	810
(c) Depreciation and amortisation expenses	1,055	1,042	1,170	3,071	3,474	4,495
(d) Other expenses	16,252	14,727	11,341	45,627	34,051	47,467
Total expenses	44,783	43,339	35,245	129,636	102,120	141,044
3 Profit before exceptional items & tax (1 - 2)	10,982	10,825	9,431	32,410	24,212	33,933
4 Exceptional items - net	-	-	-	-	-	-
5 Profit before tax (3 + 4)	10,982	10,825	9,431	32,410	24,212	33,933
6 Income tax expense / (credit)						
- Current tax	3,153	2,868	2,167	8,670	5,838	8,136
- Deferred tax	(516)	(196)	233	(779)	40	(131)
- Tax provision relating to prior periods (Refer note 7)	-	-	-	-	730	753
- Total tax, net	2,637	2,672	2,400	7,891	6,608	8,758
7 Net Profit (5 - 6)	8,345	8,153	7,031	24,519	17,604	25,175
8 Other Comprehensive Income / (loss), net of tax (Refer note 3)	325	(323)	(482)	1,662	13,464	13,709
9 Total Comprehensive Income, net of tax (7 + 8)	8,670	7,830	6,549	26,181	31,068	38,884
Profit attributable to						
Owners of the Company	7,364	7,229	5,742	21,523	14,880	20,935
Non-controlling interests	981	924	1,289	2,996	2,724	4,240
Profit after tax	8,345	8,153	7,031	24,519	17,604	25,175
Other comprehensive (loss) / Income (OCI) attributable to						
Owners of the Company	261	(156)	(660)	1,655	13,218	13,452
Non-controlling interests	64	(167)	178	7	246	257
Total other comprehensive (loss) / Income, net of taxes	325	(323)	(482)	1,662	13,464	13,709
Total comprehensive Income attributable to						
Owners of the Company	7,625	7,073	5,082	23,178	28,098	34,387
Non-controlling interests	1,045	757	1,467	3,003	2,970	4,497
Total comprehensive Income	8,670	7,830	6,549	26,181	31,068	38,884
10 Paid-up equity share capital (Face value Rs. 5/- per share)	1,486	1,482	1,247	1,486	1,247	1,262
11 Other Equity						84,592
12 Earnings per share (of face value Rs 5/- each) (not annualised) :						
(a) Basic - Rs	24.81	27.78	23.22	79.73	60.71	84.92
(b) Diluted - Rs	24.17	26.92	22.24	77.41	58.14	81.88



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Statement of Unaudited Consolidated Financial Results for the Quarter and Nine months ended December 31, 2021

Particulars	(Rs. In lakhs)					
	Quarter ended			Nine months ended		Year ended
	December 31, 2021 (Unaudited)	September 30, 2021 (Unaudited)	December 31, 2020 (Unaudited)	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)	March 31, 2021 (Audited)
1 Segment Revenue						
UK & Europe operations	36,617	35,808	29,568	108,662	82,311	116,089
North America operations	10,207	9,711	7,811	27,861	21,679	28,755
Middle East	5,058	4,785	4,504	14,236	14,359	18,948
Others	3,309	3,089	2,402	9,472	5,516	8,394
Revenue from operations, net	55,191	53,393	44,285	160,231	123,865	172,186
2 Segment Results profit before exceptional item, tax and finance cost						
UK & Europe operations	10,667	9,715	7,172	30,082	19,150	26,745
North America operations	1,049	1,159	1,768	2,886	3,265	4,312
Middle East	(247)	(168)	1,519	(323)	2,947	3,950
Others	693	555	838	2,440	582	1,520
Total	12,162	11,261	11,297	35,085	25,944	36,527
Less : i. Finance costs	160	185	176	516	634	810
ii. Other un-allocable expenditure / (income), net	1,020	251	1,690	2,159	1,098	1,784
Profit before tax	10,982	10,825	9,431	32,410	24,212	33,933

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 location 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.

- The above results were reviewed by the Audit Committee and were thereafter approved by the Board of Directors at their respective meetings held on January 19, 2022. The auditors have carried out a limited review of the unaudited consolidated financial results.
- These results have been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under the Companies (Ind-AS) Rules, 2015 as amended.

3 Other Comprehensive Income includes:

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
(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	191	(173)	(59)	41	(253)	(261)
(Loss) / gain on change in fair value of equity instrument through OCI, net *	0	0	(90)	0	15,371	15,371
Total	191	(173)	(149)	41	15,118	15,110
(ii) Items that will be reclassified subsequently to the statement of profit and loss (net of tax):						
Exchange gain / (loss) on translation of foreign operations	223	(1,306)	276	655	(1,537)	(1,389)
Gain / (loss) on change in fair value of forward contracts designated as cash flow hedges, net	236	1,073	(780)	1,216	(315)	(168)
(Loss) / gain on change in fair value of financial instruments, net	(325)	83	171	(250)	198	156
Total	134	(150)	(333)	1,621	(1,654)	(1,401)
Other comprehensive Income / (loss) net of tax (i+ii)	325	(323)	(482)	1,662	13,464	13,709

*"0" denotes amounts less than one lakh rupees.



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Near Ambawadi Circle, Ahmedabad-380 006
CIN No. L74140G1982PLC005215

- 4 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 transactions, goodwill, valuation of financial and non-financial assets / liabilities, and Cyber security pertaining to the remote access of information for the quarter ended December 31, 2021 and upto 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.
- 5 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 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 in the current quarter.
- 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) 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 EBITDA 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.
- 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.
- 6 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:

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
Net foreign exchange loss / (gain)	207	(480)	1,128	(255)	1,158	1,385
Net realised foreign exchange (gain) / loss arising from hedging accounted under Revenue from Operations	(92)	(42)	3	(80)	(61)	(17)

- 7 During the quarter ended June 30, 2020, the company had recognised a provision Rs. 730 Lakhs, for prior years 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. These adjustments have been incorporated on a similar basis while estimating the current tax expense for all periods commencing with the period ended June 30, 2020. Current tax expense for the quarter ended and for the period ended December 31, 2021 includes ₹ 208 lakhs and ₹ 612 lakhs, respectively, recognised on a similar basis.
- 8 The Board of Directors have recommended an interim dividend @ 140 % (Rs.7 per share of face value Rs.5/- each) at the meeting held on January 19, 2022.
- 9 Previous period's / year's figures have been regrouped or reclassified wherever necessary.

Place : Mumbai, India
Date : January 19, 2022



(Signature)

Ashank Desai
Vice Chairman & Managing Director