

**MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED (FORMERLY  
KNOWN AS TRANS AMERICAN INFORMATION SYSTEMS PRIVATE  
LIMITED)**

Financial Statements

For the year ended 31 March 2022

**MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED (FORMERLY KNOWN AS TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED)**

**BALANCE SHEET AS AT MARCH 31, 2022**

(Rs. in thousands)

	Note	As at	
		March 31, 2022	March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property plant and equipment (net)	3(a)	1,65,348	96,993
Right-of-use assets	3(c)	29,301	49,453
Intangible assets (net)	3(b)	1,913	2,079
Financial assets			
Investments	4(a)	37,29,895	37,29,895
Other financial assets	4(b)	31,524	18,639
Deferred tax assets (net)	24(c)	45,733	43,123
Income tax (Current-tax) assets		50,756	-
Other non-current assets	5	2,944	1,362
<b>Total non-current assets</b>		<b>40,57,413</b>	<b>39,41,544</b>
<b>Current assets</b>			
Financial assets			
Investments	6(a)	69,900	3,41,828
Trade receivables	6(b)	9,81,361	3,55,364
Cash and cash equivalents	6(c)	1,29,314	92,777
Other financial assets	6(d)	31,153	14,062
Other current assets	7	2,25,150	1,07,012
<b>Total current assets</b>		<b>14,36,878</b>	<b>9,11,043</b>
<b>Total Assets</b>		<b>54,94,291</b>	<b>48,52,587</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	8	495	345
Other equity	9	47,85,911	44,52,372
<b>Total Equity</b>		<b>47,86,406</b>	<b>44,52,717</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities	10	20,553	37,824
Provisions	11	1,50,607	1,21,468
<b>Total non-current liabilities</b>		<b>1,71,160</b>	<b>1,59,292</b>
<b>Current liabilities</b>			
Financial liabilities			
Lease liabilities	12(a)	26,245	24,268
Trade payables	12(b)		
Dues of micro and small enterprises		1,905	-
Dues of creditors other than micro and small enterprises		1,23,575	49,294
Other financial liabilities	12(c)	3,12,397	1,18,322
Other current liabilities	13	62,299	24,345
Provisions	14	10,304	7,116
Current tax liabilities (net)		-	17,232
<b>Total current liabilities</b>		<b>5,36,725</b>	<b>2,40,578</b>
<b>Total Liabilities</b>		<b>7,07,885</b>	<b>3,99,870</b>
<b>Total Equity and Liabilities</b>		<b>54,94,291</b>	<b>48,52,588</b>

See accompanying notes to the financial statements

This is the Balance Sheet referred to in our report of even date

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

For and on behalf of the Board of Directors of

**MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED**

**Adi P. Sethna**

Partner

Membership No.: 108840

DIN: 00323145

Date:

**Umang Nahata**

Director & CEO

DIN: 00323145

Place:

**Ashank Desai**

Chairman

DIN: 00017767

**MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED (FORMERLY KNOWN AS TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED)**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. in thousands)

	Note	Year ended	
		March 31, 2022	March 31, 2021
<b>INCOME</b>			
Revenue from operations	15	32,19,755	17,56,004
Other income	16	27,784	19,971
<b>Total income</b>		<b>32,47,539</b>	<b>17,75,975</b>
<b>EXPENSES</b>			
Employee benefits expenses	17	20,81,828	12,91,321
Finance costs	18	13,208	8,420
Depreciation and amortisation expenses	19	91,260	67,621
Other expenses	20	6,29,686	1,36,085
<b>Total expenses</b>		<b>28,15,982</b>	<b>15,03,448</b>
<b>Profit before tax</b>		<b>4,31,557</b>	<b>2,72,527</b>
<b>Tax expense/(credit)</b>			
Current tax	24(a)	1,29,395	81,779
Deferred tax		(9,888)	(11,141)
Income tax relating to earlier years		-	-
<b>Total tax expense</b>		<b>1,19,507</b>	<b>70,638</b>
<b>Profit after tax for the year</b>		<b>3,12,050</b>	<b>2,01,889</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to the statement of profit and loss, (losses)/gains:</b>			
Defined benefit plan actuarial gain / (losses)		(3,220)	(9,633)
Income tax relating to above item (expenses) / credit		(7,278)	(13,354)
<b>Items that will be reclassified subsequently to the statement of profit and loss, (losses)/gains:</b>			
Net change in fair value of forward contracts designated as cash flow hedges		32,137	37,661
Income tax relating to above item credit / (expenses)		-	6,300
<b>Total other comprehensive loss for the year, net of taxes</b>		<b>21,640</b>	<b>20,974</b>
<b>Total comprehensive income for the year</b>		<b>3,33,689</b>	<b>2,22,864</b>
<b>Earnings per equity share</b>	21		
(Equity shares of face value Rs. 10/- each)			
Basic and Diluted (in Rs.)		7,895.99	5,848.47

See accompanying notes to the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

For and on behalf of the Board of Directors of

**MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED**

**Adi P. Sethna**

Partner

Membership No.: 108840

Date:

**Umang Nahata**

Director & CEO

DIN: 00323145

Place:

**Ashank Desai**

Chairman

DIN: 00017767

**MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED (FORMERLY KNOWN AS TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED)**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. in thousands)

	Year ended	
	March 31, 2022	March 31, 2021
<b>Cash flows from operating activities</b>		
<b>Profit for the year</b>	<b>3,12,050</b>	<b>2,01,889</b>
<b>Adjustments:</b>		
Depreciation and amortisation	91,260	67,621
Tax expense	1,19,507	70,638
Profit on sale of current investments	(5,878)	(9,253)
Interest income on fixed deposits	(3,144)	(3,599)
Exceptional item - loss	-	-
Finance cost	13,208	8,420
Dividend Income from current investment	-	-
Loss / (Profit) on sale of property plant and equipment, net	1,040	1,799
<b>Changes in operating assets and liabilities</b>	<b>5,28,042</b>	<b>3,37,516</b>
Decrease / (increase) in trade receivables	(6,25,996)	(52,144)
(Increase) in loans and advances and other assets	(1,46,551)	(51,950)
Increase in trade payables, other liabilities and provisions	3,81,306	(28,935)
Cash generated from operating activities before taxes	<b>1,36,800</b>	<b>2,04,487</b>
Income taxes (paid)/refund (net)	(1,97,383)	(70,496)
<b>Net cash generated from operating activities</b>	<b>(60,583)</b>	<b>1,33,992</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	-	65
Purchase of property, plant and equipment and software	(1,54,590)	(51,254)
Dividend Income from current investment	-	-
Purchase of current investments	(5,72,395)	(3,30,000)
Proceeds from current investments	8,50,201	1,54,005
<b>Net cash (used in) investing activities</b>	<b>1,23,215</b>	<b>(2,27,184)</b>
<b>Cash flows from financing activities</b>		
Lease payments - finance charge	(768)	(108)
Payment of lease liability	(25,330)	(33,102)
<b>Net cash (used in) financing activities</b>	<b>(26,098)</b>	<b>(33,210)</b>
Net increase / (decrease) in cash and cash equivalents during the year	36,535	(1,26,401)
Cash and cash equivalents at the beginning of the year	92,777	2,19,178
Cash and cash equivalents transferred pursuant to a scheme of arrangement	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>1,29,313</b>	<b>92,777</b>

The above Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in Ind AS - 7 on Statement of Cash Flow

This is the Statement of Cash Flow referred to in our report of even date

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

For and on behalf of the Board of Directors of  
**MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED**

**Adi P. Sethna**  
*Partner*  
Membership No.: 108840

**Umang Nahata**  
Director & CEO  
DIN: 00323145

**Ashank Desai**  
Chairman  
DIN: 00017767

Date:

Place: Ahmedabad

**MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED (FORMERLY KNOWN AS TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED)**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022**

(a) Equity share capital	(Rs. in thousands)
Balance as at April 1, 2020	345
Add: changes in equity share capital	-
<b>Balance as at March 31, 2021</b>	<b>345</b>
Balance as at April 1, 2021	345
Add: changes in equity share capital	50
<b>Balance as at March 31, 2022</b>	<b>395</b>

(b) Preference share capital	(Rs. in thousands)
Balance as at April 1, 2020	-
Add: changes in equity share capital	-
<b>Balance as at March 31, 2021</b>	<b>-</b>
Balance as at April 1, 2021	-
Add: changes in equity share capital	100
<b>Balance as at March 31, 2022</b>	<b>100</b>

**(c) Other equity** (Rs. in thousands)

Particulars	Reserve and surplus		Other comprehensive income		Deemed equity	Total other equity
	Securities premium	Retained earnings	Employee benefit expenses	Fair value of cash flow hedges		
<b>Balance as at April 1, 2020</b>	-	2,27,459	(5,439)	(18,731)	26,98,816	29,02,105
Profit for the year	-	2,01,889	-	-	-	2,01,889
Other comprehensive income/loss (net of taxes)	-	-	(16,687)	37,661	-	20,974
<b>Balance as at March 31, 2021</b>	<b>-</b>	<b>4,29,348</b>	<b>(22,126)</b>	<b>18,930</b>	<b>26,98,816</b>	<b>31,24,968</b>
<b>Balance as at April 1, 2021</b>	<b>-</b>	<b>4,29,348</b>	<b>(22,126)</b>	<b>18,930</b>	<b>26,98,816</b>	<b>31,24,968</b>
Additions during the year	13,27,254	-	-	-	-	13,27,254
Profit for the year	-	3,12,050	-	-	-	3,12,050
Other comprehensive income/loss (net of taxes)	-	-	(10,498)	32,137	-	21,639
<b>Balance as at March 31, 2022</b>	<b>13,27,254</b>	<b>7,41,398</b>	<b>(32,624)</b>	<b>51,067</b>	<b>26,98,816</b>	<b>47,85,911</b>

