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Independent Auditor's Report

To the Members of Mastek Enterprise Solutions Private Limited (formerly known as Trans American Information Systems Private Limited)

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Mastek Enterprise Solutions Private Limited (formerly known as Trans American Information Systems Private Limited)** ('the Company'), which comprise the Balance Sheet as at **31 March 2023**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit (including other comprehensive loss), its cash flows and the changes in equity for the year ended on that date.

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Basis for Opinion

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

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

   - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

11. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

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12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

13. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) The financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and

    g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company does not have any pending litigations which would impact its financial position as at 31 March 2023;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;

        iv.

            a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 38(i) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

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b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 38(ii) to the financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2023.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840

UDIN: 23108840BGYAYL2763

Place: Mumbai
Date: 30 September 2023

Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Mastek Enterprise Solutions Private Limited (formerly known as Trans American Information Systems Private Limited) on the financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment ('PPE'), right of use assets ('ROU Assets').

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment, right of use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, right of use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3 to the financial statements are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has not been sanctioned working capital limits by banks on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans granted, guarantees and security provided by it.

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Annexure I (Contd.)

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii)(a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix)

(a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank . The Company did not have any borrowings from any financial institution, government or government authority during the year.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities.

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Annexure I (Contd.)

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially, or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv)

(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

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Annexure I (Contd.)

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840

UDIN: 23108840BGYAYL2763

Place: Mumbai
Date: 30 September 2023

Annexure - II to the Independent Auditor's Report of even date to the members of Mastek Enterprise Solutions Private Limited (Formerly Known as Trans American Information Systems Private Limited) on the financial statements for the year ended 31 March 2023

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Mastek Enterprise Solutions Private Limited (Formerly Known as Trans American Information Systems Private Limited) ('the Company') as at and for the year ended 31 March 2023, we have audited the Internal Financial Controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls with reference to financial statements.

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Annexure – II (Contd.)

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's Internal Financial Controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal Financial Controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of Internal Financial Controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate Internal Financial Controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the Internal Financial Controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840

UDIN: 23108840BGYAYL2763

Place: Mumbai
Date: 30 September 2023

MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED (FORMERLY KNOWN AS TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED)
BALANCE SHEET AS AT MARCH 31, 2023

(Rs. in lakhs)

	Note	As at	
		March 31, 2023	March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	1,903	2,166
Intangible assets	3(b)	7	25
Right-of-use assets	3(c)	377	293
Financial assets			
Investment in subsidiaries	4(a)	37,570	37,570
Other financial assets	4(b)	52	315
Deferred tax assets, net	23(c)	741	473
Other non-current assets	5	27	30
Total non-current assets		40,677	40,872
Current assets			
Financial assets			
Investments	6(a)	5,577	699
Trade receivables	6(b)	10,771	9,814
Cash and cash equivalents	6(c)	1,062	1,293
Other financial assets	6(d)	164	311
Contract assets	7	30	23
Other current assets	7.1	2,617	2,228
Total current assets		20,221	14,368
Total assets		60,898	55,240
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	8.1	3	3
Instruments entirely equity in nature	8.2	2	2
Other equity	9	53,276	48,882
Total equity		53,281	48,887
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	10(a)	59	85
Lease liabilities	10(b)	223	121
Other financial liabilities	10(c)	265	-
Provision	11	1,219	1,090
Total non-current liabilities		1,766	1,296
Current liabilities			
Financial liabilities			
Borrowings	12(a)	26	24
Lease liabilities	12(b)	214	239
Trade payables	12(c)		-
total outstanding dues of micro enterprises and small enterprises; and		4	19
total outstanding dues of creditors other than micro enterprises and small enterprises		3,274	1,739
Other financial liabilities	12(d)	1,262	1,930
Other current liabilities	13	334	297
Provisions	14	634	518
Current tax liabilities, net	35	103	291
Total current liabilities		5,851	5,057
Total liabilities		7,617	6,353
Total equity and liabilities		60,898	55,240

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Adi P. Sethna
Partner
Membership No.. 108840

Place: Mumbai
Date: September 30, 2023

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Mastek Enterprise Solutions Private Limited (Formerly known as Trans American Information Systems Private Limited)

Umang Nahata
Director
DIN: 00323145

Ashank Desai
Director
DIN: 00017767

Place: Mumbai
Date: September 30, 2023

MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

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, 2023

(Rs. in lakhs)

	Note	For the year ended	
		March 31, 2023	March 31, 2022
INCOME			
Revenue from operations	15	41,303	32,198
Other income	16	866	284
Total income (1)		42,169	32,482
EXPENSES			
Employee benefits expenses	17	25,856	20,819
Finance costs	18	46	58
Depreciation and amortisation expenses	19	1,126	938
Other expenses	20	8,386	5,361
Total expenses (2)		35,414	27,176
Profit before tax (3 = 1-2)		6,755	5,306
Tax expense / (credit)			
Current tax	23(a)	2,074	2,093
Deferred tax	23(a)	(74)	(105)
Current tax adjustment relating to earlier years		(215)	-
Total tax expense (4)		1,785	1,988
Profit after tax for the year (5 = 3-4)		4,970	3,318
Other comprehensive income (OCI)			
Items that will not be reclassified to the statement of profit and loss in subsequent periods:			
Defined benefit plan actuarial gain/(losses)		25	(32)
Income tax relating to items that will not be reclassified to profit and loss	23 (c)	(6)	8
Items that will be reclassified to of profit and loss in subsequent periods:			
Net change in fair value of forward contracts designated as cash flow hedges - (loss)/gain		(795)	321
Income tax relating to items that will be reclassified to profit and loss - credit/ (expense)	23 (c)	200	(81)
Total other comprehensive (loss)/income for the year (6)		(576)	216
Total comprehensive income for the year (5+6)		4,394	3,534
Earnings per share (in Rs.)	21		
(Equity shares of face value Re. 1 each)			
Basic		1,439.75	961.13
Diluted		1,003.63	669.98

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

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

Adi P. Sethna
Partner
Membership No.: 108840

Place: Mumbai
Date: September 30, 2023

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Mastek Enterprise Solutions Private Limited (Formerly known as Trans American Information Systems Private Limited)

Umang Nahata	**Ashank Desai**
Director	Director
DIN: 00323145	DIN: 00017767

MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

Place: Mumbai
Date: September 30, 2023

MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED (FORMERLY KNOWN AS TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED)
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in lakhs)

	For the year ended	
	March 31, 2023	March 31, 2022
Cash flows from operating activities		
Profit for the year	4,970	3,318
Adjustments for :		
Employee stock compensation expenses	14	-
Interest income on bank deposits	(24)	(31)
Finance costs	46	58
Provision for doubtful trade receivables	83	-
Depreciation and amortisation	1,126	938
Tax expense	1,785	1,988
Net (gain) on foreign currency translation	(931)	(124)
Profit on sale of current investments and gain on instruments measured FVTPL	(80)	(59)
Provision against receivables, loans and advances doubtful of recovery (net)	-	12
Loss on sale of property, plant and equipment, net	-	10
Operating profit before working capital changes	6,989	6,110
Increase in trade receivables	(116)	(6,148)
Increase in loans and advances and other assets	(407)	(1,465)
Increase in trade payables, other liabilities and provisions	451	2,670
Cash generated from operating activities before taxes	6,917	1,167
Income taxes paid, net of refunds	(1,432)	(1,974)
Net cash (used in) / generated from operating activities	5,485	(807)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	7	2
Purchase of property, plant and equipment and intangible assets	(706)	(1,398)
Purchase of current investments	(11,709)	(5,724)
Proceeds from sale of current investments	6,911	8,502
Net cash generated from / (used in) investing activities	(5,497)	1,382
Cash flows from financing activities		
Interest on term loan	(8)	(8)
Proceeds from borrowings	-	69
Repayment from borrowings	(24)	(18)
Payment of interest on lease liabilities	(38)	(50)
Payment of lease liabilities (Refer note 30)	(150)	(203)
Net cash used in financing activities	(219)	(210)
Net increase / (decrease) in cash and cash equivalents during the year	(231)	365
Cash and cash equivalents at the beginning of the year	1,293	928
Cash and cash equivalents at the end of the year	1,062	1,293

