
Walker ChandioK & Co LLP

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Independent Auditor's Report on Consolidated Annual 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

Opinion

1. We have audited the accompanying consolidated annual financial results ('the Statement') of **Mastek Limited** ('the Holding Company') and its subsidiaries listed in Annexure 1, (the Holding Company and its subsidiaries together referred to as 'the Group'), for the year ended 31 March 2021, attached herewith, 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) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) includes the annual financial results of the entities listed in Annexure 1;
 - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, and
 - (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group, for the year ended 31 March 2021.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged with Governance for the Statement

4. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual audited financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss after tax and other comprehensive income, and other financial information of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
5. In preparing the Statement, the respective Board of Directors of the companies included in the Group, are responsible for assessing the ability of those entities, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.
6. The respective Board of Directors of the companies included in the Group, are responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
8. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to the consolidated financial statements in place and the operating effectiveness of such controls.




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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. We remain solely responsible for our audit opinion.
9. We communicate with those charged with governance of the Holding Company, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
11. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matters

12. The Statement includes the consolidated financial results for the quarter ended 31 March 2021, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subjected to a limited review by us.

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



Adi P. Sethna
Partner
Membership No:108840



UDIN:21108840AAAABW3261

Place: Mumbai
Date: 28 April 2021

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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 WLL
- 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
- 20- Evolutionary Systems Saudi LLC
- 21- Evosys Consultancy Services (Malaysia) Sdn Bhd

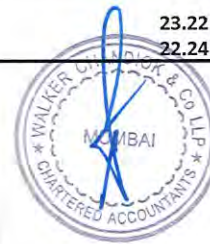


MASTEK LIMITED
Registered Office : 804/805, President House, Opp.C.N.Vidyalaya
Near Ambawadi Circle, Ahmedabad-380 006
CIN No. L74140GJ1982PLC005215

Statement of Consolidated Financial Results for the Quarter and Year ended March 31, 2021

(Rs. In lakhs)

	Particulars	Quarter ended			Year ended	
		March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
		(Refer note 1)	(Unaudited)	(Refer note 1)	(Audited)	(Audited)
1	Income					
	(a) Revenue from operations	48,321	44,285	33,666	172,186	107,148
	(b) Other income	324	391	1,750	2,791	4,130
	Total Income	48,645	44,676	35,416	174,977	111,278
2	Expenses					
	(a) Employee benefits expenses	24,311	22,558	17,751	88,272	58,414
	(b) Finance costs	176	176	114	810	362
	(c) Depreciation and amortisation expenses	1,021	1,170	771	4,495	2,489
	(d) Other expenses	13,416	11,341	10,094	47,467	33,198
	Total expenses	38,924	35,245	28,730	141,044	94,463
3	Profit before exceptional items & tax (1 - 2)	9,721	9,431	6,686	33,933	16,815
4	Exceptional items - (loss) net (Refer note 4)	-	-	(1,755)	-	(2,407)
5	Profit before tax (3 + 4)	9,721	9,431	4,931	33,933	14,408
6	Income tax expense / (credit)					
	- Current tax	2,298	2,167	1,441	8,136	4,081
	- Deferred tax	(171)	233	(441)	(131)	(1,091)
	- Tax provision relating to prior periods (Refer note 9)	23	-	37	753	37
	- Total, net	2,150	2,400	1,037	8,758	3,027
7	Net Profit (5 - 6)	7,571	7,031	3,894	25,175	11,381
8	Other Comprehensive Income / (loss), net of tax (Refer note 3)	245	(482)	(4,883)	13,709	767
9	Total Comprehensive Income / (loss), net of tax (7 + 8)	7,816	6,549	(989)	38,884	12,148
	Profit attributable to					
	Owners of the Company	6,055	5,742	3,399	20,935	10,886
	Non-controlling interests	1,516	1,289	495	4,240	495
	Profit after tax	7,571	7,031	3,894	25,175	11,381
	Other comprehensive Income / (loss) (OCI) attributable to					
	Owners of the Company	234	(660)	(4,819)	13,452	831
	Non-controlling interests	11	178	(64)	257	(64)
	Total other comprehensive Income / (loss), net of taxes	245	(482)	(4,883)	13,709	767
	Total comprehensive Income attributable to					
	Owners of the Company	6,289	5,082	(1,420)	34,387	11,717
	Non-controlling interests	1,527	1,467	431	4,497	431
	Total comprehensive Income	7,816	6,549	(989)	38,884	12,148
10	Paid-up equity share capital (Face value Rs. 5/- per share)	1,262	1,247	1,214	1,262	1,214
11	Other Equity				84,592	77,832
12	Earnings per share (of face value Rs 5/- each) (not annualised) :					
	(a) Basic - Rs	24.14	23.22	14.03	84.92	45.21
	(b) Diluted - Rs	23.28	22.24	13.33	81.88	42.93



