
Walker Chandiook & Co LLP

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

To the Board of Directors of Mastek Limited

1. We have reviewed the accompanying statement of unaudited consolidated quarterly 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 2022** and the consolidated year to date financial results for the period 01 April 2022 to 31 December 2022, 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').
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 Listing Regulations. 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 ('ICAI'). 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 Listing Regulations, to the extent applicable.



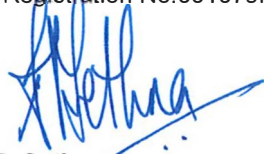
Mastek Limited

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

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the 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 Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the interim financial results of two subsidiaries included in the Statement, whose financial information reflects total revenues of ₹ 9,729 lakhs and ₹ 15,639 lakhs, total net profit after tax of ₹ 1,731 lakhs and ₹ 2,392 lakhs, Total Comprehensive Income of ₹ 1,741 lakhs and ₹ 2,407 lakhs, for the quarter and nine-months period ended on 31 December 2022, respectively, as considered in the Statement. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

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

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



Adi P. Sethna
Partner
Membership No. 108840

UDIN:23108840BGYATZ8544

Place: Mumbai
Date: 17 January 2023

Mastek Limited

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

Annexure 1

List of entities included in the Statement (in addition to the Holding Company)

1. Mastek Enterprise Solutions Private Limited (Formerly known as Trans American Information Systems Private Limited)
2. Mastek (UK) Limited
3. Mastek Inc.
4. Trans American Information Systems Inc.
5. Mastek Digital Inc.
6. Mastek Arabia FZ LLC
7. Evolutionary Systems Qatar WLL
8. Evolutionary Systems (Singapore) Pte Limited
9. Evolutionary Systems Pty Limited
10. Evolutionary Systems Corp.
11. Evolutionary Systems Co. Limited
12. Evosys Consultancy Services (Malaysia) SDN BHD
13. Evolutionary Systems B.V.
14. Evolutionary Systems Saudi LLC
15. Evosys Kuwait WLL
16. Evolutionary Systems Bahrain WLL
17. Evolutionary Systems Consultancy LLC
18. Evolutionary Systems Egypt LLC
19. Newbury Cloud Inc.
20. Evolutionary Systems Canada Limited
21. Meta Soft Tech Systems Private Limited (with effect from 01 August 2022)
22. Metasoftech Solutions LLC (with effect from 01 August 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 Consolidated Financial Results for the Quarter and Nine months ended December 31, 2022

(Rs. In lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Income						
(a) Revenue from operations	65,866	62,530	55,191	1,85,421	1,60,231	2,18,384
(b) Other income	603	691	574	3,870	1,815	3,608
Total income	66,469	63,221	55,765	1,89,291	1,62,046	2,21,992
2 Expenses						
(a) Employee benefits expenses	34,638	34,000	27,316	99,514	80,422	1,09,545
(b) Finance costs	824	525	160	1,546	516	768
(c) Depreciation and amortisation expenses	1,959	1,709	1,055	4,777	3,071	4,287
(d) Other expenses	19,857	17,790	16,252	52,874	45,627	62,588
Total expenses	57,278	54,024	44,783	1,58,711	1,29,636	1,77,188
3 Profit before exceptional items and taxes (1 - 2)	9,191	9,197	10,982	30,580	32,410	44,804
4 Exceptional items - gain (net) (Refer note 4)	-	2,532	-	2,532	-	-
5 Profit before taxes (3 + 4)	9,191	11,729	10,982	33,112	32,410	44,804
6 Income taxes expense / (credit) (Refer note 8)						
- Current tax	3,143	4,613	3,153	11,002	8,670	12,628
- Deferred tax	(606)	(1,504)	(516)	(2,595)	(779)	(1,166)
- Tax relating to earlier period / years	(58)	-	-	937	-	-
- Total taxes, net	2,479	3,109	2,637	9,344	7,891	11,462
7 Net profit (5 - 6)	6,712	8,620	8,345	23,768	24,519	33,342
8 Other Comprehensive Income - gain (net), net of taxes (Refer note 3)	3,021	2,816	325	7,070	1,662	2,573
9 Total Comprehensive Income, net of taxes (7 + 8)	9,733	11,436	8,670	30,838	26,181	35,915
Profit attributable to						
Owners of the Company	6,418	7,910	7,364	22,044	21,523	29,513
Non-controlling interests	294	710	981	1,724	2,996	3,829
Profit after taxes	6,712	8,620	8,345	23,768	24,519	33,342
Other Comprehensive Income- gain / (loss), net of taxes attributable to						
Owners of the Company	2,546	3,098	261	7,081	1,655	2,555
Non-controlling interests	475	(282)	64	(11)	7	18
Total Other Comprehensive Income net of taxes	3,021	2,816	325	7,070	1,662	2,573
Total Comprehensive Income attributable to						
Owners of the Company	8,964	11,008	7,625	29,125	23,178	32,068
Non-controlling interests	769	428	1,045	1,713	3,003	3,847
Total Comprehensive Income, net of taxes	9,733	11,436	8,670	30,838	26,181	35,915
10 Paid-up equity share capital (Face value Rs. 5 per share) (Refer note 9)	1,504	1,503	1,486	1,504	1,486	1,501
11 Other equity						1,05,635
12 Earnings per share (face value Rs. 5 each) (not annualised except for the year end) :						
(a) Basic - Rs	21.34	26.31	24.81	73.34	79.73	106.52
(b) Diluted - Rs	20.95	25.81	24.17	71.95	77.41	103.81