The accompanying notes form an integral part of the financial statements
Refer note 34 for Non-cash investing activities about acquisitions of Evolutionary Systems Private Limited (ESPL) including investment in certain subsidiaries of ESPL.
The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Statement of Cash Flow.
As per our report of even date attached.

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

Adi P. Sethna
Partner
Membership No.: 108840

Place: Mumbai
Date: September 30, 2023

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Mastek Enterprise Solutions Private Limited (Formerly known as Trans American Information Systems Private Limited)

Umang Nahata
Director
DIN: 00323145

Ashank Desai
Director
DIN: 00017767

MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

Place: Mumbai
Date: September 30, 2023

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, 2023

(a) Equity share capital (Refer note 8.1)	(Rs. in lakhs)
Balance as at April 1, 2022	3
Balance as at March 31, 2023	3
Balance as at April 1, 2021	3
Balance as at March 31, 2022	3

(b) Instruments entirely equity in nature	(Rs. in lakhs)
Balance as at April 1, 2022	2
Balance as at March 31, 2023	2
Balance as at April 1, 2021	-
Add Issue of Compulsorily Convertible Preference Shares (CCPS) on account of acquisition of control of the business of Evolutionary Systems Private Limited ("ESPL") (Refer note 34).	2
Balance as at March 31, 2022	2

(c) Other equity

(Rs. in lakhs)

Particulars	Reserves and surplus				Other comprehensive income (OCI)		Total other equity
	Securities premium	Retained earnings	Capital Reserve	Other reserves	Employee benefit expenses	Fair value of cash flow hedges	
Balance as at April 1, 2022	13,273	7,582	8,672	19,170	(154)	339	48,882
Profit for the year	-	4,970	-	-	-	-	4,970
Other comprehensive income (net of taxes)	-	-	-	-	19	(595)	(576)
Balance as at March 31, 2023	13,273	12,552	8,672	19,170	(135)	(256)	53,276
Balance as at April 1, 2021	-	4,264	8,672	32,443	(130)	99	45,348
Addition on account of Issue of Compulsorily Convertible Preference Shares (CCPS) on account of acquisition of control of the business of Evolutionary Systems Private Limited ("ESPL") (Refer note 34)	13,273	-	-	(13,273)	-	-	-
Profit for the year	-	3,318	-	-	-	-	3,318
Other comprehensive income (net of taxes)					(24)	240	216
Balance as at March 31, 2022	13,273	7,582	8,672	19,170	(154)	339	48,882

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

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

Adi P. Sethna
Partner
Membership No. 108840

Place: Mumbai
Date: September 30, 2023

For and on behalf of the Board of Directors of
Mastek Enterprise Solutions Private Limited (Formerly known as Trans American Information Systems Private Limited)

Umang Nahata
Director
DIN: 00323145

Ashank Desai
Director
DIN: 00017767

Place: Mumbai
Date: September 30, 2023

1 Company overview

Mastek Enterprise Solutions Private Limited (Formerly Known As 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 Trans American Information systems Inc. US Customers.

2 Basis of Preparation and Presentation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, and the presentation and disclosure requirement of Division II of Schedule III to the Act. The Company's registered office is located at 804/805, President House, Opp. C N Vidyalaya, Near Ambawadi Circle, Ahmedabad - 380 006, Gujarat, India

These financial statements of the Company ("financial statements") as at and for the year ended March 31, 2023 were approved and authorised by the Company's board of directors on September 30, 2023.

All amounts included in the financial statements are reported in Indian rupees (in lakhs) except share and per share data, unless otherwise stated and "0" denotes amounts less than fifty thousands rupees.

These financial statements are separate financial statements of the Company under Ind AS 27 "Separate Financial Statements" ('Ind AS 27')

The Company is not presenting Consolidated Financial Statements as it has opted to avail the exemption from preparing consolidated financial statements granted in Rule 6 of section 129(3) of Companies Act, 2013, as its holding Company Mastek Limited, has presented the Consolidated Financial Statements including the Subsidiaries of the Company as at March 31, 2023.

b) 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.

The Financial Statements were authorised for issue by the directors on September 30, 2023

c) 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) Revenue recognition: The Company applies the percentage of completion method in accounting for its fixed price contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

(ii) 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.

(iii) 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.

(iv) Property, plant and equipment (including right-of-use assets): 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.

(v) 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.

(vi) 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 carry forward period are reduced.

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MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

(vii) 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 me 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.

(viii) Leases: Leases: Ind AS 116 "Leases" requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(ix) Evaluation of indicators for impairment of assets The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets

(x) Contingent liabilities – At each balance sheet date, basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

(xi) Fair value measurements – Management applies valuation techniques to determine fair value of equity shares (where active market quotes are not available) This involves developing estimates and assumptions around volatility, dividend yield which may affect the value of equity shares

Estimates and judgements are continuously evaluated These are based on historical experience and other factors including expectation of future events that may have financial impact on the company and that are believed to be reasonable under the circumstances.

d) 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 lakhs), 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 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 standalone 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 occurence 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.

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C. Derecognition of Financial Instruments

The Company derecognises a financial asset when the contractual right to receive the cash flows from the financial asset expire or it transfers the financial asset
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

D. 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.

E. Investment in subsidiary companies

Investment in subsidiaries is carried at cost in the separate financial statements. Impairment in value of such investments is evaluated in lines with policy on impairment of non financial assets mentioned in (viii) (a) below

(iv) Current versus non-current classification

1. An asset is considered as current when it is.

a. Expected to be realised or intended to be sold or consumed in the normal operating cycle, or
b. Held primarily for the purpose of trading, or
c. Expected to be realised within twelve months after the reporting period, or
d. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

2. All other assets are classified as non-current

3. Liability is considered as current when it is:

a. Expected to be settled in the normal operating cycle, or
b. Held primarily for the purpose of trading, or
c. Due to be settled within twelve months after the reporting period, or
d There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

4 All other liabilities are classified as non-current

5. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

6. All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III to the Act
Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

(v) Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation, amortisation and impairment loss, if any. Costs directly attributable to acquisition are capitalised until the PPE are ready for use, as intended by management. The cost of PPE acquired in a business combination is recorded at fair value on the date of acquisition. The fair value is taken as per the report of independent valuer The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

An item of PPE 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 standalone statement of profit and loss when the asset is derecognised.