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Statement of Consolidated Financial Results for the Quarter and Year ended March 31, 2021

(Rs. In lakhs)

	Particulars	Quarter ended			Year ended	
		March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
		(Refer note 1)	(Unaudited)	(Refer note 1)	(Audited)	(Audited)
1	Segment Revenue					
	UK & Europe operations	33,778	29,568	23,251	116,089	77,240
	North America operations	7,076	7,811	6,478	28,755	24,886
	Middle East	4,589	4,504	2,354	18,948	2,354
	Others	2,878	2,402	1,583	8,394	2,668
	Revenue from operations, net	48,321	44,285	33,666	172,186	107,148
2	Segment Results profit before exceptional item, tax and finance cost					
	UK & Europe operations	7,595	7,172	4,245	26,745	13,074
	North America operations	1,047	1,768	563	4,312	2,117
	Middle East	1,003	1,519	628	3,950	628
	Others	938	838	(115)	1,520	(1,289)
	Total	10,583	11,297	5,321	36,527	14,530
	Less : i. Finance costs	176	176	114	810	362
	ii. Other un-allocable expenditure net of un-allocable (income)	686	1,690	(1,479)	1,784	(2,647)
	Profit from ordinary activities before exceptional items & tax	9,721	9,431	6,686	33,933	16,815
	Exceptional items - (loss) net (Refer note 4)					
	North America operations	-	-	(1,037)	-	(1,037)
	Others	-	-	(718)	-	(1,370)
	Exceptional items (loss), net	-	-	(1,755)	-	(2,407)
	Profit from ordinary activities before tax	9,721	9,431	4,931	33,933	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 disclosures relating to total segment assets and liabilities are not practicable.

Others segment includes India, Australia, Malaysia & Singapore.



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Audited Consolidated Balance Sheet as at March 31, 2021

Particulars	As at	
	March 31, 2021	March 31, 2020
	(Audited)	(Audited)
ASSETS		
Non-current assets		
Property plant & equipment, net	4,762	5,142
Capital work-in-progress	154	167
Right-of-use Asset	1,143	1,991
Investment property	450	485
Goodwill	66,012	67,667
Other intangible assets, net	8,313	10,389
Financial assets		
Investments	4,119	12,182
Loans	277	190
Other financial assets	1,866	459
Deferred tax assets, net	5,320	3,776
Income tax (Current - tax) assets, net	-	1,221
Other non-current assets	131	119
Total Non Current Assets	92,547	103,788
Current Assets		
Financial Assets		
Investments	21,454	15,376
Trade receivables	37,488	31,572
Cash and Cash equivalents	59,089	22,033
Bank balances, other than cash & cash equivalents	51	64
Loans	307	218
Other financial assets	607	899
Other current assets	18,032	16,290
Total Current Assets	137,028	86,452
Total Assets	229,575	190,240



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Audited Consolidated Balance Sheet as at March 31, 2021