See accompanying notes to the financial statements

This is the Statement of changes in equity referred to in our report of even date

**For Walker Chandiook & Co LLP**

*Chartered Accountants*

Firm Registration No: 001076N/N500013

For and on behalf of the Board of Directors of

**TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED**

**Adi P. Sethna**

*Partner*

Membership No.: 108840

**Umang Nahata**

Director & CEO

DIN: 00323145

**Ashank Desai**

Chairman

DIN: 00017767

Date:

Place: Ahmedabad

**MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED (FORMERLY KNOWN AS TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED)**

Significant accounting policies and Notes to accounts for the year ended March 31, 2022

(Rs. in thousands, unless otherwise stated)

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**1 Company overview**

Trans American Information Systems Private Limited, India, a wholly owned subsidiary of Mastek Limited is a Company with deep routed capability in providing high skilled resources and end-to-end e-commerce services including strategy, creative design, and implementation and managed services having presence in India and supporting TAISTech US Customers.

**2 Basis of Preparation and Presentation**

**a) Basis of Preparation**

The financial statements have been prepared on an accrual basis of accounting and the historical cost convention, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);
- ii. Defined benefit and other long-term employee benefits, and
- iii. Derivative financial instruments

All assets and liabilities have been classified as current and non-current as per the company's normal operating cycle. The Company has considered its operating cycle as a period not exceeding 12 months.

This financial statements are prepared for limited purpose of filing Income Tax Return of the company taking into account effect of merger scheme. Refer note no 33 of the financial statements.

**b) Use of estimate and judgement**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

*(i) Income taxes:* Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

*(ii) Defined benefit plans and compensated absences:* The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

*(iii) Property, plant and equipment:* The change in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

*(iv) Expected credit losses on financial assets:* On application of Ind AS 109, the impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's credit-worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

*(v) Deferred taxes:* Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carryforward period are reduced.

*(vi) Provisions:* Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement obligation and compensated expenses) are generally not discounted to their present value and are determined based on best estimate required to settle obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

*(vii) Leases:* Determining the lease term of contracts with renewal and termination options – Company as lessee

Ind AS 116 requires the lessee to determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

When it is reasonably certain to exercise extension option and not to exercise termination option, the Company includes such extended term and ignores termination option in determination of lease term.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The Company has taken indicative rates from its bankers and used them for Ind AS 116 calculation purposes.

**MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED (FORMERLY KNOWN AS TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED)**

**Significant accounting policies and Notes to accounts for the year ended March 31, 2022**

**(Rs. in thousands, unless otherwise stated)**

*(viii Estimation uncertainties relating to the Pandemic - COVID -19:* The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and unbilled revenues. The Company also assess the effectiveness of hedge transactions and believes that probability of occurrence of the forecasted transaction is not impacted by the pandemic. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports, related information and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

**c) Summary of Significant accounting policies**

**(i) Functional and Presentation Currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee (in thousands), the national currency of India, which is the functional currency of the Company.

**(ii) Foreign currency transactions and balances**

Foreign currency transactions of the Company and of its integral foreign branch are accounted at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities are translated at each reporting date based on the rate prevailing on such date. Gains and losses resulting from the settlement of foreign currency monetary items and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss. Non-monetary assets and liabilities are continued to be carried at rates of initial recognition.

**(iii) Financial instruments**

**A. Initial Recognition and Measurement**

The Company recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not recognised at fair value through profit or loss are added to the fair value on initial recognition. Regular purchase and sale of financial assets are recognised on the trade date.

**B. Subsequent Measurement**

**Non-Derivative Financial Instruments**

**a. Financial Assets Carried at Amortised Cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b. Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**c. Financial Assets at Fair Value Through Profit or Loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**d. Financial Liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**e. Derivative Instruments**

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is always a bank. These derivative instruments are designated as cash flow hedges.

The Hedge accounting is discontinued when the hedging instruments are expired or sold, terminated or no longer qualify for hedge accounting. The cumulative gain/loss on the hedging instruments recognised in hedging reserve till the period hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain/loss previously recognised in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of related forecasted transactions.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the statement of profit and loss.

**C. Derecognition of Financial Instruments**

Offsetting of financial instruments: Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**(iv) Property, Plant and Equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

**MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED (FORMERLY KNOWN AS TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED)**

Significant accounting policies and Notes to accounts for the year ended March 31, 2022

(Rs. in thousands, unless otherwise stated)

<b>Category</b>	<b>Useful Life</b>
Computers	2 years
Furniture and fixtures	5 years
Office Equipment	5 years
Leasehold Improvements	5 years or the primary period of lease whichever is less

Depreciation methods, useful lives and residual values are reviewed at each reporting date. Depreciation on addition/disposals is calculated pro-rata from the date of such additions/disposals.

**(v) Intangible Assets**

Intangibles assets are stated at cost less accumulated amortization and impairment, if any. Intangible assets are amortized pro-rata over their respective estimated useful lives on a straight line method. The estimated useful life reflects the manner in which the economic benefit is expected to be generated from that individual asset.

The estimated useful life of amortizable intangibles are reviewed and where appropriate are adjusted, annually.

The estimated useful lives of the amortizable intangible assets for the current and comparative periods are as follows:

<b>Category</b>	<b>Useful Life</b>
Computer Software	1 - 5 years

**(vi) Leases**

The Company has applied Ind AS 116 with effect from April 1, 2019 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**i. Right of Use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

**ii. Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**iii) Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of laptops, lease-lines and office furniture and equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The company does not have any leases as a lessor.

**vii) Impairment of assets**

**a. Non Financial Instrument**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

**b. Financial instrument**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.



**MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED (FORMERLY KNOWN AS TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED)**

Significant accounting policies and Notes to accounts for the year ended March 31, 2022

(Rs. in thousands, unless otherwise stated)

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**(viii) Employee Benefits**

**A. Long Term Employee Benefits**

**(a) Defined Contribution Plan**

The Company has defined contribution plans for post employment benefits in the form of provident fund and employees' state insurance which are administered through Government of India. Under the defined contribution plans, the Company has no further obligation beyond making the contributions. Such contributions are charged to the Statement of Profit and Loss as in the year during which the employee renders the services.

**(b) Defined Benefit Plan**

The Company has defined benefit plans for post employment benefits in the form of gratuity for its employees in India. The gratuity scheme of the Company is administered through Life Insurance Corporation of India (LIC). Liability for defined benefit plans is provided on the basis of actuarial valuations, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. Remeasurements comprising of actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to statement of profit and loss in subsequent periods.

**(c) Other long-term employee benefits**

The employees of the Company are also entitled for other long-term benefit in the form of compensated absences as per the policy of the Company. Further, at the time of retirement, death while in employment or on termination of employment leave encashment vests equivalent to salary payable for number of days of accumulated leave balance. Liability for such benefits is provided on the basis of actuarial valuations, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method.

**B) Short-term employee benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognised in the year during which the employee rendered the services. These benefits comprise compensated absences such as paid annual leave and performance incentives.

**(ix) Provisions & Contingent Liabilities**

Provisions are recognised when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset, only when such reimbursement is virtually certain.

**(x) Revenue Recognition**

The Company derives revenue primarily from Information Technology services which includes IT Outsourcing services, support and maintenance services. The Company recognises revenue over time of period of contract on transfer of control of deliverables (solutions and services) to its customers in an amount reflecting the consideration to which the Company expects to be entitled. To recognise revenues, Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognise revenues when a performance obligation is satisfied.

Company accounts for a contract when it has approval and commitment from all parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

Fixed Price contracts related to Application development, consulting and other services are single performance obligation or a stand-ready performance obligation, which in either case is comprised of a series of distinct services that are substantially the same and have the same pattern of transfer to the customer (i.e. distinct days or months of service). Revenues relating to time and material contracts are recognized as the related services are rendered.

IT support and maintenance-

Contracts related to maintenance and support services are either fixed price or time and material. In these contracts, the performance obligations are satisfied, and revenues are recognised, over time as the services are provided. Revenue from maintenance contracts is recognised ratably over the period of the contract because the Company transfers the control evenly by providing standard services.

The term of the maintenance contract is usually one year. Renewals of maintenance contracts create new performance obligations that are satisfied over the term with the revenues recognised ratably over the term.

Contracts may include incentives, service penalties and rewards. The Company includes an estimate of the amount it expects to receive for the total transaction price if it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

Any modification or change in existing performance obligations is assessed whether the services is adding to the existing contracts or not. The distinct services are accounted for as a new contract and services which are not distinct are accounted for on a cumulative catch-up basis.