The Company depreciates PPE over their estimated useful lives using the straight-line method The estimated useful lives of assets are as follows

Category	Useful Life
Computers	2 - 4 years
Furniture and fixtures	5 years
Office Equipment	5 years
Leasehold Improvements	5 years or the primary period of lease whichever is less

In case of certain PPE, the Company uses useful life different from those specified in Schedule II to the Act which is duly supported by technical evaluation. The management believe that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

Capital work-in-progress includes PPE under construction and not ready for intended use as on the balance sheet date.

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(vi) Intangible Assets

Intangible assets acquired separately are measured at cost of acquisition. Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The amortisation of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated. The estimated useful life of amortisable intangibles are reviewed and where appropriate are adjusted, annually.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset on the date of disposal and are recognised in the standalone statement of profit and loss when the asset is derecognised.

Amortisation on addition to intangible assets or on disposal of intangible assets is calculated pro-rata from the month of such addition or up to the month of such disposal as the case may be.
The estimated useful lives of the amortisable intangible assets for the current and comparative periods are as follows:

Category	Useful Life
Computer Software	1 - 5 years

(vii) Leases

The Company has applied Ind AS 116 with effect from April 1, 2019 using the modified retrospective approach and therefore the comparative information was not restated and continued 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, which are in accordance with the lives mentioned under (v) above.

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.
viii) Impairment of assets
a. Non Financial Assets

Non financial assets 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 (CGU) to which the asset belongs.
If such assets are considered to be impaired, the impairment to be recognised in the standalone 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 standalone 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 amortisation or depreciation) had no impairment loss been recognised for the asset in prior years

b. Financial Assets
The Company recognise loss allowances using the expected credit loss (ECL) model for financial assets. Loss allowances for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For contract assets management is following Specific Identification Method given under Ind AS 109. 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.

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(ix) 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 comprises of short-term compensated absences such as paid annual leave and performance incentives.

C) Termination Benefits

Termination Benefits, in the nature of voluntary retirement benefits or those arising from restructuring, are recognised in the Statement of Profit and Loss when the company has a present obligation as a result of past event, when a reliable estimate can be made of the amount of the obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

(x) Share based payments

The Company determines the compensation cost based on the fair value method in accordance with Ind AS 102 Share Based Payment The Company grants options to its employees which will be vested in a graded manner and are to be exercised within a specified period The compensation cost is amortised on a graded basis over the vesting period. The share based compensation expense is determined based on the Company's estimate of equity instrument that will eventually vest.

The amounts recognised in "share options outstanding account" are transferred to share capital and securities premium upon exercise of stock options by employees. Where employee stock options lapse after vesting, an amount equivalent to the cumulative cost for the lapsed option is transferred from 'Shares option outstanding account' to general reserve.

(xi) Provisions, Contingent Liabilities and Contingent assets

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.

(xii) 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, over the period of the 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) Revenue is recognised in accordance with the methods prescribed for measuring progress i.e percentage of completion method Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. Revenues relating to time and material contracts are recognised as the related services are rendered.

Multiple element arrangements-

In contracts with multiple performance obligations, Company accounts for individual performance obligations separately if they are distinct and allocate the transaction price to each performance obligation based on its relative standalone selling price out of total consideration of the contract. Standalone selling price is determined utilising observable prices to the extent available. If the standalone selling price for a performance obligation is not directly observable, Company uses expected cost plus margin approach.

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.

Any modification or change in existing performance obligations is assessed whether the services is added 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

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

Trade Receivable 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 assets are presented separately in the financial statements and primarily relate to unbilled amounts on fixed-price contracts utilising the cost to cost method i.e. percentage of completion method (POCM) of revenue recognition. 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 fulfil 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

Provision of onerous contract are recognised when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting the future obligations under the contract. The provision is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Other operating revenue includes revenue arising from Company's ancillary revenue-generating activities. Revenue from these activities are recorded only when Company is reasonably certain of such income.

(xiii) 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.

Current tax and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the asset and liability on a net basis.

(xiv) 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.

(xv) Finance / Borrowing 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. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the statement of profit and loss using the effective interest method.

(xvi) 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.

(xvii) 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.

xviii) Business combination

Business combinations are accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company.

For convenience, an acquisition date may be considered to be at the beginning or end of a month, in which the control is acquired rather than the actual acquisition date, unless events between the 'convenience' date and the actual acquisition date result in material changes in the amounts recognised. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Contingent consideration is remeasured at fair value at each reporting date and any changes in the fair value are recognised in the consolidated statement of profit and loss.

The interest of non-controlling shareholders is initially measured at fair value as on the acquisition date. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance

(xix) Equity shares

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

(Rs. in lakhs, unless otherwise stated)

(xx) Events after the reporting date
Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Where the events are indicative of conditions that arose after the reporting period, the amounts are not adjusted, but are disclosed if those non-adjusting events are material

(xxi) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedge is recognised in other comprehensive income and accumulated under cash flow hedge reserve. The Company classifies its forward contract that hedge foreign currency risk associated as cash flow hedge and measures them at fair value. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss and is included in the 'other expense / other income' line item. Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion (as described above) are reclassified to the statement of profit and loss in the periods when the hedged item affects the statement of profit and loss, in the same line as the recognised hedged item When the hedging instrument expires or is sold or terminated or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss at that time remains in equity until the forecast transaction occurs and when the forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity are immediately reclassified to statement of profit and loss within other income

Recent accounting pronouncements
Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below

Ind AS 1 – Presentation of Financial Statements
The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes
The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
The amendments will help entities to distinguish between accounting policies and accounting estimates The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty The Company does not expect this amendment to have any significant impact in its financial statements

e. Details of investments in subsidiary companies in accordance with Ind AS 27

Name of subsidiary	Principal place of business and country of incorporation	% ownership interest held as at 31 March 2023	% ownership interest held as at 31 March 2022
Mastek Systems Pty Ltd (Formerly known as Evolutionary Systems Pty Ltd)	Australia	100%	100%
Evosys Consultancy Services Malaysia	Malaysia	100%	100%
Newbury Cloud, Inc	USA	100%	100%
Evolutionary Systems BV	Netherlands	100%	100%
Evolutionary Systems Qatar WLL*	Qatar	49%	49%
Evolutionary Systems Saudi LLC	Saudi	50%	50%
Mastek Systems (Singapore) PTE Ltd. (Singapore) (Formerly known as Evolutionary Systems (Singapore) PTE. LTD.)	Singapore	100%	100%
Mastek Systems Company Ltd (London, UK) (Formerly known as Evolutionary Systems Company Limited (UK))	UK	100%	100%
Evolutionary Systems Corp.	USA	100%	100%
Evolutionary Systems Canada Limited	Canada	100%	100%

* Represents legal ownership as per the local laws of respective country However, Company through its subsidiaries, is holding 100% of the beneficial interest in these entities.