Particulars	As at	
	March 31, 2021	March 31, 2020
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	1,262	1,214
Other Equity	84,592	77,832
Equity attributable to owners	85,854	79,046
Non Controlling Interest	18,203	13,705
Total Equity	104,057	92,751
LIABILITIES		
Non Current Liabilities		
Financial liabilities		
Borrowings	19,024	24,085
Other financial liabilities	29,118	22,546
Provisions	2,367	1,588
Deferred tax liabilities, net	1,831	1,473
Total Non Current Liabilities	52,340	49,692
Current Liabilities		
Financial liabilities		
Borrowings	5,038	7,480
Trade payables	3,069	10,539
Other financial liabilities	45,251	17,052
Other current liabilities	13,219	9,429
Provisions	2,323	2,032
Current tax liabilities, net	4,278	1,266
Total Current Liabilities	73,178	47,797
Total Liabilities	125,518	97,489
Total Equity & Liabilities	229,575	190,240



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Audited Consolidated Statement of Cash Flows for year ended March 31, 2021

Particulars	For the year ended	For the year ended
	March 31, 2021	March 31, 2020
	(Audited)	(Audited)
Cash flows from operating activities		
Profit for the year	25,175	11,381
Adjustments for:		
Interest income	(429)	(354)
Employee stock compensation expenses	836	991
Finance costs	810	332
Depreciation and amortisation	4,495	2,489
Provisions made / (written back) for cost overrun on contracts, net	-	45
Tax expense	8,758	3,027
Dividend Income from current investment	-	(6)
Exceptional Item	-	2,407
Provision for settlement against revenue contracts	700	-
Provisions made / (written back) against receivables, loans and advances doubtful of recovery (net)	(344)	144
(Profit) / Loss on sale of property plant and equipment, net	(18)	19
Profit on sale of current investments	(750)	(667)
Rental income	(470)	(300)
	38,763	19,508
Changes in operating assets and liabilities; net of effects from acquisitions		
(Increase) / decrease in trade receivables	(4,485)	11,161
(Increase) in loans and advances and other assets	(1,549)	(10,025)
Increase in trade payables, other liabilities and provisions	780	2,512
	33,509	23,156
Cash generated from operating activities before taxes	(4,794)	(4,709)
Income taxes paid, net of refunds	28,715	18,447
Net cash generated from operating activities		
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	18	18
Purchase of property, plant & equipment and software	(1,175)	(1,565)
Interest received	258	205
Rental income	442	238
Earnout payment on account of Business Combination	-	(1,568)
Dividend Income from current investment	-	6
Proceeds from Sale of Investment in Majesco	23,709	16,510
Purchase consideration paid for acquisition of subsidiary, net of cash and cash equivalents	-	(40,989)
Purchase of other investments	(24,657)	(12,719)
Proceeds from sale of other investments	19,536	12,999
	18,131	(26,865)
Net cash generated / (used in) investing activities		
Cash flows from financing activities		
Proceeds from issue of shares under the employee stock option schemes	845	213
(Repayments) / Proceeds from loan	(9,407)	24,274
Payment of lease liabilities	(1,129)	(663)
Dividends paid including dividend distribution tax and unclaimed dividend	(1,362)	(3,148)
Interest paid on finances leases and other finance charges	(152)	(16)
Interest paid term loan	(561)	(164)
	(11,765)	20,496
Net cash (used in) / generated from financing activities		
Effect of changes in exchange rates for cash and cash equivalents	1,975	660
Net increase in cash and cash equivalents during the year	37,056	12,738
Cash and cash equivalents at the beginning of the year	22,033	9,295
Cash and cash equivalents at the end of the year	59,089	22,033



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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 April 28, 2021. The auditors have carried out an audit of the consolidated financial results for the year ended March 31, 2021. The figures for the quarters ended March 31, 2021 and March 31, 2020 are the balancing figures between the audited figures for the years ended on those dates and the year to date figures upto the end of third quarter of the respective financial years, on which auditors had performed a limited review.
- 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			Year ended	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
Net foreign exchange loss / (gain)	227	1,128	(1,450)	1,385	(1,373)
Net realised foreign exchange loss / (gain) arising from hedging accounted under Income from Operations	34	3	(115)	(17)	(395)

3 Other Comprehensive (Loss) / Income includes:

(Rs. In lakhs)