Trade Receivable, net is primarily comprised of billed and unbilled receivables (i.e. only the passage of time is required before payment is due) for which the company has an unconditional right to consideration, net of an allowance for doubtful accounts. A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract liabilities consist of advance payments and billings in excess of revenues recognised.

The difference between opening and closing balance of the contract assets and liabilities results from the timing differences between the performances obligation and customer payment.

Cost to fulfill the contracts- Recurring operating costs for contracts with customers are recognised as incurred. Revenue recognition excludes any government taxes but includes reimbursement of out of pocket expenses.

**MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED (FORMERLY KNOWN AS TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED)**

**Significant accounting policies and Notes to accounts for the year ended March 31, 2022**

**(Rs. in thousands, unless otherwise stated)**

The Company has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts;(ii) onerous obligations;(iii) penalties relating to breaches of service-level agreements, and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

**(xi) Income Tax**

Tax expense for the year comprises of current tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the taxation authorities on the taxable profits after considering tax allowances and exemptions and using applicable tax rates and laws. Deferred tax is recognised on timing differences between the accounting base and the taxable income for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the Balance Sheet date.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences.

**(xii) Other Income**

Other income comprises interest income on deposits, gains / (losses) on disposal of investments except investments fair value through OCI. Interest income is recognized using the effective interest method.

**(xiii) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity Shareholders of the Company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity Shareholders of the Company and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

**(xiv) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits with banks and other short term highly liquid investments with original maturities of three months or less.

**(xv) Finance costs**

Finance costs comprise interest cost on borrowings, gain or losses arising on re-measurement of financial assets at FVTPL, gains/ (losses) on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Finance costs that are not directly attributable to a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

**(xvi) Recent Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

**Changes in accounting policies and disclosure**

**New and amended standards**

The Company has adopted Ind AS 116 'Leases' with effect from April 1, 2019, using the modified retrospective approach. However, comparative period amounts are not adjusted and continue to be reported in accordance with previous year's accounting policy except where indicated otherwise. Right of use assets at April 1, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to lease liability (adjusted for any related prepayments/accruals). Thus on the date of transition, the company has created right-of-use asset of Rs. 27,553 and lease liability of equal amount, and there is no impact on opening balance of retained earnings for the current year. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 1, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED (FORMERLY KNOWN AS TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED)

Notes to the Financial Statements for the year ended March 31, 2022

(Rs. in thousands, unless otherwise stated)

As at March 31, 2021

3(a) Property, plant and equipment

Particulars	Gross Block (at cost)					Depreciation					Net Block	
	As at April 1, 2021	Addition arising from business acquisition	Additions	Deletions	As at March 31, 2022	As at April 1, 2021	Accumulated depreciation on business acquisition	For the year	Deletions	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
<b>(i) Own assets</b>												
Computers	1,01,267	-	1,28,897	(19,440)	2,10,724	74,619	-	52,877	(18,539)	1,08,957	1,01,767	26,648
Plant and equipment	148	-	-	-	148	70	-	26	-	95	53	78
Furniture and fixtures	34,549	-	278	(27)	34,800	23,691	-	2,864	(16)	26,538	8,262	10,858
Vehicles	13,515	-	6,893	-	20,409	5,638	-	4,073	-	9,710	10,698	7,878
Building - (Transition to IndAS 116)	88,007	-	-	-	88,007	46,843	-	3,992	-	50,834	37,173	41,164
Office equipments	43,540	-	1,552	(1,117)	43,975	33,172	-	4,259	(850)	36,581	7,394	10,368
<b>Total (i)</b>	<b>2,81,026</b>	<b>-</b>	<b>1,37,620</b>	<b>(20,583)</b>	<b>3,98,062</b>	<b>1,84,032</b>		<b>68,090</b>	<b>(19,405)</b>	<b>2,32,716</b>	<b>1,65,347</b>	<b>96,993</b>
<b>(ii) Leased assets :</b>												
Leasehold improvements	1,399	-	-	-	1,399	1,399	-	-	-	1,399	-	-
<b>Total (ii)</b>	<b>1,399</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,399</b>	<b>1,399</b>		<b>-</b>	<b>-</b>	<b>1,399</b>	<b>-</b>	<b>-</b>
<b>Total (i + ii)</b>	<b>2,82,424</b>	<b>-</b>	<b>1,37,620</b>	<b>(20,583)</b>	<b>3,99,461</b>	<b>1,85,431</b>		<b>68,090</b>	<b>(19,405)</b>	<b>2,34,115</b>	<b>1,65,347</b>	<b>96,993</b>

3(b) Other intangible assets

Particulars	Gross Block (at cost)					Amortisation					Net Block	
	As at April 1, 2021	Addition arising from business acquisition	Additions	Deletions	As at March 31, 2022	As at April 1, 2021	Accumulated depreciation on business acquisition	For the year	Deletions	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Computer software	11,036	-	2,272	(392)	12,916	8,958	-	2,438	(392)	11,003	1,913	2,079
<b>Total</b>	<b>11,036</b>	<b>-</b>	<b>2,272</b>	<b>(392)</b>	<b>12,916</b>	<b>8,958</b>		<b>2,438</b>	<b>(392)</b>	<b>11,003</b>	<b>1,913</b>	<b>2,079</b>

3(c) Right-of-use assets

Particulars	Gross Block (at cost)					Depreciation					Net Block	
	As at April 1, 2020	Addition arising from business acquisition	Additions	Deletions	As at March 31, 2021	As at April 1, 2020	Accumulated depreciation on business acquisition	For the year	Deletions	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Building	96,934	-	579	(559)	96,953	47,481	-	20,731	(559)	67,653	29,301	49,453
<b>Total</b>	<b>96,934</b>	<b>-</b>	<b>579</b>	<b>(559)</b>	<b>96,953</b>	<b>47,481</b>		<b>20,731</b>	<b>(559)</b>	<b>67,653</b>	<b>29,301</b>	<b>49,453</b>

As at March 31, 2021

3(a) Property, plant and equipment

Particulars	Gross Block (at cost)					Depreciation					Net Block		
	As at April 1, 2020	Addition arising from business acquisition	Additions	Deletions	As at March 31, 2021	As at April 1, 2020	Accumulated depreciation on business acquisition	For the year	Deletions	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020	
<b>(i) Own assets :</b>													
Computers	1,24,083	-	22,101	(44,916)	1,01,267	97,630	-	20,183	(43,194)	74,619	26,648	26,452	
Plant and equipment	148	-	-	-	148	45	-	25	-	70	78	103	
Furniture and fixtures	34,549	-	-	-	34,549	19,919	-	3,772	-	23,691	10,858	14,630	
Vehicles	7,545	-	5,970	-	13,515	4,013	-	1,625	-	5,638	7,878	3,532	
Building - (Transition to IndAS 116)	88,007	-	-	-	88,007	42,422	-	4,420	-	46,843	41,164	45,585	
Office equipments	42,040	-	1,559	(59)	43,540	26,673	-	6,556	(56)	33,172	10,368	15,367	
<b>Total (i)</b>	<b>2,96,371</b>	<b>-</b>	<b>29,630</b>	<b>(44,975)</b>	<b>2,81,026</b>	<b>1,90,702</b>	<b>-</b>	<b>36,580</b>	<b>(43,250)</b>	<b>1,84,032</b>	<b>96,994</b>	<b>1,05,669</b>	
<b>(ii) Leased assets :</b>													
Leasehold improvements	1,399	-	-	-	1,399	1,399	-	-	-	1,399	(0)	-	
<b>Total (ii)</b>	<b>1,399</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,399</b>	<b>1,399</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,399</b>	<b>(0)</b>	<b>-</b>	
<b>Total (i + ii)</b>	<b>2,97,770</b>	<b>-</b>	<b>29,630</b>	<b>(44,975)</b>	<b>2,82,424</b>	<b>1,92,101</b>	<b>-</b>	<b>36,580</b>	<b>(43,250)</b>	<b>1,85,431</b>	<b>96,994</b>	<b>1,05,669</b>	

3(b) Other intangible assets

Particulars	Gross Block (at cost)					Amortisation					Net Block		
	As at April 1, 2020	Addition arising from business acquisition	Additions	Deletions	As at March 31, 2021	As at April 1, 2020	Accumulated depreciation on business acquisition	For the year	Deletions	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020	
Computer software	11,426	-	2,276	(2,665)	11,036	9,375	-	2,174	(2,591)	8,958	2,079	2,051	
<b>Total</b>	<b>11,426</b>	<b>-</b>	<b>2,276</b>	<b>(2,665)</b>	<b>11,036</b>	<b>9,375</b>	<b>-</b>	<b>2,174</b>	<b>(2,591)</b>	<b>8,958</b>	<b>2,079</b>	<b>2,051</b>	

3(c) Right-of-use assets

Particulars	Gross Block (at cost)					Depreciation					Net Block		
	As at April 1, 2020	Addition arising from business acquisition	Additions	Deletions	As at March 31, 2021	As at April 1, 2020	Accumulated depreciation on business acquisition	For the year	Deletions	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020	
Building	1,07,548	-	15,466	(26,080)	96,934	26,616	-	28,868	(8,002)	47,481	49,453	80,932	
<b>Total</b>	<b>1,07,548</b>	<b>-</b>	<b>15,466</b>	<b>(26,080)</b>	<b>96,934</b>	<b>26,616</b>	<b>-</b>	<b>28,868</b>	<b>(8,002)</b>	<b>47,481</b>	<b>49,453</b>	<b>80,932</b>	

**MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED (FORMERLY KNOWN AS TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED)**  
**Notes to the Financial Statements for year ended March 31, 2022**  
(Rs. in thousands, unless otherwise stated)

4(a) Non-current assets Financial assets		As at	
		March 31, 2022	March 31, 2021
<b>Investments</b>			
(A) Investment in equity Subsidiaries (unquoted)			
	Investment in Evolutionary Systems Saudi LLC (50 Shares(P.Y 50 shares) of SR 5000)	4,23,672	4,23,672
	Investment in Evolutionary Systems Pty Ltd (50 Shares(P.Y 50 shares) of SR 5000)	71,902	71,902
	Investment in Evolutionary Systems (Singapore) Pte. Ltd. (100000 Shares (10000 shares)of Singapore Dollar 1 Per share)	1,85,951	1,85,951
	Investment in Evolutionary Systems Qatar WLL (98 shares (P.Y 98 shares) of QR 1000 each)	3,88,474	3,88,474
	Investment in Evolutionary Systems Company Limited (UK) (100 shares (P.Y 100 shares) of GBP 1 each)	18,48,177	18,48,177
	Evolutionary Systems Corp.	8,11,718	8,11,718
		<b>37,29,895</b>	<b>37,29,895</b>

4(b) Other Non Current Financial Assets		As at	
		March 31, 2022	March 31, 2021
	Advances to employees	206	535
	Security deposits	6,011	11,352
	Foreign exchange forward contract	25,308	6,752
		<b>31,524</b>	<b>18,639</b>

5. Other non-current assets		As at	
		March 31, 2022	March 31, 2021
	Prepaid expenses	2,944	1,362
		<b>2,944</b>	<b>1,362</b>

6(a) Investments		As at			
		March 31, 2022		March 31, 2021	
		Units	Amount	Units	Amount
<b>i) Investments in mutual funds (unquoted - FVTPL):</b>					
	Aditya Birla Sun Life Liquid Fund-Growth	-	-	6,044	1,990
	Aditya Birla Sun Life Money Manager Fund-Growth	-	-	2,43,325	69,338
	HDFC Money Market Fund - Growth	-	-	4,264	18,841
	Kotak Equity Arbitrage -Growth	-	-	10,32,537	29,999
	<b>Total (A)</b>				<b>1,20,168</b>
<b>ii) Investment in mutual funds at FVOCI (unquoted):</b>					
	HDFC Ultra Short Term Fund - Reg Gr	-	-	67,52,883	79,996
	ICICI Ultra Short Term Fund- Growth	-	-	37,09,306	79,996
	<b>Total (B)</b>				<b>1,59,992</b>
<b>ii) Investment in term deposit (unquoted - Cost):</b>					
	Term deposit with Bajaj Finance Limited		69,900		50,000
	Term deposit with Axis bank Ltd.		-		11,668
	<b>Total (B)</b>		<b>69,900</b>		<b>61,668</b>
	<b>Total (A + B)</b>		<b>69,900</b>		<b>3,41,828</b>

6(b) Trade receivables		As at	
		March 31, 2022	March 31, 2021
Unsecured			
	Considered Good - Unsecured	9,81,361	3,55,364
	Trade receivable - credit impaired	5,106	3,881
	Less: Allowance for doubtful debts	(5,106)	(3,881)
		<b>9,81,361</b>	<b>3,55,364</b>

**Ageing Schedule as on 31 March, 2022**

Sr. no.	Particulars	Outstanding for following periods from due date of transaction						Total
		Current but not due	Less than 6 Months	6 Months to 1 year	1-2 Years	2-3 Years	More than 3 Year	
i.	Undisputed Trade Receivables - Considered Good	15,195	9,33,106	33,060	-	-	-	9,81,361
ii.	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
iii.	Undisputed Trade receivable – credit impaired	-	-	-	-	4,616	489	5,105.00
iv.	Disputed Trade receivables - considered good	-	-	-	-	-	-	-
v.	Disputed Trade receivables – which have significant increase in credit	-	-	-	-	-	-	-
vi.	Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
	<b>Total</b>	<b>15,195</b>	<b>9,33,106</b>	<b>33,060</b>	<b>-</b>	<b>4,616</b>	<b>489</b>	<b>9,86,466</b>

**MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED (FORMERLY KNOWN AS TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED)**  
**Notes to the Financial Statements for year ended March 31, 2022**  
(Rs. in thousands, unless otherwise stated)

Ageing Schedule as on 31 March, 2021		Outstanding for following periods from due date of transaction						Total
		Current but not due	Less than 6	6 Months to	1-2 Years	2-3 Years	More than 3 Year	
Sr. no.	Particulars							
i.	Undisputed Trade Receivables - Considered Good	18,978	3,31,643	4,743	-	-	3,55,364	
ii.	Undisputed Trade Receivables – which have significant increase in	-	-	-	-	-	-	
iii.	Undisputed Trade receivable – credit impaired	-	-	-	3,392	489	3,881	
iv.	Disputed Trade receivables - considered good	-	-	-	-	-	-	
v.	Disputed Trade receivables – which have significant increase in credit	-	-	-	-	-	-	
vi.	Disputed Trade receivables – credit impaired	-	-	-	-	-	-	
<b>Total</b>		<b>18,978</b>	<b>3,31,643</b>	<b>4,743</b>	<b>3,392</b>	<b>489</b>	<b>3,59,245</b>	

6(c) Cash and cash equivalents	As at	
	March 31, 2022	March 31, 2021
Cash on hand	62	42
Bank balances		
In current accounts	1,29,252	92,735
	<b>1,29,314</b>	<b>92,777</b>

6(d) Other financial assets	As at	
	March 31, 2022	March 31, 2021
Advances to employees	4,228	1,851
Interest accrued on fixed deposits	1,524	1,226
Security deposits	5,942	5,107
Foreign exchange forward contract	19,459	5,878
	<b>31,153</b>	<b>14,062</b>

7 Other current assets	As at	
	March 31, 2022	March 31, 2021
Prepaid expenses	35,073	25,179
Input tax credit receivable	1,53,436	76,694
Advances to suppliers	34,383	3,269
Contract assets	2,258	1,870
	<b>2,25,150</b>	<b>1,07,012</b>

8 Equity share capital	As at	
	March 31, 2022	March 31, 2021
Authorised:		
1,00,000 (March 31, 2021: 1,00,000) equity shares of Rs. 10/- each	1,000	1,000
	<b>1,000</b>	<b>1,000</b>
Issued, subscribed and fully paid up :		
39,520 (March 31, 2021: 34,520) equity shares of Rs. 10/- each fully paid	395	345
Preference Share Capital :		
1,00,000 Preference shares of Rs. 1/- each	100	-
	<b>495</b>	<b>345</b>

(a) Reconciliation of the number of equity shares outstanding at the beginning and end of the year are as given below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the year	34,520	345	34,520	345
Add: Addition on account of issue of shares	5,000	50	-	-
Balance as at the end of the year	<b>39,520</b>	<b>395</b>	<b>34,520</b>	<b>345</b>

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a face value of Rs. 1 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the Shareholder's	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% of holding	No. of shares	% of holding
Mastek Limited - Holding Company	39,519	99.99%	34,519	99.99%

(d) Details of shares held by Promoters in the Company

Shares held by promoters at the end of the year	As at March 31, 2022		As at March 31, 2021		% change during the year*
	No. of shares	% of holding	No. of shares	% of holding	
Mastek Limited - Holding Company	39,519	99.99%	34,519	99.99%	0.0%

(e) Aggregate no. of shares allotted as fully paid up by way of bonus share issued or buy back

The Company has neither issued bonus shares nor there has been any buy back of shares during five years immediately preceding March 31, 2022

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9 Other equity	As at	
	March 31, 2022	March 31, 2021
<b>a. Security Premium</b> Amount received (on issue of shares) in excess of the par value has been classified as securities premium	13,27,254	-
<b>b. Retained earnings</b> Retained earnings comprises of the prior year's undistributed earning after taxes	7,41,398	4,29,348
<b>c. Other item of other comprehensive income</b> Other item of other comprehensive income consist of FVOCI financial assets and financial liabilities and remeasurement of defined benefit assets and liabilities	18,443	(3,196)
<b>d. Deemed equity</b> Equity contribution by holding company pursuant to scheme of demerger (Refer Note 30)	26,98,816	26,98,816
<b>e. Other equity</b> CCPS to be issued pursuant to the scheme of demerger, subject to regulatory approval	-	13,27,404
	<b>47,85,911</b>	<b>44,52,372</b>

**Non-current liabilities**  
**Financial liabilities**

10 Non current lease liabilities	As at	
	March 31, 2022	March 31, 2021
Lease liability (Refer Note 30(ii))	20,553	37,824
	<b>20,553</b>	<b>37,824</b>

**11 Provisions**

Provision for employee benefits  
Provision for gratuity (Refer Note 23)  
Provision for leave entitlement