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

(Rs. in lakhs, unless otherwise stated)

As at March 31, 2023

3(a) Property, plant and equipment

Particulars	Gross Value (at cost)				Depreciation / amortisation				Net Value	
	As at April 1, 2022	Additions	Disposals	As at March 31, 2023	As at April 1, 2022	For the year	Disposals	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
(i) Own assets										
Building	1,446	325	-	1,771	561	77	-	638	1,133	885
Computers	2,107	356	(41)	2,422	1,090	790	(39)	1,841	581	1,017
Plant and equipment	1	-	-	1	0	1	-	1	(0)	-
Furniture and fixtures	348	-	-	348	265	22	-	287	61	83
Vehicles	204	-	-	204	97	33	-	130	74	107
Office equipments	440	13	-	453	366	33	-	399	54	74
Total (i)	4,546	694	(41)	5,199	2,379	956	(39)	3,296	1,903	2,166
(ii) Leased assets :										
Leasehold improvements	14	-	-	14	14	-	-	14	-	-
Total (ii)	14	-	-	14	14	-	-	14	-	-
Total (i + ii)	4,560	694	(41)	5,213	2,393	956	(39)	3,310	1,903	2,166

3(b) Intangible assets

Particulars	Gross Value (at cost)				Amortisation				Net Value	
	As at April 1, 2022	Additions	Disposals	As at March 31, 2023	As at April 1, 2022	For the year	Disposals	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Computer software	129	6	-	135	110	23	-	133	2	19
Implementation Contracts	8	-		8	8	-	-	8		-
Customer Relationships	8	-		8	2	1	-	3	5	6
Total	145	6	-	151	120	24	-	144	7	25

3(c) Right-of-use assets

Particulars	Gross Value (at cost)				Depreciation				Net Value	
	As at April 1, 2022	Additions	Disposals	As at March 31, 2023	As at April 1, 2022	For the year	Disposals	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Building	970	230	(3)	1,197	677	146	(3)	820	377	293
Total	970	230	(3)	1,197	677	146	(3)	820	377	293

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED (FORMERLY KNOWN AS TRANS AMERICAN INFORMATION SYSTEMS PRIVATE LIMITED)
Summary of significant accounting policies and other explanatory information as at and for the year ended March 31, 2023
(Rs. In lakhs, unless otherwise stated)

As at March 31, 2022

3(a) Property, plant and equipment

Particulars	Gross Value (at cost)				Depreciation / amortisation				Net Value	
	As at April 1, 2021	Additions	Disposals	As at March 31, 2022	As at April 1, 2021	For the year	Disposals	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
(i) Own assets :										
Building	1,446	-	-	1,446	497	64	-	561	885	949
Computers	1,013	1,289	(195)	2,107	746	529	(185)	1,090	1,017	267
Plant and equipment	1	-	-	1	-	0	-	0	-	1
Furniture and fixtures	346	2	(0)	348	237	28	(0)	265	83	109
Vehicles	135	69	-	204	56	41	-	97	107	79
Office equipments	435	16	(11)	440	332	43	(9)	366	74	103
Total (i)	3,376	1,376	(206)	4,546	1,868	705	(194)	2,379	2,166	1,508
(ii) Leased assets :										
Leasehold improvements	14	-		14	14	-	-	14	-	-
Total (ii)	14	-	-	14	14	-	-	14	-	-
Total (i + ii)	3,390	1,376	(206)	4,560	1,882	705	(194)	2,393	2,166	1,508

3(b) Intangible assets

Particulars	Gross Value (at cost)				Amortisation				Net Value	
	As at April 1, 2021	Additions	Disposals	As at March 31, 2022	As at April 1, 2021	For the year	Disposals	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Computer software	110	23	(4)	129	90	24	(4)	110	19	20
Implementation Contracts	8	-	-	8	8	-	-	8	-	-
Customer Relationships	8	-	-	8	1	1	-	2	6	7
Total	126	23	(4)	145	99	25	(4)	120	25	27

3(c) Right-of-use assets

Particulars	Gross Value (at cost)				Depreciation				Net Value	
	As at April 1, 2021	Additions	Disposals	As at March 31, 2022	As at April 1, 2021	For the year	Disposals	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Building	970	6	(6)	970	475	208	(6)	677	293	495
Total	970	6	(6)	970	475	208	(6)	677	293	495

Notes:

(i) Refer note 10(a) and 12 for information on vehicles provided as collateral or security for borrowings or finance facilities availed by the Company.

(ii) For capital commitments, refer note 32.

(ii) For leased assets, refer note 30.

(iii) For the year ended March 31, 2023 and year ended March 31, 2022, Vehicles includes vehicles mortgaged as security for loans availed by the Company. The net carrying value of the vehicle is Rs. 62 lakhs (March 31, 2022: Rs.90 lakhs)

(iv) All the title deeds of the immovable properties are held in the name of the Company.

WALKER CHANDIOK & Co LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED ★

Non-current assets

4(a) Financial assets

Investment in subsidiaries at cost (unquoted)	As at March 31, 2023	As at March 31, 2022
Investment in Evolutionary Systems Saudi LLC	4,199	4,199
(50 Shares(March 31, 2022 - 50 shares) of SR 5,000 each)		
Investment in Evolutionary Systems Pty Ltd	693	693
(50,000 Shares(March 31, 2022 - 50,000 shares) of AUD 1 each)		
Investment in Evolutionary Systems (Singapore) Pte. Ltd.	1,809	1,809
(100,000 Shares (March 31, 2022 - 100,000 shares) of SGD 1 Per share)		
Investment in Evolutionary Systems Qatar WLL	3,871	3,871
(98 shares (March 31, 2022 - 98 shares) of QR 1000 each)		
Investment in Evolutionary Systems Company Limited (UK)	18,881	18,881
(100 shares (March 31, 2022 - 100 shares) of GBP 1 each)		
Evolutionary Systems Corp.	8,117	8,117
(275,000 shares (March 31, 2022 - 275,000 shares) at no par value)		
	37,570	37,570
Aggregate carrying value of quoted investments	-	-
Aggregate carrying value of unquoted investment	37,570	37,570
Aggregate amount of impairment in value of investments	-	-
Grand Total	37,570	37,570

Note:
Value of investment has been determined on the basis of contracted value of investments with the seller [i.e. promoters of the Evolutionary Systems Private Limited (ESPL)].

4(b) Other financial assets - Non current	As at March 31, 2023	As at March 31, 2022
Advances to employees	-	2
Security deposits	52	60
Foreign exchange forward contract		253
	52	315

5. Other non-current assets	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	27	30
	27	30

Current assets
Financial assets

6(a) Investments	As at March 31, 2023		As at March 31, 2022	
i) Investment in mutual funds	Units	Amount	Units	Amount
Investment in mutual funds at FVTPL (unquoted):				
Aditya Birla Sun Life Liquid Fund-Growth	30,75,948	31	-	-
Aditya Birla Sun Life Liquid Fund - Growth	1,41 364	509		
HDFC Liquid Fund	6,00,95,488	609		
HDFC Overnight Fund - Growth	4,00,27,096	402		
Kotak Liquid Fund	32,467	1,467		-
Kotak Overnight Fund	29 533	352		-
ICICI Pru Liquid Fund-regular	1,00 16 767	101		-
ICICI Pru Overnight Fund-regular	4,27,12,205	430		-
ICICI Pru Liquid Growth	3,22,514	1,067		-
SBI Liquid	17,427	609		-
				-
Total (A)		5,577		-
ii) Investment in term deposit at amortised cost (unquoted):				
Term deposit with Bajaj Finance Limited		-		699
Total (B)		-		699
Aggregate carrying value of unquoted investments in mutual funds (A)		5,577		-
Aggregate carrying value of unquoted investment in term deposits (B)		-		699
Aggregate amount of impairment in value of investments		-		-
Grand Total		5,577		699

Note:
i) Refer note 28 for information on market risk.
ii) There are no repatriation restrictions with regards to investments.

