

Walker Chandniok & Co LLP

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly 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 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 **30 June 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/CI D/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 Chandok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013



Adi P. Sethna
Partner
Membership No:108840

UDIN:21108840AAAADR3572

Place: Mumbai
Date: 19 July 2021



Mastek Limited

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

Annexure 1

List of entities included in the Statement:

1. Mastek (UK) Limited
2. Trans American Information Systems Private Limited
3. Mastek, Inc.
4. Trans American Information Systems, Inc.
5. Mastek Digital, Inc.
6. IndigoBlue Consulting Limited (merged with Mastek (UK) Limited w.e.f 1 July 2016)
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
22. Evolutionary Systems Canada Limited (w.e.f. 17 May 2021)



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 ended June 30, 2021

(₹. In lakhs)

	Particulars	Quarter ended			Year ended
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		(Unaudited)	(Refer note 1)	(Unaudited)	(Audited)
1	Income				
	(a) Revenue from operations	51,647	48,321	38,606	172,186
	(b) Other income	470	324	1,670	2,791
	Total Income	52,117	48,645	40,276	174,977
2	Expenses				
	(a) Employee benefits expenses	25,721	24,311	20,366	88,272
	(b) Finance costs	171	176	250	810
	(c) Depreciation and amortisation expenses	974	1,021	1,140	4,495
	(d) Other expenses	14,648	13,416	11,428	47,467
	Total expenses	41,514	38,924	33,184	141,044
3	Profit before exceptional items & tax (1 - 2)	10,603	9,721	7,092	33,933
4	Exceptional items - net	-	-	-	-
5	Profit before tax (3 + 4)	10,603	9,721	7,092	33,933
6	Income tax expense / (credit)				
	- Current tax	2,649	2,298	1,770	8,136
	- Deferred tax	(67)	(171)	(66)	(131)
	- Tax provision relating to prior periods (Refer note 7)	-	23	730	753
	- Total, net	2,582	2,150	2,434	8,758
7	Net Profit (5 - 6)	8,021	7,571	4,658	25,175
8	Other Comprehensive Income, net of tax (Refer note 3)	1,660	245	3,686	13,709
9	Total Comprehensive Income, net of tax (7 + 8)	9,681	7,816	8,344	38,884
	Profit attributable to				
	Owners of the Company	6,930	6,055	4,043	20,935
	Non-controlling interests	1,092	1,516	615	4,240
	Profit after tax	8,021	7,571	4,658	25,175
	Other comprehensive Income (OCI) attributable to				
	Owners of the Company	1,549	234	3,687	13,452
	Non-controlling interests	110	11	(1)	257
	Total other comprehensive Income, net of taxes	1,660	245	3,686	13,709
	Total comprehensive Income attributable to				
	Owners of the Company	8,479	6,289	7,730	34,387
	Non-controlling interests	1,202	1,527	614	4,497
	Total comprehensive Income	9,681	7,816	8,344	38,884
10	Paid-up equity share capital (Face value ₹. 5/- per share)	1,264	1,262	1,221	1,262
11	Other Equity				84,592
12	Earnings per share (of face value ₹ 5/- each) (not annualised) :				
	(a) Basic - ₹	27.43	24.14	16.62	84.92
	(b) Diluted - ₹	26.42	23.28	16.00	81.88



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Statement of Consolidated Segmental Information for the Quarter Ended June 30, 2021

(₹. In lakhs)

	Particulars	Quarter ended			Year ended
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		(Unaudited)	(Refer note 1)	(Unaudited)	(Audited)
1	Segment Revenue				
	UK & Europe operations	36,237	33,778	25,195	116,089
	North America operations	7,943	7,076	6,611	28,755
	Middle East	4,393	4,589	5,460	18,948
	Others	3,074	2,878	1,340	8,394
	Revenue from operations, net	51,647	48,321	38,606	172,186
2	Segment Results profit before exceptional item, tax and finance cost				
	UK & Europe operations	9,700	7,595	5,105	26,745
	North America operations	678	1,047	544	4,312
	Middle East	92	1,003	574	3,950
	Others	1,192	938	159	1,520
	Total	11,662	10,583	6,382	36,527
	Less : i. Finance costs	171	176	250	810
	ii. Other un-allocable expenditure net of un-allocable (income)	888	686	(960)	1,784
	Profit from ordinary activities before exceptional Items & tax	10,603	9,721	7,092	33,933
	Exceptional items, net	-	-	-	-
	Profit from ordinary activities before tax	10,603	9,721	7,092	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 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.