	As at	
	March 31, 2022	March 31, 2021
	1,09,088	93,224
	41,519	28,244
	<b>1,50,607</b>	<b>1,21,468</b>

**Current liabilities**

**Financial liabilities**

1 Current lease liabilities	As at	
	March 31, 2022	March 31, 2021
Lease liability (Refer Note 30(ii))	26,245	24,268
	<b>26,245</b>	<b>24,268</b>

**12(b) Trade payables**

Trade payables  
Dues of micro and small enterprises (Refer note 31)  
Dues of creditors other than micro and small enterprises

	As at	
	March 31, 2022	March 31, 2021
	1,905	-
	1,23,575	49,294
	<b>1,25,480</b>	<b>49,294</b>

**Ageing Schedule for the year ended March 31, 2022**

Sr. No	Particulars	Outstanding for following periods from date of transaction			
		Less than 1 year	1-2 Years	2-3 Years	More than 3
i.	Total outstanding dues of MSME	841	-	-	-
ii.	Total outstanding dues of creditors other than MSME	1,23,575	-	-	-
iii.	Disputed dues of MSME	-	1,064	-	-
iv.	Disputed dues of creditors other than MSME	-	-	-	-
	<b>Total</b>	<b>1,24,416</b>	<b>1,064</b>	-	-

**Ageing Schedule for the year ended March 31, 2021**

Sr. No	Particulars	Outstanding for following periods from date of transaction			
		Less than 1 year	1-2 Years	2-3 Years	More than 3
i.	Total outstanding dues of MSME	-	-	-	-
ii.	Total outstanding dues of creditors other than MSME	47,656	1,638	-	-
iii.	Disputed dues of MSME	-	-	-	-
iv.	Disputed dues of creditors other than MSME	-	-	-	-
	<b>Total</b>	<b>47,656</b>	<b>1,638</b>	-	-

**12(c) Other financial liabilities**

Employee benefits payable  
Accrued expenses  
Reimbursable expenses payable

	As at	
	March 31, 2022	March 31, 2021
	1,54,628	1,04,569
	1,51,836	13,438
	5,933	315
	<b>3,12,397</b>	<b>1,18,322</b>

**13 Other current liabilities**

Contract liabilities  
Capital creditors  
Statutory dues (including stamp duty, provident fund and tax deducted at source)

	As at	
	March 31, 2022	March 31, 2021
	-	303
	32,580	7,895
	29,719	16,146
	<b>62,299</b>	<b>24,344</b>

**14 Provisions**

Provision for employee benefits  
Provision for Gratuity  
Provision for leave entitlement

	As at	
	March 31, 2022	March 31, 2021
	5,003	3,661
	5,301	3,455
	<b>10,304</b>	<b>7,116</b>

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**Notes to the Financial Statements for year ended March 31, 2022**  
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15 Revenue from operations	For the year ended	
	March 31, 2022	March 31, 2021
Information technology services	32,19,755	17,56,004
	<b>32,19,755</b>	<b>17,56,004</b>

The table below presents disaggregated revenues from contracts with customers by customer location for each of the Company's business segments. Company believe this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Revenue by geography	For the year ended	
	March 31, 2022	March 31, 2021
UK	9,83,116	3,91,773
North America	10,68,003	5,69,916
Middle East	5,28,462	5,09,298
Others	6,31,369	2,84,310
	<b>32,10,950</b>	<b>17,55,297</b>

Timing of revenue recognition	For the year ended	
	March 31, 2022	March 31, 2021
Transferred at a point in time	30,882	17,894
Transferred over time	31,80,068	17,37,403
	<b>32,10,950</b>	<b>17,55,297</b>

The above figures exclude the amount pertaining to hedge in March 31, 2022 Rs. 8,804 lakhs (March 31, 2021 Rs. 706 lakhs)

**Remaining performance obligation**

As of March 31, 2022 the aggregate amount of transaction price allocated to remaining performance obligations, was Rs. 19,791 thousands, of which approximately 100% is expected to be recognised as revenues within 3 years. (March 31, 2021 Rs. 16,983 thousands)

**Changes in contract assets are as follows:**

**Balance at the beginning of the year**

Invoices raised that were included in the contract assets balance at the beginning of the year  
Increase due to revenue recognised during the year, excluding amounts billed during the year

Translation exchange difference

**Balance at the end of the year**

	For the year ended	
	March 31, 2022	March 31, 2021
	1,870	3,146
	(1,243)	(3,146)
	1,631	1,870
	-	-
	<b>2,258</b>	<b>1,870</b>

**Changes in contract liabilities are as follows:**

**Balance at the beginning of the year**

Revenue recognised that was included in the contract liabilities balance at the beginning of the year  
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year

Translation exchange difference

**Balance at the end of the year**

	For the year ended	
	March 31, 2022	March 31, 2021
	303	258
	59	(258)
	(362)	303
	-	-
	<b>-</b>	<b>303</b>

16 Other income	For the year ended	
	March 31, 2022	March 31, 2021
Interest income - on fixed deposits	3,144	3,599
Guarantee commission	-	2,987
Profit on sale of current investments	5,878	9,253
Rental income	-	584
Net gain on foreign currency transactions and translation	17,066	348
Others	1,695	3,201
	<b>27,784</b>	<b>19,971</b>

17 Employee benefits expenses	For the year ended	
	March 31, 2022	March 31, 2021
Salaries, wages and performance incentives	19,53,849	12,34,258
Gratuity (Refer Note 23)	30,325	19,828
Contribution to provident and other funds	41,918	17,099
Staff welfare expense	55,735	20,136
	<b>20,81,828</b>	<b>12,91,321</b>

18 Finance costs	For the year ended	
	March 31, 2022	March 31, 2021
Interest on term loan	768	108
Interest on operating lease	4,418	8,037
Bank charges	8,023	275
	<b>13,208</b>	<b>8,420</b>

19 Depreciation and amortisation expenses	For the year ended	
	March 31, 2022	March 31, 2021
Depreciation on tangible assets	68,355	36,580
Right-of-use assets	20,731	28,867
Amortisation on intangible assets	2,174	2,174
	<b>91,260</b>	<b>67,621</b>



**MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED (FORMERLY KNOWN AS TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED)**

**Notes to the Financial Statements for year ended March 31, 2022**

(Rs. in thousands, unless otherwise stated)

20 Other expenses	For the year ended	
	March 31, 2022	March 31, 2021
Recruitment and training expenses	12,078	2,875
Travelling and conveyance	40,603	7,912
Communication charges	13,834	12,718
Electricity	3,343	3,369
Consultancy and sub-contracting charges	3,18,456	45,339
Audit Fee (Refer note 32)	10,227	2,189
Rates and taxes	88	2,210
Repairs- building and others	75,327	30,482
Insurance	6,516	768
Printing and stationery	340	76
Professional fees	66,174	7,617
Rent	10,810	4,158
Advertisement and publicity	2,213	2,060
Bad debt written off	1,224	3,881
Hire charges	162	(26)
Expenditure towards corporate social responsibility (CSR) activities (Refer Note 35)	4,424	3,592
Loss on sale of fixed asset, net	1,040	1,799
Miscellaneous expenses	62,826	5,066
	<b>6,29,686</b>	<b>1,36,085</b>

21 Earnings Per Share (EPS)	For the year ended	
	March 31, 2022	March 31, 2020
The components of basic and diluted earnings per shares are as follows:		
(a) Net income attributable to equity shareholders	3,12,050	2,01,889
(b) Weighted average number of outstanding equity shares		
Considered for basic and diluted EPS	39,520	34,520
(c) Earnings per share (net of taxes) in Rs. (Face value per share Rs. 10/- each)		
Basic and Diluted (in Rs.)	7,895.99	5,848.47

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**Notes to the Financial Statements for year ended March 31, 2022**  
(Rs. in thousands, unless otherwise stated)

**22 Employee benefit plans**

a) Amount recognized in the statement of profit and loss in respect of gratuity cost (defined benefit plan) is as follows:

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
<b>Gratuity cost</b>		
Service cost	23,951	15,026
Net interest on net defined liability	6,374	4,803
Past service cost	-	-
<b>Net gratuity cost</b>	<b>30,325</b>	<b>19,828</b>
<b>Actuarial gain / (loss) charged to Other Comprehensive Income</b>	<b>(3,220)</b>	<b>(9,633)</b>
Interest rate	6.80%-7.25%	6.80%-6.85%
Salary increase	6%-10%	6%-10%

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Mortality rate is considered as per the published rates under the Indian Assured Lives Mortality (2012-14) Ult Table. Attrition rate is considered 7% per annum at all ages.

The following table sets out the status of gratuity plan.