6(b) Trade receivables	As at March 31, 2023	As at March 31, 2022
Unsecured		
Considered good - unsecured	10,771	9,814
Trade receivable - credit impaired	134	51
Less: Allowance for doubtful debts	(134)	(51)
	10,771	9,814

The above figures include amount pertaining to related party balances as at March 31 2023 Rs. 10,642 lakhs (March 31 2021 Rs 9,390 lakhs) (Refer note 24(c))

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

(Rs. in lakhs, unless otherwise stated)

Ageing Schedule as on 31 March, 2023

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 Years	
i.	Undisputed Trade Receivables - Considered Good	5,253	4,589	302	-		-	10,144
ii.	Undisputed Trade Receivables – which have significant increase in credit risk	-	-			-	-	-
iii.	Undisputed Trade receivable – credit impaired	-	-	83		46	5	134
iv	Disputed Trade receivables - considered good	-		-	-	-	-	-
v	Disputed Trade receivables – which have significant increase in credit risk	-	-		-	-	-	-
vi.	Disputed Trade receivables – credit impaired	-	-		-	-	-	-
	Total	**5,253**	**4,589**	**385**	**-**	**46**	**5**	**10,277**
	Add: Unbilled trade receivables (undisputed)							627
	Less. Allowance for doubtful trade receivables							(134)
								10,771

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 Years	
i.	Undisputed Trade Receivables - Considered Good	105	9,331	331	-	-	-	9,767
ii.	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
iii.	Undisputed Trade receivable – credit impaired	-	-	-	-	46	5	51
iv.	Disputed Trade receivables - considered good		-	-		-	-	-
v.	Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
vi.	Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
	Total	**105**	**9,331**	**331**	**-**	**46**	**5**	**9,818**
	Add: Unbilled trade receivables (undisputed)							47
	Less: Allowance for doubtful trade receivables							(51)
								9,814

Notes:
(i) Company has a history of collecting all receivables in the age group of less than 6 months. Management has evaluated allowance for bad and doubtful debts on receivables having age of more than 6 months, which have significant increase in credit risk or are credit impaired. Accordingly, all trade receivables outstanding more than 6 months have been fully provided, except immaterial balances considered recoverable on specific basis.
(ii) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firm or private companies respectively in which director is partner, a director or a member. Trade receivables are non-interest bearing.
(iii) Refer note 28 for information on credit risk and market risk.

		As at	
6(c)	**Cash and cash equivalents**	March 31, 2023	March 31, 2022
	Cash on hand	2	1
	Bank balances		
	In current accounts	1,060	1,292
		1,062	1,293

Notes:
(i) Refer note 28 for information on credit risk and market risk.
(ii) There are no repatriation restrictions with regards to cash and cash equivalents.

		As at	
6(d)	**Other financial assets**	March 31, 2023	March 31, 2022
	Advances to employees	88	42
	Interest accrued on bank deposits	2	15
	Security deposits	74	59
	Foreign exchange forward contract		195
		164	311

Notes:
(i) Refer note 28 for information on credit risk and market risk.

		As at	
7	**Contract assets**	March 31, 2023	March 31, 2021
	Contract assets (Refer note 15)	30	23
		30	23

Particulars	March 31, 2021	March 31, 2020
Unsecured and considered good	30	23
Unsecured and considered doubtful	-	-
	30	23

		As at	
7.1	**Other current assets**	March 31, 2023	March 31, 2022
	Prepaid expenses	189	350
	Input tax credit	1,936	1,534
	Advances to suppliers	492	344
		2,617	2,228

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

(Rs. in lakhs, unless otherwise stated)

8.1 Equity share capital	As at March 31, 2023	As at March 31, 2022
Authorised:		
850,000 (March 31, 2022: 850,000) equity shares of Re.1 each	9	9
	9	9
Issued, subscribed and fully paid up :		
Equity Share Capital		
345,200 (March 31, 2022: 345,200) equity shares of Re 1 (March 31, 2022: Re. 1) each fully paid	3	3
	3	3

(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, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the year	3,45,200	3	34,520	3
Share split - from face value Rs.10 to Re 1			3,45,200	3
Balance as at the end of the year	3,45,200	3	3,45,200	3

8.2 Instruments entirely equity in nature	As at March 31, 2023	As at March 31, 2022
Authorised:		
150,000 (March 31, 2022: 150,000) preference shares of Re. 1 each	2	2
	2	2
Issued, subscribed and fully paid up .		
Preference Share Capital :		
150,000 (March 31, 2022: 150,000) 0.001% Compulosry Convertible Preference Shares (CCPS) of Re. 1 each	2	2
	2	2

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the year	1,50,000	2	-	-
Add: CCPS Issued during the year (Face value Rs. 10 each)			15,000	2
CCPS split - from face value Rs.10 to Re. 1			1,50,000	2
Balance as at the end of the year	1,50,000	2	1,50,000	2

(a) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a face value of Re 1 per share. Each shareholder is eligible for one vote per share held The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of fully paid up equity shares held by the shareholders.

(b) Rights, preferences and restrictions attached to instruments entirely equity in nature

The Company has another class of securities i.e. 0.001% Compulsorily Convertible Preference Shares (CCPS) having a face value of Re. 1 each. The CCPS holders do not carry any voting rights In the event of liquidation, the CCPS Holder shall be eligible to receive the remaining assets of the Company after distribution to all the secured creditors. The distribution shall be in proportion to the number of CCPS shares held by the CCPS holders.

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

Name of the Shareholder's	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
Mastek Limited - Holding Company	3,45,190	99.99%	3,45,190	99.99%

(d) Details of instruments entirely equity in nature held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the Shareholder's	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
Mastek Limited - Holding Company	50,000	33.3%	50,000	33.3%
Umang Nahata	36,160	24.1%	36,160	24.1%
Ummed Singh Nahata	27,120	18.1%	27,120	18.1%
Rakesh Raman	27,120	18.1%	27,120	18.1%

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CHARTERED ACCOUNTANTS

MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

(Rs. in lakhs, unless otherwise stated)

(e) Details of equity shares held by Promoters in the Company

Shares held by promoters at the end of the year	As at March 31, 2023		As at March 31, 2022		% change during the year
	No. of shares	% of holding	No. of shares	% of holding	
Mastek Limited - Holding Company	3,45,190	99.99%	3,45,190	99.99%	0.0%

(e) Details of CCPS held by Promoters in the Company

Shares held by promoters at the end of the year	As at March 31, 2023		As at March 31, 2022		% change during the year
	No. of shares	% of holding	No. of shares	% of holding	
Mastek Limited - Holding Company	50,000	33.3%	50,000	33.3%	0.0%

(f) 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, 2023.

	As at	
	March 31, 2023	March 31, 2022
(g) Shares issued for consideration other than cash during last 5 years		
Number of CCPS Issued for acquisition. Conversion date of CCPS is 12 November 2029(Refer note 34).	1,50,000	1,50,000

9 Other equity	As at	
	March 31, 2023	March 31, 2022
a. Capital Reserve	8,672	8,672
Any profit or loss on purchase,sale,issue or cancellation of the company own equity instrument is transferred to capital reserve		
b. Securities premium	13,273	13,273
Amount received (on issue of shares) in excess of the par value has been classified as securities premium		
c. Retained earnings	17,552	7,582
Retained earnings comprises of the prior year's undistributed earning after taxes increased by undistributed profits for the year.		
d. Other item of other comprehensive income	(391)	185
Other item of other comprehensive income consist of FVOCI financial assets and financial liabilities and remeasurement of defined benefit assets and liabilities		
e. Other reserves	19,170	19,170
This represents 4,235,294 (March 31, 2022 - 4,235,294) equity shares of Rs. 5 each, fully paid up (shares issued against the part discharge of consideration for acquisition pursuant to scheme of demerger) (Note 34)		
	53,276	48,882

Non-current liabilities
Financial liabilities

10(a) Borrowings	As at	
	March 31, 2023	March 31, 2022
Vehicle loans from bank (Refer note (i) below)	59	85
Total	59	85

Notes:

(i) Loans from bank are secured by hypothecation of assets (Vehicles) purchased there against. The Company has not defaulted on any loans payable.