Particulars	Quarter ended			Year ended	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	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 (loss) / gain, net	(8)	(59)	(66)	(261)	(37)
(Loss) / gain on change in fair value of equity instrument through OCI, net	-	(90)	(3,479)	15,371	105
Total	(8)	(149)	(3,545)	15,110	68
(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	149	276	(1,474)	(1,389)	739
(Loss) / gain on change in fair value of forward contracts designated as cash flow hedges, net	147	(780)	36	(168)	(267)
Gain/(loss) on change in fair value of financial instruments, net	(42)	171	100	156	227
Total	254	(333)	(1,338)	(1,401)	699
Other comprehensive (loss) / Income net of tax (i+ii)	246	(482)	(4,883)	13,709	767



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- 4 Exceptional items includes : (i) material provisions for doubtful debts on certain revenue contracts (Mastek India and US operations) Rs.1,230 and Rs.1,882 lakhs for the quarter and year ended March 31,2020 (ii) Contingent consideration written back (Mastek US operations) Rs.194 lakhs for the quarter and 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 and year 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 March 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 had 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 one geography is ongoing. The legal procedures are delayed because of COVID-19 pandemic related lockdown, 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. by September 2021.
- ii) With respect to a business undertaking of Evosys ESPL (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 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 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, based on actual EBITDA of 3 years commencing from financial year March 31, 2021. Pending completion of legal acquisition, this transaction has only been considered for disclosure in the standalone financial results for the year ended March 31,2020 and March 31,2021 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 2021-22. Accordingly, the equity shares which are proposed to be issued have not been considered for calculating the earnings per share till such time that the acquisition is recognised in the standalone financial results. If the 42,35,294 equity shares had to be considered as issued on the date of acquisition, the resultant basic earnings per share for the year ended March 31, 2021 would have been Rs.72.47 per equity share of Rs.5 each.
- 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 Board of Directors have recommended a final dividend @ 180% (Rs 9/- per share) at the meeting held on April 28, 2021, which is subject to approval by the shareholders at their ensuing Annual General Meeting.



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- 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 year ended March 31, 2021 includes impact of the same amounting to Rs. 78 lakhs and Rs. 418 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 : April 28, 2021



Ashank Desai
Vice Chairman & Managing Director

Walker Chandiook & Co LLP

11th Floor, Tower II,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India
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Independent Auditor's Report on Standalone Annual 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

Opinion

1. We have audited the accompanying standalone annual financial results ('the Statement') of **Mastek Limited** ('the Company') for the year ended 31 March 2021, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, and
 - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2021.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged with Governance for the Statement

4. This Statement has been prepared on the basis of the standalone annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
5. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
8. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to standalone financial statements and the operating effectiveness of such controls.



Mastek Limited
Independent Auditor's Report on Standalone Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

11. The Statement includes the standalone financial results for the quarter ended 31 March 2021, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us.

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

Adi P. Sethna
Partner
Membership No:108840



UDIN:21108840AAAABV2296

Place: Mumbai
Date: 28 April 2021

MASTEK LIMITED

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

Near Ambawadi Circle, Ahmedabad-380 006

CIN No. L74140GJ1982PLC005215

Statement of Standalone Financial Results for the Quarter and Year ended March 31, 2021

(Rs. In lakhs)