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Statement of unaudited Consolidated Financial Results for the Quarter and Nine months ended December 31, 2022

Segment information:-		(Rs. In lakhs)					
Particulars	Quarter ended			Nine months ended		Year ended	
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1	Segment revenue						
	UK & Europe operations	38,801	38,818	36,617	1,15,894	1,08,662	1,48,485
	North America operations	18,328	15,111	10,207	44,161	27,861	38,556
	Middle East	6,048	5,478	5,058	16,785	14,236	19,006
	Others	2,689	3,123	3,309	8,581	9,472	12,337
	Revenue from operations	65,866	62,530	55,191	1,85,421	1,60,231	2,18,384
2	Segment results						
	UK & Europe operations	9,101	10,347	10,667	29,618	30,082	41,363
	North America operations	2,566	888	1,049	3,331	2,886	3,333
	Middle East	(75)	15	(247)	67	(323)	(148)
	Others	165	83	693	416	2,440	2,919
	Total	11,757	11,333	12,162	33,432	35,085	47,467
	Less : i. Finance costs	824	525	160	1,546	516	768
	ii. Other un-allocable expenditure (net)	1,742	1,611	1,020	1,306	2,159	1,895
	Profit before exceptional items and taxes	9,191	9,197	10,982	30,580	32,410	44,804
	Exceptional items - gain (net) (Refer note 4)	-	2,532	-	2,532	-	-
	Profit before taxes	9,191	11,729	10,982	33,112	32,410	44,804

Notes on segment information :

- i. 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.
- ii. 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.
- iii. 'Others' includes South-east Asia and Australia.



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Notes to the unaudited consolidated financial results:

- The above unaudited consolidated financial results ('statement') of Mastek Limited (the 'Company') were reviewed and recommended by the Audit Committee and were thereafter approved by the Board of Directors at their respective meetings held on January 16, 2023 and January 17, 2023, respectively. The statutory auditors have carried out a limited review of the statement for the quarter and nine months ended December 31, 2022.
- The statement 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).

3 Other Comprehensive Income - gain/ (loss) (net of taxes) includes:

(Rs. In lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
(i) Items that will not be subsequently reclassified to the profit or loss (net of taxes):						
Defined benefit plan actuarial gain/ (loss), net	34	(29)	191	369	41	231
Total	34	(29)	191	369	41	231
(ii) Items that will be subsequently reclassified to the profit or loss (net of taxes):						
Exchange gain on translation of foreign operations	4,374	2,248	223	7,323	655	1,626
(Loss) / gain on change in fair value of forward contracts designated as cash flow hedges, net	(1,279)	552	236	(492)	1,216	1,514
(Loss) / gain on change in fair value of other financial instruments, net	(108)	45	(325)	(130)	(250)	(798)
Total	2,987	2,845	134	6,701	1,621	2,342
Other Comprehensive Income- gain (net), net of taxes net of taxes (i+ii)	3,021	2,816	325	7,070	1,662	2,573

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

(Rs. In lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Net profit on sale of investment property (relating to corporate asset of India operations)	-	4,277	-	4,277	-	-
Expense relating to business combination consummated during the period (relating mainly to North America operations)	-	(1,745)	-	(1,745)	-	-
Total	-	2,532	-	2,532	-	-

- The Group has accounted net foreign exchange gain under "Other income" and net foreign exchange loss under "Other expenses". Further, during the period the Group 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, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Net foreign exchange (gain) / loss	(202)	(399)	207	(2,941)	(255)	(1,202)
Net realised foreign exchange (gain) arising from hedging accounted under revenue from operations	(100)	(319)	(92)	(642)	(80)	(216)