Monthly payment of equated monthly instalments beginning from the month subsequent to taking the loan along with interest at 6.6% - 8.25% per annum is payable till Sep 2026.

(ii) Refer note 28 for liquidity risk and market risk.
(iii) There was no default in repayment of borrowings, interest and lease liability during the current and previous financial year
(iv) Cash flow changes in liabilities arising from financing activities

Particulars	Lease liabilities	Borrowings
As at April 1, 2021	563	58
Non Cash additions	50	-
Cash flows (net)	(253)	51
As at March 31, 2022	360	109
Non Cash additions	265	-
Cash flows (net)	(188)	(24)
As at March 31, 2023	437	85

10(b) Lease liabilities	As at	
	March 31, 2023	March 31, 2022
Lease liabilities (Refer Note 30(ii))	223	121
	223	121

(i) Refer note 28 for liquidity risk and market risk.

10(c) Other non current financial liabilities	As at	
	March 31, 2023	March 31, 2022
Foreign exchange forward contract	265	-
	265	-

11 Provision	As at	
	March 31, 2023	March 31, 2022
Provision for employee benefits		
Provision for gratuity (Refer Note 22(a))	1,219	1,090
	1,219	1,090

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CHARTERED ACCOUNTANTS

MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

(Rs. in lakhs, unless otherwise stated)

Current liabilities

12 Financial liabilities

a. Borrowings	As at March 31, 2023	As at March 31, 2022
Secured		
Vehicle loans from bank (Refer note (i) below)	26	24
	26	24

Note
(i) The Company has not been sanctioned working capital limits by banks on the basis of security of current assets a. any point of time during the current as well as previous year
(ii) Refer note 28 for liquidity risk and market risk

12(b) Lease liabilities	As at March 31, 2023	As at March 31, 2022
Lease liabilities (Refer Note 30(ii))	214	239
	214	239

12(c) Trade payables	As at March 31, 2023	As at March 31, 2022
Trade payables		
total outstanding dues of micro enterprises and small enterprises (MSME) (Refer note 31)	4	19
total outstanding dues of creditors other than micro enterprises and small enterprises	2,497	1,236
Accrued expenses	777	503
	3,278	1,758

Trade payables are generally non interest bearing and are normally settled in line with applicable industry norm

Ageing Schedule for the year ended March 31, 2023

Sr. No	Particulars	Outstanding for following periods from date of transaction: Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
i.	Total outstanding dues of MSME	4	-		-	4
ii.	Total outstanding dues of creditors other than MSME	2,483	3	-	-	2,486
iii.	Disputed dues of MSME	-	-	11	-	11
iv.	Disputed dues of creditors other than MSME				-	-
	Total	2,487	3	11	-	2,501
	Accrued expenses (undisputed and related to creditors other than MSME)					777
	Grand Total					3,278

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 years	Total
i.	Total outstanding dues of MSME	8	-	-	-	8
ii.	Total outstanding dues of creditors other than MSME	1,236	-	-	-	1,236
iii.	Disputed dues of MSME		11	-	-	11
iv.	Disputed dues of creditors other than MSME	-	-	-	-	-
	Total	1,244	11	-	-	1,255
	Accrued expenses (undisputed and related to creditors other than MSME)					503
	Grand Total					1,758

12(d) Other financial liabilities	As at March 31, 2023	As at March 31, 2022
Employee benefits payable	1,002	1,546
Capital creditors	-	325
Reimbursable expenses payable to holding Company	178	59
Foreign exchange forward contract	82	-
	1,262	1,930

Note
(i) Refer note 28 for liquidity risk and market risk.
(ii) There is no amount due for payment to Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2023. (March 31, 2022 - Rs. Nil)

13 Other current liabilities	As at March 31, 2023	As at March 31, 2022
Statutory dues	334	297
	334	297

14 Provisions	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Provision for gratuity (Refer Note 22(a))	59	50
Provision for leave entitlement*	576	468
	634	518

*Disclosure for movement in provision for leave entitlement

Particulars	March 31, 2023	March 31, 2022
Opening provision at the beginning of the year	468	317
Created during the year (net)	133	151
Paid during the year	(25)	(29)
Closing provision at the end of the year	576	468

The provision for leave entitlement is presented as current since the Company does not have an unconditional right to defer settlement for this obligation. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

15 Revenue from operations	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of services		
Information technology services	41,303	32,198
	41,303	32,198

The table below presents disaggregated revenues from contracts with customers by customer location for each of the Company's business segments. Company believes 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.

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CHARTERED ACCOUNTANTS

MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

	For the year ended	
	March 31, 2023	March 31, 2022
Revenue by geography		
UK	14,653	9,831
North America	13,883	10,768
Middle East	5,967	5,285
Others	6,800	6,314
	41,303	32,198

	For the year ended	
Timing of revenue recognition*	March 31, 2023	March 31, 2022
Transferred at a point in time	298	309
Transferred over a period of time	41,174	31,801
	41,472	32,110

*The above figures include the amount pertaining to hedge in March 31, 2023 Rs. 169 lakhs March 31, 2022 (Rs. 88 lakhs)

Remaining performance obligation
As of March 31, 2023 the aggregate amount of transaction price allocated to remaining performance obligations, was Rs. 263 lakhs, of which approximately 100% is expected to be recognised as revenues within 3 years. (March 31, 2022 Rs. 198 lakhs)

Changes in contract assets are as follows:	For the year ended	
	March 31, 2023	March 31, 2022
Balance at the beginning of the year	23	19
Invoices raised that were included in the contract assets balance at the beginning of the year	(15)	(12)
Increase due to revenue recognised during the year, excluding amounts billed during the year	22	16
Balance at the end of the year	30	23

Changes in contract liabilities are as follows:	For the year ended	
	March 31, 2023	March 31, 2022
Balance at the beginning of the year	-	3
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	-	1
Decrease due to invoicing during the year, excluding amounts recognised as revenue during the year	-	(4)
Balance at the end of the year	-	-

	For the year ended	
16 Other income	March 31, 2023	March 31, 2022
Interest income		
- On bank deposits	24	31
On income tax refund	4	
- On security deposit	6	6
Profit on sale of current investments and gain on instruments measured FVTPL	80	59
Net gain on foreign currency transactions and translation	739	171
Other non-operating income*	13	17
	866	284

* Majorly includes income from scrap sale

	For the year ended	
17 Employee benefits expenses	March 31, 2023	March 31, 2022
Salaries and wages	24,604	19,842
Contribution to provident and other funds (Refer Note 22(c))	713	419
Employee stock compensation expenses	14	-
Staff welfare expense	525	558
	25,856	20,819

	For the year ended	
18 Finance costs	March 31, 2023	March 31, 2022
Interest on vehicle loan	8	8
Interest on lease liabilities (Refer note 30)	38	50
	46	58