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 July 19, 2021. The auditors have carried out a limited review of the consolidated financial results for the quarter ended June 30, 2021. The figures of previous quarter ended March 31, 2021 are the balancing figures between the audited figures for the year ended March 31, 2021 and the year to date figures upto the end of third quarter of the said financial year, on which auditors had performed a limited review.
- These results have been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under the Companies (Ind-AS) Rules, 2015 as amended.



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3 Other Comprehensive Income / (Loss) includes:

(₹. In lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2021	March 31, 2021	June 30, 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	23	(8)	(239)	(261)
Gain / (Loss) on change in fair value of equity instrument through OCI, net			3,760	15,371
Total	23	(8)	3,521	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	1,738	149	(173)	(1,389)
(Loss) / Gain on change in fair value of forward contracts designated as cash flow hedges, net	(93)	146	381	(168)
(Loss) / Gain on change in fair value of financial instruments, net	(8)	(42)	(43)	156
Total	1,637	253	165	(1,401)
Other Comprehensive Income / (loss) net of tax (i+ii)	1,660	245	3,686	13,709

- 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, impairment of financial and non-financial assets, and Cyber security pertaining to the remote access of information for the quarter ended June 30, 2021 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.
- 5 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 geography is ongoing. The legal procedures are delayed because of COVID-19 pandemic related lockdown. The Company has been legally advised that such legal procedures are administrative in nature and the parties to the BTA expect to complete these after the lockdown is relaxed / lifted i.e. by September, 2021.



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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 Group 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 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 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 the Group, i.e. February 8, 2020. Discharge of consideration for demerger will be done 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. Accordingly, the equity shares, CCPS and put option written thereon, are recognised and disclosed as "Equity shares proposed to be issued", "Non-Controlling Interest (preference shares proposed to be issued)" and "Put option written on Non-Controlling Interest", respectively, under "Other equity", in the consolidated financial statements for the year ended March 31, 2020 and 2021 and the consolidated interim financial statements for the period ended June 30, 2021. Pending completion of legal acquisition, this transaction has only been considered for disclosure in the standalone financial statements for the years ended March 31, 2020 and 2021 and standalone unaudited financial results for the period ended June 30, 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 statements. If the 4,235,294 equity shares had to be considered as issued on the date of acquisition, the resultant basic earning per share would have been ₹ 23.50 per equity share of ₹ 5 each, for the quarter ended June 30, 2021.

The Company had on the basis of an order dated April 12, 2021 issued by NCLT, convened the Meeting of the Equity Shareholders and Unsecured Creditors of Mastek Limited ('Company') on May 28, 2021 in which the Scheme of Arrangement between Evolutionary Systems Private Limited ("ESPL" or "Demerged Company") and TAISPL ("Resultant Company 1"), a Wholly Owned Subsidiary of Mastek and Mastek Limited ("Company" or "Resultant Company 2") was approved by the public shareholders and creditors subject to further approval by NCLT. Further, NCLT vide its order dated July 12, 2021 has fixed the date of hearing on August 24, 2021.

- 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			Year ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
Net foreign exchange loss / (gain)	18	227	9	1,385
Net realised foreign exchange loss / (gain) arising from hedging accounted under Income from Operations	54	34	(53)	(17)

- 7 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. 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 June 30, 2021 includes ₹ 193 lakhs recognised on a similar basis.
- 8 Previous period's / year's figures have been regrouped or reclassified wherever necessary.

Place : Mumbai, India

Date : July 19, 2021



Ashank Desai
Vice Chairman & Managing Director

Walker Chandniok & Co LLP

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One International Center,
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Independent Auditor's Review Report on Standalone Unaudited Quarterly 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 **30 June 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.



Mastek Limited
Independent Auditor's Review Report on Standalone Unaudited Quarterly 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 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 Chandniok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Adi P. Sethna
Partner
Membership No:108440



UDIN:21108840AAAADQ3263

Place: Mumbai
Date: 19 July 2021

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 ended June 30, 2021

(₹. In lakhs)