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- 6 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, impairment of financial and non-financial assets / liabilities, and cyber security pertaining to the remote access of information for the quarter ended December 31, 2022 and up to the date of approval of the statement. While assessing the impact, Group has considered all internal and external sources of information like industry reports, economic forecast, credit reports and Companies in Mastek Group 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 this statement and the Group will continue to closely monitor any material changes to the business due to future economic conditions.
- 7 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 and 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- "Business Combinations", 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 was pending due to the pandemic condition, which has been completed during the year ended March 31, 2022.
- 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 National Company Law Tribunal (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 Mastek Enterprise Solutions Private Limited ("MESPL") (formerly known as Trans American Information Systems Private Limited), a subsidiary of Mastek Limited, 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 was made through issue of 4,235,294 equity shares of Mastek Limited (face value Rs. 5 each) and balance consideration through MESPL by issuing 15,000 Compulsorily Convertible Preference Shares (CCPS), (face value of Rs. 10 each) of MESPL, subsequently split into 150,000 CCPS of Re. 1 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.
- On September 14, 2021, the above transaction was approved by the NCLT, pursuant to the Scheme of De-merger, for the demerger of Evolutionary Systems Private Limited (ESPL or demerged entity), into MESPL, with the effective date of February 1, 2020 (Appointed Date). Accordingly, 4,235,294 equity shares of Mastek Limited (face value Rs. 5 each) were 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 (of MESPL) basis the agreed valuations. Accordingly, 254,755 equity shares of Mastek Limited (face value of Rs. 5 each) had been issued on February 10, 2022, for said buy- out of first tranche of 50,000 CCPS of MESPL.
- On December 11, 2022, the Board approved the buy-out of the second tranche of 50,000 CCPS of MESPL basis the agreed valuations in line with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended), approved by the shareholders of the Company on January 11, 2023. Accordingly, 320,752 equity shares of Mastek Limited (having face value of Rs. 5 each) have been issued on January 17, 2023, as a part consideration for the aforementioned buy-out.
- 8 During the quarter ended June 30, 2020, the holding company had recognised a provision towards the possible impact of an uncertain taxes 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 and nine months ended December 31, 2022 includes Rs. 363 lakhs and Rs. 515 lakhs, respectively, recognised on a similar basis.
Tax relating to earlier period / year represent foreign tax credits of certain subsidiaries, considered no longer recoverable as per the tax provisions enacted in the jurisdictions of the service receiver and provider.
- 9 During the quarter and nine months ended December 31, 2022 the paid-up equity share capital stands increased by Rs. 0.47 lakh (9,324 equity shares of Rs. 5 each) and Rs. 3.31 lakh (66,114 equity shares of Rs. 5 each) respectively, pursuant to the allotment of equity shares, on exercise of options by eligible employees, under the ESOP scheme Plan VI and Plan VII.



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- 10 Mastek Inc., a wholly-owned first level step-down subsidiary of Mastek Limited, signed a definitive agreement and acquired the 100% equity Interest of Metasoftech Solutions LLC ("MST USA"). MST USA is an independent Salesforce consulting and system integration partner in the Americas region. The purchase consideration includes upfront payment of USD 76.60 million (approximately Rs. 61,200 lakhs) and earn out – between USD 0 to USD 35 million, subject to achieving financial targets.
- 11 Further, Mastek Limited, signed a definitive agreement and acquired 100% equity shares of Meta Soft Tech Systems Private Limited (MST), which is an off-shore service provider and is mainly engaged in Information Technology and software support services. The equity shares were bought for a consideration of Rs. 2,723 lakhs, subject to customary closing adjustments as per the terms of the Share Purchase Agreement.
- 12 Acquisitions mentioned in note 10 and 11 above, were completed on August 1, 2022, Consequent to the acquisition, MST along with US entity 'Metasoftech Solutions LLC', has become a wholly owned subsidiary of the Mastek Limited and has been considered for the purpose of preparing statement of the Group from such date.
- 13 On December 16, 2022, Mastek Inc., a wholly-owned first level step-down subsidiary of Mastek Limited, made a SAFE note investment in VolteoEdge, an Edge Intelligence Company in the Connected Enterprise Space ("VolteoEdge") which will be converted into an equity stake (of approximately 5%) in series A round with a pre-determined valuation cap. VolteoEdge in collaboration with Intel and ServiceNow, delivers Edge-as-a-Service or Edge-to-Service (E2S) to its customers across Manufacturing, Oil & Gas, Healthcare, Retail, and Infrastructure industries. The purchase consideration includes upfront payment of USD 1.50 million (approximately Rs. 1,241 lakhs).
- 14 During the nine month ended December 31, 2022 the Holding Company has paid a final dividend of Rs. 12 per share (240%) on face value Rs. 5 each post receiving shareholder's approval in Annual General Meeting, which was in line with the dividend recommended by the Board of Directors for the financial year 2021-22. The Board of Directors have recommended an interim dividend @140% (Rs 7 per share on face value of Rs 5 each) at the meeting held on January 17, 2023.
- 15 Previous period's / year's figures have been regrouped or reclassified wherever necessary.