	For the year ended	
19 Depreciation and amortisation expenses	March 31, 2023	March 31, 2022
Property, plant and equipment (Refer note 3(a))	956	705
Right-of-use assets (Refer note 3(c) and 30)	146	208
Intangible assets (Refer note 3(b))	24	25
	1,126	938

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MUMBAI
CHARTERED ACCOUNTANTS

MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

(Rs. in lakhs, unless otherwise stated)

20 Other expenses	For the year ended March 31, 2023	For the year ended March 31, 2022
Recruitment and training expenses	167	121
Travelling and conveyance	1,280	406
Communication charges	136	138
Electricity	54	34
Consultancy and sub-contracting charges	4,581	3,185
Audit fee (Refer note 33)	4	4
Rates and taxes	47	28
Repairs		-
Buildings	137	110
Others	1,142	643
Insurance	74	65
Printing and stationery	4	3
Professional fees	306	288
Rent (Refer note 30(iii))	180	108
Advertisement and publicity	57	22
Provision for doubtful trade receivables	83	-
Provision against receivables, loans and advances doubtful of recovery (net)	-	12
Hire charges	-	2
Guarantee commission (Refer Note 24)	30	20
Expenditure towards corporate social responsibility (CSR) activities (Refer Note 36)	60	44
Loss on sale of property, plant and equipment, net	-	10
Bank charges	14	80
Miscellaneous expenses	30	38
	8,386	5,361

21 Earnings per share (EPS)	For the year ended March 31, 2023	For the year ended March 31, 2022
The components of basic and diluted earnings per share for total operations are as follows:		
(a) Net profit attributable to equity shareholders	4,970	3,318
(b) Weighted average number of outstanding equity shares		
Considered for basic EPS (in numbers)	3,45,200	3,45,200
Add: effect of dilutive potential equity share arising from outstanding CCPS	1,50,000	1,50,000
Considered for diluted EPS(in numbers)	4,95,200	4,95,200
(c) Nominal value of each share (in Rs.)	1	1
(d) Earnings per share (in Rs.)		
Basic	1,439.75	961.13
Diluted	1,003.63	669.98

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MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

(Rs. in lakhs)

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, 2023	For the year ended March 31, 2022
Gratuity cost		
Service cost	336	239
Net interest on net defined liability	79	64
Net gratuity cost	415	303
Actuarial losses recognised to OCI	(25)	(32)
Amount shown as liability in the balance sheet (Refer note 11 and 14)		
Non current	1,219	1,090
Current	59	50
Total	1,278	1,140

Demographic assumptions used:	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate	7.20%-7.55%	6.80%-7.25%
Salary escalation	6%-10%	6%-10%
Retirement age	60 Years	60 Years
Mortality Rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Leaving services		
Age (Years)		
21-30	7%-10%	7%-10%
31-40	5%-7%	5%-7%
41-50	3%-7%	3%-7%
51-59	2%-7%	2%-7%

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.

The following table sets out the status of gratuity plan

Particulars	As at March 31, 2023	As at March 31, 2022
Obligation at the beginning of the year	1,171	997
Current service cost	336	239
Interest cost	82	66
Actuarial (gain) due to change in financial assumption	(50)	(61)
Actuarial loss due to change in experience	24	93
Benefits paid	(253)	(163)
Obligation at the end of the year	1,310	1,171
Change in plan assets (maintained by LIC)		
Plan assets at the beginning of the year, at fair value	30	28
Employer contribution	253	164
Interest income on plan assets	3	2
Remeasurement on plan assets less interest on plan assets	-1	(1)
Benefits paid	-253	(163)
Plan assets at the end of the year, at fair value	32	30

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, 2023	As at March 31, 2022
Experience adjustment on plan liabilities - gain/ (loss)	26	(32)
Experience adjustment on plan assets - (loss)	(1)	0

Sensitivity analysis

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (50 bps)	(73)	91	(66)	82
Salary growth (50 bps)	70	(60)	63	(54)

The sensitivity analysis is based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of another since some of the assumptions may be co-related.

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CHARTERED ACCOUNTANTS

MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

Maturity profile of defined benefit obligation:

Particulars	As at	
	March 31, 2023	March 31, 2022
1 Year	76	68
2 Year	76	70
3 Year	89	76
4 Year	90	86
5 Year	95	80
6 Year	98	78
7 Year	87	83
8 Year	84	73
9 Year	81	71
10 Years and beyond	3,521	3,001

i) The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. Expected contribution to the Fund in FY 2022-23 is Rs. Nil (FY 2021-22 Rs. Nil)

ii) Plan assets are invested in unquoted insurer managed funds.
Plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/ termination age.

b) The Obligation for compensated absence is recognised basis Company's leave policy and net change to the statement of profit and loss the year ended March 31, 2023 is Rs. 575 lakhs (March 31, 2022: Rs.468 lakhs)

Demographic assumptions used:	For the year ended	
	March 31, 2023	March 31, 2022
Discount rate	7.20%-7.55%	6.80%-7.25%
Salary escalation	6%-10%	6%-17%

c) The Company contributed Rs. 713 lakhs for the year ended March 31, 2023 (Rs. 419 lakhs March 31, 2022) for the defined contribution plan, which includes contribution towards provided fund, employee state insurance commission and labour welfare fund.

d) These assumptions were developed by the management with the assistance of independent actuarial appraiser. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience. The estimates of future salary growth rate considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Risk

Factor	Impact
Salary increase	Actual salary increases will increase the obligation. Increase in salary increase rate assumption in future valuations will also increase the obligation
Discount rate	Reduction in discount rate in subsequent valuations can increase the obligation.
Mortality and disability	Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the obligation.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact the obligation.

23 Income taxes

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

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Current tax	2,074	2,093
Deferred tax	(74)	(105)
Current tax adjustment relating to earlier years	(215)	-
Income tax expense recognised in the statement of profit or loss	**1,785**	**1,988**
Income tax expense recognised in other comprehensive income	**(194)**	**73**

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, 2023	March 31, 2022
Profit before tax	6,755	5,306
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	1,700	1,335
Effect of:		-
Income tax charge/write back for earlier years	(215)	-
FTC not claimable & booked as current tax expense	246	544
Expenses that are not deductible in determining taxable profit	54	109
Total income tax expense recognised in the statement of profit and loss	**1,785**	**1,988**

c) The movement in gross deferred income tax assets and liabilities (before set-off) for the year ended March 31, 2023 is as follows:

Particulars	Carrying value as at April 1, 2022	Changes through profit and loss	Changes through OCI	Carrying value as at March 31, 2023
Property, plant and equipment and intangible assets	122	25	-	147
Provision for doubtful debts	13	21	-	34
Provision for compensated absence/gratuity	406	68	(6)	468
Cash flow hedge	(113)	-	200	87
Others	45	(40)	-	5
Total	**473**	**74**	**194**	**741**

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MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

(Rs. in lakhs)

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	Changes through OCI	Carrying value as at March 31, 2022
Property, plant and equipment and intangible assets	105	17	-	122
Provision for doubtful debts	10	3	-	13
Provision for compensated absence/gratuity	309	89	8	406
Cash flow hedge	(32)	-	(81)	(113)
Others	49	(4)	-	45
Total	441	105	(73)	473

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has legally enforceable right to set off the said balances and Company's intent is to settle on a net basis as to realise asset and liabilities simultaneously, and deferred tax assets and deferred tax liabilities relate to the income tax levied by same tax authorities.