Particulars	As at	
	March 31, 2022	March 31, 2021
<b>Obligation at the beginning of the year</b>	99,662	74,283
Service cost	23,951	15,026
Past service cost	-	-
Interest cost	6,611	5,038
Actuarial loss- financial assumption	(6,104)	385
Actuarial (gain)- experience	9,273	9,225
Actuarial loss- demographic assumptions	-	(35)
Benefits paid	(16,340)	(4,260)
<b>Obligation at the end of the year</b>	<b>1,17,055</b>	<b>99,662</b>
<b>Change in plan assets (maintained by LIC)</b>		
Plan assets at the beginning of the year, at fair value	2,777	2,599
Employer contribution	16,340	4,260
Interest income on plan assets	237	236
Remeasurement on plan assets less interest on plan assets	(50)	(58)
Benefits paid	(16,340)	(4,260)
<b>Plan assets at the end of the year, at fair value</b>	<b>2,963</b>	<b>2,777</b>

**Amounts recognised in the Balance Sheet**

Particulars	As at	
	March 31, 2022	March 31, 2021
Present value of defined benefit obligation	1,17,055	99,662
Fair value of plan assets	2,963	2,777
(Liability) recognized	(1,14,091)	(96,885)

The experience adjustments, meaning difference between changes in plan assets and obligations expected on the basis of actuarial assumption and actual changes in those assets and obligations are as follows:

Particulars	As at	
	March 31, 2022	March 31, 2021
Experience adjustment on plan liabilities - gain / (loss)	(3,170)	(9,575)
Experience adjustment on plan assets - (loss)	(50)	(58)

**Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	As at			
	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount Rate (50 bps)	(6,576)	8,219	(5,779)	7,273
Salary Growth (50 bps)	6,321	(5,407)	5,656	(4,852)

Maturity profile of defined benefit obligation:

Particulars	As at	
	March 31, 2022	March 31, 2021
1 Year	6,806	5,309
2 Year	6,955	5,784
3 Year	7,566	6,230
4 Year	8,635	6,612
5 Year	7,991	7,348
6 Year	7,794	6,257
7 Year	8,251	6,160
8 Year	7,343	6,659
9 Year	7,081	5,925
10 Year and beyond	3,00,057	2,45,637

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**Notes to the Financial Statements for year ended March 31, 2022**  
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- i) Plan assets are invested in unquoted insurer managed funds.
- b) Defined contribution plan  
The Company contributed Rs. 41,918 for the year ended March 31, 2022 (Rs.17,099 March 31, 2021) for the defined contribution plan.

**23 Income Taxes**

- a) Income tax expense/ (credit) in the statement of profit and loss consists of:

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Current tax	1,29,395	81,779
Income tax relating to earlier years	-	-
Deferred tax	(9,888)	(11,141)
<b>Income tax expense recognised in the statement of profit or loss</b>	<b>1,19,507</b>	<b>70,639</b>
<b>Income tax credit recognised in other comprehensive income</b>	<b>(7,278)</b>	<b>(13,354)</b>

- b) The reconciliation between the provision of income tax of the company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Profit before tax	4,31,557	2,72,527
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	1,08,623	68,595
<b>Effect of:</b>		
Income tax charge/write back for earlier years	-	32
Impact of deferred tax due to change in income tax rate	-	-
Expenses that are not deductible in determining taxable profit	10,883	2,013
<b>Total income tax expense recognised in the statement of profit and loss</b>	<b>1,19,507</b>	<b>70,639</b>

- c) The movement in gross deferred income tax assets and liabilities (before set-off) for the year ended March 31, 2022 is as follows:

Particulars	Carrying value as at April 1, 2021	Changes through profit and loss	Additions through business transfer	Changes through OCI	Carrying value as at March 31, 2022
Property, plant and equipment and intangible assets	9,492	1,077	-	-	10,569
Provision for doubtful debts	977	308	-	-	1,285
Provision for compensated absence/gratuity	30,938	8,920	-	810	40,668
Cash flow hedge	(3,179)	-	-	(8,088)	(11,267)
Others	4,895	(417)	-	-	4,478
<b>Total</b>	<b>43,123</b>	<b>9,888</b>	<b>-</b>	<b>(7,278)</b>	<b>45,733</b>

- The movement in gross deferred income tax assets and liabilities (before set-off) for the year ended March 31, 2021 is as follows:

Particulars	Carrying value as at April 1, 2021	Changes through profit and loss	Additions through business transfer	Changes through OCI	Carrying value as at March 31, 2022
Property, plant and equipment and intangible assets	6,723	2,768	-	-	9,491
Provision for doubtful debts	-	977	-	-	977
Provision for compensated absence/gratuity	20,581	8,311	-	2,046	30,938
Cash flow hedge	5,922	-	-	(9,101)	(3,179)
Others	5,810	(914)	-	-	4,896
<b>Total</b>		<b>11,142</b>	<b>-</b>	<b>(7,055)</b>	<b>43,123</b>

- d) The Company is required to comply with the transfer pricing regulations under Section 92-92F of the Income Tax Act, 1961. The management is of the opinion that its international transactions with associate enterprises within the meaning of the provision of Income Tax Act, 1961 are at arms length and that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

**24 Related Party Disclosures, as per Ind AS 24**

Relationships have been disclosed where transactions have taken place and relationships involving controls:

Name of Related Party	Nature of relationship	Country of Incorporation
Mastek Limited	Holding company	India
TaisTech LLC*	Fellow Subsidiary company	United States of America
Mastek Inc.	Fellow Subsidiary company	United States of America
Mastek UK	Fellow Subsidiary company	United Kingdom
TaisTech Inc.	Fellow Subsidiary company	United States of America
Mastek Arabia - FZ LLC	Fellow Subsidiary company	United Arab Emirates
Evolutionary Systems Egypt LLC	Fellow Subsidiary company	Egypt
Evolutionary Systems Consultancy LLC	Fellow Subsidiary company	United Arab Emirates
Evolutionary Systems Bahrain SPC	Fellow Subsidiary company	Bahrain
Evosys Kuwait WLLC	Fellow Subsidiary company	Kuwait
Evolutionary Systems Saudi LLC	Fellow Subsidiary company	The Kingdom of Saudi Arabia
<b>Acquired through Demerger Co-operation Agreement (DCA) (Refer note 32 for manner and date of acquisition)</b>		
Evolutionary Systems Company Limited	Subsidiary	United Kingdom
Newbury Cloud, Inc.	Subsidiary	United States of America
Evolutionary Systems Corp.	Subsidiary	United States of America
Evosys Consultancy Services (Malaysia) Sdn Bhd	Subsidiary	Malaysia
Evolutionary Systems Qatar WLL	Subsidiary	Qatar
Evolutionary Systems Pty Ltd	Subsidiary	Australia
Evolutionary Systems BV	Subsidiary	Netherlands
Evolutionary Systems (Singapore) Pte. Ltd.	Subsidiary	Singapore

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(Rs. in thousands, unless otherwise stated)

**Transaction with above related parties during the year were:-**

Name of Related Party	Nature of transactions	For the year ended	
		March 31, 2022	March 31, 2021
Mastek Limited	Reimbursable expenses recoverable/(payable)	1,262	(1,041)
	Guarantee commission	(1,997)	
	Other Expenses	(55,715)	(22,195)
Mastek Inc.	Reimbursable expenses	-	(9)
TaisTech LLC*	Information Technology Services	4,11,046	3,16,453
	Reimbursable expenses recoverable	1,693	587
	Other Income	-	832
Mastek Digital Inc.	Information Technology Services	7,894	-
Mastek Limited (UK)	Information Technology Services	9,179	-
Mastek Arabia FZ LLC	Information Technology Services	1,84,692	1,18,521
	Guarantee commission income	-	2,987
Evolutionary Systems Pty Ltd	Information Technology Services	2,12,912	1,24,083
Evolutionary Systems Corp.	Information Technology Services	6,48,760	2,53,464
Evolutionary Systems (Singapore) Pte. Ltd.	Information Technology Services	3,34,924	1,32,945
Evolutionary Systems Company Limited (UK)	Information Technology Services	6,00,722	2,76,125
Evolutionary Systems Qatar WLL	Information Technology Services	49,680	59,997
Evolutionary Systems BV	Information Technology Services	3,73,215	1,15,648
Evolutionary Systems Saudi LLC	Information Technology Services	2,27,679	2,51,498
Evolutionary Systems Consultancy LLC	Information Technology Services	49,104	64,201

**Balances with related parties outstanding are as follows:-**

Name of Related Party	Nature of balances	As At	
		March 31, 2021	March 31, 2021
Mastek Limited	Reimbursements of expenses (payable)	(5,935)	(315)
	Trade payables	(53,802)	(15,620)
TaisTech LLC*	Trade receivables	78,288	52,817
Mastek Digital Inc.	Trade receivables	7,894	-
Mastek Limited (UK)	Trade receivables	1,115	-
Mastek Arabia FZ LLC	Trade receivables	1,10,786	27,230
Evolutionary Systems Pty Ltd	Trade receivables	20,847	13,989
Evolutionary Systems Corp.	Trade receivables	2,94,830	49,783
Evolutionary Systems (Singapore) Pte. Ltd.	Trade receivables	1,96,461	30,293
Evolutionary Systems Company Limited (UK)	Trade receivables	25,112	32,763
Evolutionary Systems Qatar WLL	Trade receivables	20,569	29,452
Evolutionary Systems BV	Trade receivables	43,060	24,040
Evolutionary Systems Saudi LLC	Trade receivables	98,042	46,221
Evolutionary Systems Consultancy LLC	Trade receivables	42,023	28,574

\* Merged with TaisTech Inc. with effect from December 31, 2019.