	Particulars	Quarter ended			Year ended	
		March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
		(Refer note 1)	(Unaudited)	(Refer note 1)	(Audited)	(Audited)
1	Income					
	(a) Revenue from operations	5,883	4,560	4,037	18,714	16,344
	(b) Other income	360	2,012	1,549	3,487	4,886
	Total Income	6,243	6,572	5,586	22,201	21,230
2	Expenses					
	(a) Employee benefits expenses	4,175	3,328	3,131	14,120	12,364
	(b) Finance costs	25	9	14	58	45
	(c) Depreciation and amortisation expenses	243	315	242	1,079	1,113
	(d) Other expenses	943	674	650	2,848	3,642
	Total expenses	5,386	4,326	4,037	18,105	17,164
3	Profit before exceptional items & tax (1 - 2)	857	2,246	1,549	4,096	4,066
4	Exceptional items - (loss) (Refer note 4)	-	-	(31)	(700)	(683)
5	Profit before tax (3 + 4)	857	2,246	1,518	3,396	3,383
6	Income tax expense / (credit)					
	- Current tax	259	536	274	1,040	869
	- Deferred tax	44	(3)	39	(20)	(231)
	- Tax provision relating to prior periods (Refer note 10)	-	-	-	730	-
	- Total, net	303	533	313	1,750	638
7	Net Profit (5 - 6)	554	1,713	1,205	1,646	2,745
8	Other Comprehensive Income/(loss), net of tax (Refer note 3)	103	(669)	274	(313)	152
9	Total Comprehensive Income / (loss), net of tax (7 + 8)	657	1,044	1,479	1,333	2,897
10	Paid-up equity share capital (Face value Rs. 5/- per share)	1,262	1,247	1,214	1,262	1,214
11	Other Equity				27,292	25,698
12	Earnings per share (of face value Rs 5/- each) (not annualised) :					
	(a) Basic - Rs	2.21	6.93	4.97	6.67	11.40
	(b) Diluted - Rs	2.13	6.64	4.72	6.44	10.82



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Audited Standalone Balance Sheet as at March 31, 2021

(Rs. In lakhs)

Particulars	As at	
	March 31 ,2021	March 31 ,2020
	(Audited)	(Audited)
ASSETS		
Non-current assets		
Property plant & equipment	2,828	3,184
Capital work-in-progress	154	167
Right-of-use assets	82	134
Investment property	450	485
Intangible assets	200	200
Investment in subsidiaries	1,403	1,403
Financial assets		
Investments	4,119	3,844
Loans	106	88
Other financial assets	319	772
Deferred tax assets	2,899	2,816
Income tax (Current - tax) assets, net	85	1,269
Other non-current assets	116	105
Total Non Current Assets	12,761	14,467
Current Assets		
Financial Assets		
Investments	15,865	12,190
Trade receivables	4,476	2,561
Cash and Cash equivalents	2,393	2,018
Bank balances other than cash & cash equivalents	51	64
Loans	17	13
Other financial assets	832	1,333
Other current assets	1,575	980
Total Current Assets	25,209	19,159
Total Assets	37,970	33,626



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CIN No. L74140GJ1982PLC005215

Audited Standalone Balance Sheet as at March 31, 2021.

(Rs. In lakhs)

Particulars	As at	
	March 31 ,2021	March 31 ,2020
	(Audited)	(Audited)
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	1,262	1,214
Other Equity	27,292	25,698
Total Equity	28,554	26,912
LIABILITIES		
Non Current Liabilities		
Financial liabilities		
Borrowings	80	113
Other financial liabilities	920	987
Provisions	648	364
Total Non Current Liabilities	1,648	1,464
Current Liabilities		
Financial liabilities		
Trade payables		
Dues of micro and small enterprises	27	1
Dues of creditors other than micro and small enterprises	107	111
Other financial liabilities	5,669	3,746
Other current liabilities	1,046	555
Provisions	919	837
Total Current Liabilities	7,768	5,250
Total Liabilities	9,416	6,714
Total Equity & Liabilities	37,970	33,626



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Audited Standalone Statement of Cash Flows for the year ended March 31, 2021