Place : Mumbai, India
Date : January 17, 2023



Ashank Desai
Vice Chairman & Managing Director

Walker Chandiook & Co LLP

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

To the Board of Directors of Mastek Limited

1. We have reviewed the accompanying statement of standalone unaudited quarterly financial results (the 'Statement') of **Mastek Limited** (the 'Company') for the quarter ended **31 December 2022** and the year-to-date financial results for the period 01 April 2022 to 31 December 2022, 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').
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 Listing Regulations. 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 ('ICAI'). 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

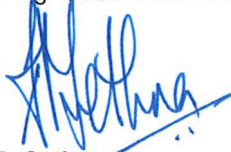
Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

4. Based on our review conducted 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 Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013



Adi P. Sethna

Partner

Membership No:108840

UDIN:23108840BGYATY9654

Place: Mumbai

Date: 17 January 2023

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Statement of unaudited Standalone Financial Results for the Quarter and Nine months ended December 31, 2022

(Rs. In lakhs)

	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	(a) Revenue from operations	8,104	7,304	6,759	22,451	18,822	25,670
	(b) Other income (Refer note 6)	566	3,515	849	4,428	4,329	7,354
	Total income	8,670	10,819	7,608	26,879	23,151	33,024
2	Expenses						
	(a) Employee benefits expenses	5,050	5,371	4,515	15,376	13,875	18,806
	(b) Finance costs	6	12	10	35	43	54
	(c) Depreciation and amortisation expenses	295	373	310	1,023	877	1,242
	(d) Other expenses	1,100	1,704	814	3,982	2,079	3,480
	Total expenses	6,451	7,460	5,649	20,416	16,874	23,582
3	Profit before exceptional items and taxes (1 - 2)	2,219	3,359	1,959	6,463	6,277	9,442
4	Exceptional items - gain (net) (Refer note 4)	761	3,690	134	3,887	828	145
5	Profit before taxes (3 + 4)	2,980	7,049	2,093	10,350	7,105	9,587
6	Income tax expense / (credit) (Refer note 10)						
	- Current tax	754	1,446	760	2,448	1,655	2,489
	- Deferred tax	318	(505)	(219)	(101)	(255)	(613)
	- Total tax, net	1,072	941	541	2,347	1,400	1,876
7	Net profit (5 - 6)	1,908	6,108	1,552	8,003	5,705	7,711
8	Other Comprehensive Income - (loss) / gain (net of taxes) (Refer note 3)	(1,220)	671	(110)	148	755	554
9	Total Comprehensive Income, net of taxes (7 + 8)	688	6,779	1,442	8,151	6,460	8,265
10	Paid-up equity share capital (Face value Rs. 5 per share) (Refer note 11)	1,504	1,503	1,486	1,504	1,486	1,501
11	Other equity						58,678
12	Earnings per share (of face value Rs. 5 each) (not annualised except for year end) :						
	(a) Basic - Rs	6.34	20.32	5.23	26.63	21.13	27.83
	(b) Diluted - Rs	6.23	19.94	5.10	26.12	20.52	27.13



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Notes to the unaudited standalone financial results:

- The above unaudited standalone financial results ('statement') were reviewed and recommended by the Audit Committee and were thereafter approved by the Board of Directors at their respective meetings held on January 16, 2023 and January 17, 2023, respectively. The statutory auditors have carried out a limited review of the statement for the quarter and nine months ended December 31, 2022.
- The statement 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).

3 Other Comprehensive Income- (loss) / gain (net of taxes) includes:

(Rs. In lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
(i) Items that will not be reclassified subsequently to the profit or loss (net of taxes):						
Defined benefit plan actuarial gain / (loss), net	37	(81)	121	82	74	90
Total	37	(81)	121	82	74	90
(ii) Items that will be reclassified subsequently to the profit or loss (net of taxes):						
(Loss) / gain on change in fair value of forward contracts designated as cash flow hedges, net	(1,149)	737	94	196	931	1,216
(Loss) / gain on change in fair value of other financial instruments, net	(108)	15	(325)	(130)	(250)	(752)
Total	(1,257)	752	(231)	66	681	464
Other Comprehensive Income- (loss) / gain (net of taxes) (i+ii)	(1,220)	671	(110)	148	755	554