Key Management Personnel (KMP):  
 Rabindar Kumar Mahato, Director  
 Rakesh Chandra Singh, Director

**i) Compensation of key management personnel of the company**

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Salaries and other employee benefits*	2,514	2,437
Rent expenses	-	60
<b>Compensation paid to key management personnel</b>	<b>2,514</b>	<b>2,497</b>

\*Does not include post-employment benefits based on actuarial valuation as this is computed for the company as a whole.

**25 Financial instrument**

The carrying value and fair value of financial instruments by categories as at March 31, 2022 and March 31, 2021 is as follows:

Particulars	Carrying Value		Fair Value	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Financial assets</b>				
<b>Amortised cost</b>				
Trade receivables	9,81,361	3,55,364	9,81,361	3,55,364
Cash and cash equivalents	1,29,314	92,777	1,29,314	92,777
Other financial assets	17,910	20,071	17,910	20,071
Investment in term deposit	69,900	61,668	69,900	61,668
<b>FVTPL</b>				
Investment in mutual fund	-	2,80,160	-	2,80,160
<b>FVOCI</b>				
Foreign exchange forward contract	44,767	12,630	44,767	12,630
<b>Total Assets</b>	<b>12,43,252</b>	<b>8,22,670</b>	<b>12,43,252</b>	<b>8,22,670</b>
<b>Financial liabilities</b>				
<b>Amortized cost</b>				
Trade payables	1,25,480	49,294	1,25,480	49,294
Lease liabilities	46,798	62,092	46,798	62,092
Other liabilities	3,12,397	1,18,322	3,12,397	1,18,322
<b>Total Liabilities</b>	<b>4,84,675</b>	<b>2,29,708</b>	<b>4,84,675</b>	<b>2,29,708</b>

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**26 Fair Value hierarchy**

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2021 and March 31, 2020

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2021:

Particulars	Date of valuation	Total	Fair value measurement using		
			Level 1	Level 2	Level 3
Financial assets measuring at fair value					
FVTPL financial assets designated at fair value					
Investment in Mutual Fund	March 31, 2022	-	-	-	-
Foreign exchange forward contract	March 31, 2022	44,767	-	44,767	-

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2021:

Particulars	Date of valuation	Total	Fair value measurement using		
			Level 1	Level 2	Level 3
Financial assets measuring at fair value					
FVTPL financial assets designated at fair value					
Investment in Mutual Fund	March 31, 2021	2,80,160	2,80,160	-	-
Foreign exchange forward contract	March 31, 2021	12,630	-	12,630	-

**27 Financial Risk Management**

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's management oversees the management of these risk and formulates the policies, the Board of Directors reviews and approves policies for managing each of these risks, which are summarised below:

**Market Risk:** Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market prices. The primary market risk to the Company is foreign exchange risk.

**Foreign Currency Risk**

The Company's exposure to risk of change in foreign currencies exchange rates arising from foreign currency transactions, is primarily with respect to the currencies which are not fixed. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the company. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The counter parties of these derivative instruments are primarily a bank. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivative for speculative purposes may be undertaken.

These derivative financial instruments are forward contracts and are qualified for cash flow hedge accounting when the instrument is designated for hedge. Company has designated major portion of derivative instruments as cash flow hedges to mitigate the foreign exchange exposure of forecasted highly probable cash flows.

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

Designated derivative instrument	As at	
	March 31, 2022	March 31, 2021
Forward contract (Notional amount in USD thousands)	26,776	5,950
No. of Contracts	325	104
Fair value in Rs. thousands	29,637	15,755
Non-designated derivative instrument		
As at		
March 31, 2022		
March 31, 2021		
Forward contract (Notional amount in USD thousands)	6,635	5,760
No. of Contracts	135	132
Fair value in Rs. thousands	7,377	(1,905)
Forward contract (Amount in GBP lakhs)	1,080	-
Number of contracts	36	-
Fair value (loss)/gains	7,754	-

Forward Contracts covers part of the exposure during the period April 2019 - January 2024

Mark-to-Market gains / (losses)	As at	
	March 31, 2022	March 31, 2021
Opening balance of Mark-to-market gains / (losses) receivable on outstanding derivative contracts	12,630	(26,261)
Less: Released from Hedging reserve account to statement of profit and loss under revenue account upon occurrence of forecasted sales transactions	(8,805)	(707)
Add: Changes in the value of derivative instrument recognised in Hedging reserve account	40,942	39,598
Closing balance of Mark-to-market (loss) receivable on outstanding derivative contracts	<b>44,767</b>	<b>12,630</b>
Disclosed under:		
Other non current financial assets (Refer note 4(c))	25,308	6,752
Other current financial assets (Refer note 6(e))	19,459	5,878
	<b>44,767</b>	<b>12,630</b>

**MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED (FORMERLY KNOWN AS TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED)**

Notes to the Financial Statements for year ended March 31, 2022

(Rs. in thousands, unless otherwise stated)

**Non-Derivative Financial Instruments**

The following table presents foreign currency risk from non- derivative financial instrument as of March 31, 2021 and March 31, 2020.

Currency	As at March 31, 2022					
	Amount in respective foreign currencies (in '000)			Amount (Rs. in '000)		
	Financial assets	Financial liabilities*	Net assets / (liabilities)	Financial assets	Financial liabilities	Net assets / (liabilities)
SAR	4,846	-	4,846	97,899	-	97,899
EURO	511	-	511	43,063	-	43,063
USD	2,720	-	2,720	2,06,132	-	2,06,132
AUD	471	-	471	26,751	-	26,751
QAR	994	-	994	20,569	-	20,569
SGD	3,508	-	3,508	1,96,345	-	1,96,345
AED	7,396	-	7,396	1,52,609	-	1,52,609
GBP	203	-	203	20,201	-	20,201
CAD	134	-	134	8,107	-	8,107
<b>Total (in INR)</b>			<b>20,783</b>	<b>7,71,676</b>	-	<b>7,71,676</b>

Currency	As at March 31, 2021					
	Amount in respective foreign currencies (in '000)			Amount (Rs. in '000)		
	Financial assets	Financial liabilities*	Net assets / (liabilities)	Financial assets	Financial liabilities	Net assets / (liabilities)
SAR	2,369	-	2,369	46,221	-	46,221
EURO	279	-	279	24,040	-	24,040
USD	954	-	954	69,773	-	69,773
AUD	251	-	251	13,989	-	13,989
QAR	1,466	-	1,466	29,452	-	29,452
SGD	557	-	557	30,293	-	30,293
AED	1,368	-	1,368	27,230	-	27,230
GBP	325	-	325	32,763	-	32,763
AED	1,435	-	1,435	28,574	-	28,574
<b>Total (in INR)</b>			<b>9,006</b>	<b>3,02,335</b>	-	<b>3,02,335</b>

As at March 31, 2022 and March 31, 2021, respectively, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact results by approximately Rs. 861 and Rs. 302 respectively.

**Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counter party credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment and accordingly the Company's accounts for the expected credit loss. The top five customer contribute 74% of total revenue for the year ended March 31, 2022 (70%, March 31, 2021) and three customers that contribute for more than 10% of total accounts receivables aggregating 61% as at March 31, 2022 (41% as at March 31, 2021).

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilized credit limits with banks. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. The management monitors the Company's net liquidation through rolling forecast on the basis of expected cash flows.

The Working Capital position of the Company is given below

Particulars	As at	
	March 31, 2022	March 31, 2021
Cash and cash equivalents	1,29,314	92,777
Balances in fixed deposits	69,900	61,668
Investment in mutual funds	-	2,80,160
<b>Total</b>	<b>1,99,214</b>	<b>4,34,605</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2022 and March 31, 2021:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Less than 1 Year	1 Year and above	Less than 1 Year	1 Year and above
Trade payables	1,25,480	-	49,294	-
Other financial liabilities	3,12,397	20,553	1,18,322	37,824

**MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED (FORMERLY KNOWN AS TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED)**

Notes to the Financial Statements for year ended March 31, 2022

(Rs. in thousands, unless otherwise stated)

**28 Capital Management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value. The capital structure is as follows:

Particulars	As At	
	March 31, 2022	March 31, 2021
<b>Total Equity Attributable to the Equity Share Holders of Company</b>	47,86,406	44,52,717
As percentage of total Capital	100%	100%
Current Loan and Borrowing	-	-
Non Current Loan and Borrowing	-	-
<b>Total Loan and Borrowing</b>	-	-
As a percentage of total Capital	0.00%	0.00%
<b>Total Capital(Borrowing and Equity)</b>	<b>47,86,406</b>	<b>44,52,717</b>

The Company is predominantly equity financed which is evident from capital structure table. Further, the Company has always been a net cash company with cash and bank balances along with current financial assets which is predominantly investment in liquid fund.

**29 Leases**

**Company as lessee**

The Company's leased assets primarily consist of leases for office premises, guest houses, laptops, lease lines, furniture and equipment. Leases of office premises and guest houses generally have lease term between 2 to 3 years. The Company has applied low value exemption for leases of laptop, lease lines, furniture and equipment and accordingly, these are excluded from Ind AS 116, at present.

i) The carrying amounts of right-of-use assets recognised and the movements during the period (refer note 3(b)).

ii) Set out below are the carrying amounts of lease liabilities (included under financial liabilities) and the movements during the year.