Particulars	For the year ended	For the year ended
	March 31 ,2021	March 31 ,2020
	(Audited)	(Audited)
Cash flows from operating activities		
Profit for the year	1,646	2,745
Adjustments for :		
Interest income	(434)	(300)
Guarantee Commission	(244)	(104)
Employee stock compensation expenses	312	370
Finance costs	58	37
Depreciation and amortisation	1,079	1,113
Provisions made / (written back) against receivables, loans and advances doubtful of recovery (net)	60	191
Provisions made / (written back) for cost overrun on contracts, net	-	45
Tax expense	1,750	638
Exceptional item	700	683
Dividend from subsidiary	(1,345)	(3,142)
(Profit)/ Loss on sale of property, plant and equipment and software, net	(17)	19
Profit on sale of current investments	(658)	(616)
Rental income	(463)	(300)
Operating profit before working capital changes	2,444	1,379
(Increase) / Decrease in trade receivables	(1,975)	181
Decrease / (Increase) in loans and advances and other assets	682	(370)
Increase in trade payables, other liabilities and provisions	1,647	1,287
Cash generated from operating activities before taxes	2,798	2,477
Income taxes paid, net of refunds	(522)	(899)
Net cash generated from operating activities	2,276	1,578
Cash flows from investing activities		
Proceeds from sale of property, plant & equipment	17	18
Purchase of property, plant & equipment and software	(597)	(576)
Interest received	216	192
Dividend from subsidiary	1,345	3,142
Rental income	442	238
Guarantee Commission received	397	164
Purchase of investments	(10,281)	(11,649)
Proceeds from sale of investments	7,206	10,738
Net cash (used in) / generated from investing activities	(1,255)	2,267
Cash flows from financing activities		
Proceeds from issue of shares under the employee stock compensation schemes	845	213
Proceeds and repayment of borrowings, net	(26)	(10)
Dividends paid including dividend distribution tax and unclaimed dividends	(1,362)	(3,148)
Payment of lease liabilities	(34)	(38)
Interest paid on finances leases and other finance charges	(69)	(16)
Net cash (used in) / generated from financing activities	(646)	2,999
Net increase in cash and cash equivalents during the year	375	846
Cash and cash equivalents at the beginning of the year	2,018	1,172
Cash and cash equivalents at the end of the year	2,393	2,018



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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 April 28, 2021. The auditors have carried out an audit of the standalone financial results for the year ended March 31, 2021. The figures for the quarters ended March 31, 2021 and March 31, 2020 are the balancing figures between the audited figures for the years ended on those dates and the year to date figures upto the end of third quarter of the respective financial years, on which auditors had performed a limited review.
- 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	Quarter ended			Year ended	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
Net foreign exchange (gain) / loss	(3)	(197)	70	(218)	(127)
Net realised foreign exchange loss / (gain) arising from hedging accounted under Income from Operations	64	10	(116)	(10)	(396)

3 Other Comprehensive (Loss) / Income includes:

Particulars	Quarter ended			Year ended	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	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 (loss) / gain , net	0	(27)	(25)	(19)	5
Total	0	(27)	(25)	(19)	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	87	(757)	200	(451)	(79)
gain / (loss) on change in fair value of financial instruments, net	16	115	99	157	226
Total	103	(642)	299	(294)	147
Other comprehensive income, net of tax (i+ii)	103	(669)	274	(313)	152



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- 4 Exceptional items represent (a) settlement provision relating to revenue contracts Rs.700 lakhs for the year ended March 31, 2021; (b) legal costs related to acquisition of Rs.31 lakhs and material provisions for doubtful debts on certain revenue contracts is Rs. 652 lakhs for the year ended March 31, 2020.
- 5 Other income for the year ended March 31, 2021 includes dividend income from subsidiary Rs. 1,345 lakhs (Rs.3,142 lakhs for the year ended March 31, 2020).
- 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 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 ESPL (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 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 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, based on actual EBITDA of 3 years commencing from financial year March 31, 2021. Pending completion of legal acquisition, this transaction has only been considered for disclosure in the standalone financial results for the years ended March 31, 2020 and 2021 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 till such time that the acquisition is recognised in the standalone financial 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 March 31, 2021 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 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 year ended March 31, 2021 includes impact of the same amounting to Rs. 78 lakhs and Rs. 418 lakhs, respectively, recognised on a similar basis.
- 11 The Board of Directors have recommended a final dividend @ 180% (Rs 9/- per share) at the meeting held on April 28, 2021, which is subject to approval by the shareholders at their ensuing Annual General Meeting.
- 12 Previous period's / year's figures have been regrouped or reclassified wherever necessary.

Place : Mumbai, India
Date : April 28, 2021



Ashank Desai
Vice Chairman & Managing Director