4 Exceptional items represents the following:

(Rs. In lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Gain / (loss) on changes in fair value of put option liability (refer note 7)	761	(587)	134	(390)	828	145
Net profit on sale of investment property	-	4,277	-	4,277	-	-
Total	761	3,690	134	3,887	828	145



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- 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:

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Net foreign exchange (gain) / loss	(215)	169	(22)	109	(40)	(52)
Net realised foreign exchange (gain) arising from hedging accounted under revenue from operations	(246)	(354)	(72)	(818)	(25)	(128)

(Rs. In lakhs)

- 6 The Company has accounted dividend received from its subsidiary under "Other income".

(Rs. In lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Dividend received	-	3,206	-	3,206	2,696	4,721

- 7 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 and 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 'Business Combinations', 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 was pending due to the pandemic condition, which has been completed during the year ended March 31, 2022.

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 National Company Law Tribunal ("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 Mastek Enterprise Solutions Private Limited ("MESPL") (formerly known as Trans American Information Systems Private Limited) a subsidiary of Mastek Limited, 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 Mastek Group, i.e. February 8, 2020. Discharge of consideration for demerger was made through issue of 4,235,294 equity shares of Mastek Limited (face value Rs. 5 each) and balance consideration by issuing 15,000 Compulsorily Convertible Preference Shares (CCPS) of Rs. 10 each of MESPL, subsequently split into 150,000 CCPS of Re. 1 each, which carry a Put Option to be discharged at agreed EBITDA multiples, based on actual EBITDA of 3 years commencing from financial year ended March 31, 2021 including adjustment for closing cash.

On September 14, 2021, the above transaction was approved by the NCLT, pursuant to the Scheme of De-merger, for the demerger of Evolutionary Systems Private Limited (ESPL or demerged entity), into MESPL, with the effective date of February 1, 2020 (Appointed Date). Consequently, the effect of the De-merger was considered in accordance with Ind AS 103.

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 (of MESPL) basis the agreed valuations. Accordingly, 254,755 equity shares of Mastek Limited (face value Rs. 5 each) had been issued on February 10, 2022, for said buy-out of first tranche of 50,000 CCPS of MESPL.

On December 11, 2022, the Board approved the buy-out of the second tranche of 50,000 CCPS of MESPL basis the agreed valuations in line with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended), approved by the shareholders of the Company on January 11, 2023. Accordingly, 320,752 equity shares of Mastek Limited (having face value of Rs. 5 each) have been issued on January 17, 2023, as a part consideration for the aforementioned buy-out.

- 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 transactions, impairment of financial and non-financial assets / liabilities, and cyber security pertaining to the remote access of information for the quarter ended December 31, 2022 and up to the date of approval of the statement. 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 this statement. 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.



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- 10 During the quarter ended June 30, 2020, the Company had 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 and nine months ended December 31, 2022 includes Rs. 363 lakhs and Rs. 515 lakhs, respectively, recognised on a similar basis.
- 11 During the quarter and nine months ended December 31, 2022 the paid-up equity share capital stands increased by Rs. 0.47 lakh (9,324 equity shares of Rs. 5 each) and Rs. 3.31 lakh (66,114 equity shares of Rs. 5 each) respectively, pursuant to the allotment of equity shares, on exercise of options by eligible employees, under the ESOP scheme Plan VI and Plan VII.
- 12 The Company had signed a definitive agreement to acquire 100% of the equity shares of Meta Soft Tech Systems Private Limited, which is an off-shore service provider and is mainly engaged in Information Technology and software support services. The equity shares were purchased for a consideration of Rs. 2,723 lakhs, subject to customary closing adjustments as per the terms of the Share Purchase Agreement. The acquisition was completed on August 1, 2022. Consequent to the acquisition, MST along with US entity 'Metasoftech Solutions LLC', has become a wholly owned subsidiary of the Company and has been considered for the purpose of preparing consolidated financial results of the Mastek Group from such date.
- 13 During the nine month ended December 31, 2022, the Company has paid a final dividend of Rs. 12 per share (240%) on face value Rs. 5 each post receiving shareholder's approval in Annual General Meeting, which was in line with the dividend recommended by the Board of Directors for the financial year 2021-22. The Board of Directors have recommended an interim dividend @140% (Rs 7 per share on face value of Rs 5 each) at the meeting held on January 17, 2023.
- 14 Previous period's / year's figures have been regrouped or reclassified wherever necessary.

Place : Mumbai, India
Date : January 17, 2023



Ashank Desai
Vice Chairman & Managing Director