	Particulars	Quarter ended			Year ended
		June 30,	March 31,	June 30,	March 31,
		2021	2021	2020	2021
	(Unaudited)	(Refer note 1)	(Unaudited)	(Audited)	
1	Income				
	(a) Revenue from operations	5,956	5,883	4,060	18,714
	(b) Other income	589	360	706	3,487
	Total Income	6,545	6,243	4,766	22,201
2	Expenses				
	(a) Employee benefits expenses	4,463	4,175	3,023	14,120
	(b) Finance costs	10	25	12	58
	(c) Depreciation and amortisation expenses	269	243	257	1,079
	(d) Other expenses	782	943	643	2,848
	Total expenses	5,524	5,386	3,935	18,105
3	Profit before exceptional items & tax (1 - 2)	1,021	857	831	4,096
4	Exceptional items - (loss) (Refer note 4)	-	-	-	(700)
5	Profit / (Loss) before tax (3 + 4)	1,021	857	831	3,396
6	Income tax expense / (credit)				
	- Current tax	503	259	301	1,040
	- Deferred tax	(12)	44	(10)	(20)
	- Tax provision relating to prior periods (Refer note 9)	-	-	730	730
	- Total, net	491	303	1,021	1,750
7	Net Profit / (Loss) (5 - 6)	530	554	(190)	1,646
8	Other Comprehensive (loss) / Income, net of tax (Refer note 3)	(36)	103	188	(313)
9	Total Comprehensive Income / (Loss), net of tax (7 + 8)	494	657	(2)	1,333
10	Paid-up equity share capital (Face value ₹. 5/- per share)	1,264	1,262	1,221	1,262
11	Other Equity				27,292
12	Earnings per share (of face value ₹ 5/- each) (not annualised) :				
	(a) Basic - ₹	2.10	2.21	(0.78)	6.67
	(b) Diluted - ₹	2.02	2.13	(0.78)	6.44



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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 July 19, 2021. The auditors have carried out a limited review of the standalone financial results for the quarter ended June 30, 2021. The figures for the previous quarter ended March 31, 2021 are the balancing figures between the audited figures for the year ended March 31, 2021 and the year to date figures up to the end of third quarter of the said financial year, on which auditors had performed a limited review.
- These results have been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under the Companies (Ind-AS) Rules, 2015 (as amended).
- Other Comprehensive (Loss) / Income includes:**

Particulars	Quarter ended			Year ended
	June 30, 2021	March 31, 2021	June 30, 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*	43	0	(41)	(19)
Total	43	0	(41)	(19)
(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	(72)	87	272	(451)
(Loss) / Gain on change in fair value of financial instruments, net	(7)	16	(43)	157
Total	(79)	103	229	(294)
Other comprehensive (loss) / income, net of tax (i+ii)	(36)	103	188	(313)

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

- Exceptional items represents settlement provision relating to revenue contracts ₹ 700 lakhs for the year ended March 31, 2021.
- 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:

Particulars	Quarter ended			Year ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
Net foreign exchange (gain) / loss	(150)	(3)	4	(218)
Net realised foreign exchange loss / (gain) arising from hedging accounted under Income from Operations	69	64	(70)	(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:-
- 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 geography is ongoing. The legal procedures are delayed because of COVID-19 pandemic related lockdown. The Company has been legally advised that such legal procedures are administrative in nature and the parties to the BTA expect to complete these after the lockdown is relaxed / lifted i.e. by September, 2021.
 - 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 Group 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 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 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 the Group, i.e. February 8, 2020. Discharge of consideration for demerger will be done 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. Pending completion of legal acquisition, this transaction has only been considered for disclosure in the standalone financial statements for the years ended March 31, 2020 and 2021 and standalone unaudited financial results for the period ended June 30, 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 statements and results.
- The Company had on the basis of an order dated April 12, 2021 issued by NCLT, convened the Meeting of the Equity Shareholders and Unsecured Creditors of Mastek Limited ("Company") on May 28, 2021 in which the Scheme of Arrangement between Evolutionary Systems Private Limited ("ESPL" or "Demerged Company") and TAISPL ("Resultant Company 1"), a Wholly Owned Subsidiary of Mastek and Mastek Limited ("Company" or "Resultant Company 2") was approved by the public shareholders and creditors subject to further approval by NCLT. Further, NCLT vide its order dated July 12, 2021 has fixed the date of hearing on August 24, 2021.
- 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, impairment of financial and non-financial assets, and Cyber security pertaining to the remote access of information for the quarter ended June 30, 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.
- 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 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. 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 June 30, 2021 includes ₹ 193 lakhs recognised on a similar basis.
- 10 Previous period's / year's figures have been regrouped or reclassified wherever necessary.

Place : Mumbai, India

Date : July 19, 2021



Ashank Desai
Vice Chairman & Managing Director