Particulars	Year ended	
	March 31, 2022	
<b>As at April 1, 2020</b>	85,763	
Additions	14,883	
Deletion during the year	(19,285)	
Finance expenses	8,037	
Payments	(33,102)	
<b>As at 31 March 2021</b>	<b>56,297</b>	
Additions	-	
Deletion during the year	-	
Finance expenses	4,997	
Payments	(25,330)	
<b>As at 31 March 2022</b>	<b>35,964</b>	

  

	As At	
	March 31, 2022	March 31, 2021
Current	15,411	18,473
Non-current	20,553	37,824
	<b>35,964</b>	<b>56,297</b>

The contractual maturity analysis of lease liabilities (includes amount not falling under IndAS 116) are disclosed herein on an undiscounted basis-

Particulars	As At	
	March 31, 2022	March 31, 2021
Less than one year	18,477	27,661
More than one year less than 5 years	22,190	40,666
More than 5 years	-	-

The effective interest rate for lease liabilities is 11%

iii) The following are the amounts recognised in statement of profit and loss:

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Depreciation expense of right-of-use assets	20,731	28,867
Interest expense on lease liabilities	4,997	8,037
Expense relating to short-term leases (included in other expenses)*	10,810	4,158
Expense relating to leases of low-value assets (included in other expenses)	-	959
<b>Total amount recognised in statement of profit and loss</b>	<b>36,537</b>	<b>42,021</b>

\*These includes rent due to fair valuation of security deposits amounting to INR xx (March 31, 22 : INR 638).

There are several lease agreements with extension and termination options, management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Since it is reasonably certain to exercise extension option and not to exercise termination option, the Company has opted to include such extended term and ignore termination option in determination of lease term.

**MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED (FORMERLY KNOWN AS TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED)**
**Notes to the Financial Statements for year ended March 31, 2022**

(Rs. in thousands, unless otherwise stated)

**30 Micro, Small and Medium Enterprises**

The Company has certain dues to Micro and small suppliers registered as such under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"). The disclosures pursuant to the said MSMED Act is as follows:

Particulars	As at	
	March 31, 2022	March 31, 2021
a) Principal amount remaining unpaid to any supplier at the end of the year	-	1,111
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along	-	-
d) the amount of interest due and payable for the period of delay in making payment (which have	-	-
e) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) the amount of further interest remaining due and payable even in the succeeding years, until	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the company.

**31 Payments to the Statutory Auditors**

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
As auditors	10,227	2,189
Total	10,227	2,245

**32 Note on acquisition**

During the year, the company has taken control over business of Evolutionary Systems Private Limited (ESPL) including investment in certain subsidiaries of ESPL, the parties entered into a Demerger Co-operation Agreement (DCA) and Shareholders Agreement on February 8, 2020 (DCA acquisition). The manner of the acquisition of legal ownership, is decided to be achieved through a demerger scheme to be filed before the National Company Law Tribunal (NCLT) ("the Scheme"), or, as per DCA between the company and the shareholders of Evosys, the company shall complete this transaction with the same economic effect, by an alternate arrangement within the period specified in the DCA. The DCA gives the company 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 the company. The transfer of legal title of such business undertaking shall be completed in financial year 2020-21. The date of acquisition of business undertaking for the purposes of Ind AS 103 is the date of transfer of control to the company, i.e. February 8, 2020. Discharge of consideration through demerger will be done through issue of 4,235,294 equity shares of Mastek Limited (face value Rs. 5 each) and balance through 15,000 Compulsorily Convertible Preference Shares (CCPS), (face value of Rs. 10 each) of the company for every 10,000 equity shares of ESPL of face value of Rs. 10 each. The CCPS to be issued subject to regulatory approval, carries a Put Option which can be exercised by the holders of such CCPS at agreed EBIDTA multiples over the next 4 years. The company received NCLT approval on 14th September 2021 and had filed with ROC on 15th September 2021 when the scheme became effective. This financial statements have been prepared considering the effect of the scheme only for the purpose of filing Income Tax Return of the company. The consideration payable has been disclosed in Other equity as Deemed Equity and CCPS to be issued, in the financial statements.

**33 Covid-19 Assessment**

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, goodwill, impairment of financial and non-financial assets, and Cyber security pertaining to the remote access of information for the year ended March 31, 2022 and up to the date of approval of financial statements. 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 consensus. Company expects to recover the carrying amount of its assets and retain effectiveness of its hedge transactions. Further, there have been no material changes in the financial control/process followed by the company. However, the impact of COVID-19 may be different from that estimated as on the date of approval of these financial statements and the Company will continue to closely monitor any material changes to the business due to future economic conditions.

**34 Expenditure on Corporate Social Responsibilities**

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Amount required to be spent as per Section 135 of the Companies Act	4,399	3,550
Amount spent during the year	4,400	3,592

**35 Disclosure of ratios**

Sr. No.	Ratio	Formula for Computation	Measure (in times / percentage)	March 31, 2022	March 31, 2021	Variation	Remarks
(a)	Current ratio	Current asset / Current liabilities	Times	2.68	3.79	(29.31%)	Refer note a below
(b)	Debt-equity ratio	Debt / Net worth	Times	NA	NA	NA	-
(c)	Debt service coverage ratio	EBITDA / (Finance costs + Principal	Times	40.58	41.40	(1.97%)	Refer note b below
(d)	Return on equity ratio	Profit after tax / Net worth	Percentage	6.75%	4.50%	50.07%	Refer note c below
(e)	Inventory turnover ratio	Cost of goods sold / Average inventory	Times	NA	NA	NA	-
(f)	Trade receivable turnover ratio	Revenue from operations / Average trade receivables	Times	4.82	5.33	(9.66%)	Refer note d below
(g)	Trade payable turnover ratio	Net purchases / Average trade payables	Times	NA	NA	NA	-
(h)	Net capital turnover ratio	Revenue from operations / working capital	Times	3.58	2.62	36.57%	Refer note e below
(i)	Net profit ratio	Profit after tax / Revenue from operations	Percentage	9.69%	11.50%	(15.70%)	Refer note f below
(j)	Return on capital employed	EBIT / Capital employed	Percentage	9.29%	6.31%	47.27%	Refer note g below
(k)	Return on investment	Net gain/(loss) on sale/fair value changes	Percentage	4.38%	5.14%	(14.73%)	Refer note h below

**Notes:**

- (i) Debt = Non-current borrowings + Current borrowings
- (ii) Net worth = Paid-up share capital + Reserves created out of profit
- (iii) EBITDA = Earnings before, exceptional items, depreciation, amortisation expense and tax
- (iv) Cost of goods sold = Cost of materials consumed + Purchase of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in-progress
- (v) Net purchase = Purchase of stock-in-trade + Cost of materials consumed + Closing inventory of raw materials - Opening inventory of raw materials
- (vi) Net assets = Property, plant and equipment (including CWIP) + Current assets - Current liabilities
- (vii) EBIT = Earnings before exceptional items, interest and tax
- (viii) Capital employed = Total equity + Non-current borrowings



**MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED (FORMERLY KNOWN AS TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED)**

Notes to the Financial Statements for year ended March 31, 2022

(Rs. in thousands, unless otherwise stated)

**Disclosure for change in ratio by more than 25%:**

Type of ratio	Variation in ratio between 31 March 2022 and 31 March 2021	Reasons for variance
(a) Current ratio	(29.31%)	Decrease is on account of increase in accrued expense and trade payables
(c) Debt service coverage ratio	(1.97%)	Refer note below
(d) Return on equity ratio	50.07%	Owing to increase in profit after tax
(f) Trade receivable turnover ratio	(9.66%)	Refer note below
(h) Net capital turnover ratio	36.57%	Owing to increase in revenue
(i) Net profit ratio	(15.70%)	Refer note below
(j) Return on capital employed	47.27%	Owing to increase in EBIT
(k) Return on investment	(14.73%)	Refer note below

**36 Other statutory information**

(i) The Company has not advanced or loaned or invested funds to any person or any entity, including foreign entities (Intermediaries) with the understanding that the intermediary shall:

- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by a or on behalf of the Company (Ultimate Beneficiaries); or
- (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(ii) The Company has not received any fund from any person or any entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by a or on behalf of the Funding Party (Ultimate Beneficiaries); or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**37** The Company does not have any transactions and outstanding balances during the current as well previous year with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**38** The Company have not defaulted on any of the loan taken from banks, financial institutions or other lenders.

**39** The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

**40** The Company does not have any charge or satisfaction which is yet to be registered with ROC beyond the Statutory period.

**41** The Company has not traded or invested in Crypto currency or Virtual currency during the financials year.

**42** The Company does not has any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provision of the Income Tax Act,1961)

**43** Previous year's figures have been regrouped or reclassified wherever necessary.

These are the notes to accounts referred to in our report of even date.

**For Walker Chandiok & Co LLP**

*Chartered Accountants*

Firm Registration No: 001076N/N500013

For and on behalf of the Board of Directors of

**MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED**

**Adi P. Sethna**

*Partner*

Membership No.: 108840

Date:

**Umang Nahata**

Director & CEO

DIN: 00323145

Place: Ahmedabad

**Ashank Desai**

Chairman

DIN: 00017767