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

(a) Relationships have been disclosed where transactions have taken place and relationships involving control:

Name of related party	Nature of relationship	Country of incorporation
Mastek Limited	Holding company	India
Mastek Inc. (formerly known as Digility, Inc.)	Fellow Subsidiary company	United States of America
Mastek Digital Inc.	Fellow Subsidiary company	Canada
Mastek (UK) Limited	Fellow Subsidiary company	United Kingdom
Trans American Information Systems, 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 WLL	Fellow Subsidiary company	Bahrain
Evosys Kuwait WLL	Fellow Subsidiary company	Kuwait
Evolutionary Systems Saudi LLC	Fellow Subsidiary company	The Kingdom of Saudi Arabia
Acquired through Demerger Co-operation Agreement (DCA) (Refer note 34 for manner and date of acquisition)		
Evolutionary Systems Company Limited	Subsidiary	United Kingdom
Newbury Cloud, Inc	Step down Subsidiary	United States of America
Evolutionary Systems Corp.	Subsidiary	United States of America
Evosys Consultancy Services (Malaysia) Sdn Bhd	Step down Subsidiary	Malaysia
Evolutionary Systems Qatar WLL	Subsidiary	Qatar
Evolutionary Systems Pty Ltd	Subsidiary	Australia
Evolutionary Systems BV	Step down Subsidiary	Netherlands
Evolutionary Systems (Singapore) Pte. Ltd.	Subsidiary	Singapore
Evolutionary Systems Canada Inc	Step down Subsidiary	Canada
Key Management Personnel (KMP):	Ashank Desai, Chairman	
	S. Sandaliya, Independent director, w.e.f. October 1 2021 upto March 3, 2023	
	Rajeev Grover, Independent director, w.e.f October 1, 2021	
	Umang Nahata, Managing Director and Chief Executive officer upto March 31, 2023 and Non executive non independent director afterwards	
	Rakesh Raman, Director, upto March 31, 2023	
	Prameela Kalive, Non executive non independent director w.e.f April 12, 2023	
	Apeksha Raichura, w.e.f. July 1, 2022, upto September 22, 2023	
Enterprise where Holding Company's KMP has control:	Mastek Foundation	
Enterprise where Company's KMP has control:	MF Investments	

(b) Transaction with above related parties during the year were:-

Name of related parties	Nature of transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Mastek Limited	Reimbursable / other expenses recoverable (excluding GST)	167	-
	Reimbursable / other expenses Payable (excluding GST)	412	13
	Consideration paid on behalf of the Company^^	18,095	45,162
	Guarantee commission expenses	30	20
	Other expenses	2,471	557
Trans American Information Systems Inc	Information Technology Services income^	5,450	4,110
	Reimbursable / Other expenses recoverable	23	17
	Other income	3	-
Mastek Digital Inc.	Information Technology Services income^	52	79
Mastek (UK) Limited	Information Technology Services income^	160	92
Mastek Inc.	Management fees Expenses	3	
Mastek Arabia FZ LLC	Information Technology Services income^	1 613	1,847
Evolutionary Systems Pty Ltd	Information Technology Services income^	2,672	2,129
	Reimbursable / Other expenses recoverable	2	
Evolutionary Systems Corp.	Information Technology Services income^	8,381	6,488
	Reimbursable / Other expenses recoverable	1	
Evolutionary Systems (Singapore) Pte. Ltd.	Information Technology Services income^	3,106	3,349
Evolutionary Systems Company Limited (UK)	Information Technology Services income^	9,130	6,007
	Reimbursable / Other expenses recoverable	26	
Evolutionary Systems Qatar WLL	Information Technology Services income^	536	497
Evolutionary Systems BV	Information Technology Services income^	5,364	3,732
	Reimbursable / Other expenses recoverable	9	
Evolutionary Systems Saudi LLC	Information Technology Services income^	3,050	2,277
Evolutionary Systems Consultancy LLC	Information Technology Services income^	470	491
	Reimbursable / Other expenses recoverable	0	
Evolutionary Systems Malaysia SDN BHD	Information Technology Services income^	840	
Mastek Foundation	Contribution towards CSR expenses	60	44
MF Investments	Office Rent expenses	183	39
Compensation of key management personnel of the Company		423	258

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MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

(Rs. in lakhs)

(c) Balances with related parties outstanding are as follows:-

Name of Related Party	Nature of balances	As At March 31, 2023	As At March 31, 2022
Mastek Limited	Reimoursements of expenses (payable)	(175)	(39)
	Guarantee commission payable	(3)	(21)
	Consideration paid on behalf of the Company^^	(63,257)	(45,162)
	Trade payables	(2,200)	(538)
Trans American Information Systems Inc	Trade receivables	1,869	783
Mastek Digital Inc	Trade receivables	43	79
Mastek Limited (UK)	Trade receivables	156	11
Mastek Inc.	Trade payables	(3)	-
Mastek Arabia FZ LLC	Trade receivables	339	1,108
Evolutionary Systems Pty ltd	Trade receivables	422	208
Evolutionary Systems Corp.	Trade receivables	2,817	2,948
Evolutionary Systems (Singapore) Pte. Ltd.	Trade receivables	1,291	1,965
Evolutionary Systems Company Limited (UK)	Trade receivables	1,553	251
Evolutionary Systems Qatar WLL	Trade receivables	87	206
Evolutionary Systems BV	Trade receivables	935	431
Evolutionary Systems Saudi LLC	Trade receivables	923	980
Evolutionary Systems Consultancy LLC	Trade receivables	56	420
Evolutionary Systems Malaysia SDN BHD	Trade receivables	151	-
Compensation of key management personnel of the Company		154	(141)

All the transaction has been executed with the related parties are done at the arms length basis, for which prior approval of Audit committee has been obtained.
^ This includes foreign exchange adjustment / fair value adjustment.
^^ Consideration paid on behalf of subsidiary is pursuant to acqusition (Refer note 34)

d) Compensation of key management personnel of the company

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and other employee benefits*	418	249
Director sitting fees	15	9
Compensation paid to key management personnel	433	258

* The KMP's are covered under the Companies gratuity policy, compensated absence provision and bonus provision along with other eligible employee of the Company. Proportionate amount of gratuity expenses and provision for compensated absences, which are determined actuarially are not mentioned in the aforementioned disclosure as these are computed for the Company as a whole.

25 Segment reporting

The management of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geographical information. Accordingly, segment information has been presented for geographies where the Company operates.
The organisational and reporting structure of the Company is based on geographical concept. Geographies are the operating segments for which separate financial information is available and for which operating revenue is evaluated regularly by CODM in deciding how to allocate resources and in assessing performance. The Company's primary reportable segments consist of four different geographies which are based on the risks and returns in different geographies and the location of the customers: North America Operations, UK Operations, Middle East and Others.

Income in relation to segments are categorised based on items that are individually identifiable to that segment, while the cost are apportioned on an appropriate basis. Expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The management therefore believes that it is not practical to provide segment disclosures relating to expenses and accordingly expenses are separately disclosed as "unallocated" and directly charged against total income.
Property, Plant and Equipment used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as the Property, Plant and Equipment and the support services are used interchangeably between segments. Accordingly disclosures relating to total segments assets and liabilities are not practicable
Geographical information on revenue and industry revenue information is collated based on individual customer invoices or in relation to which the revenue is otherwise recognised.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Segment Revenue		
UK	14,653	9,831
North America	13,883	10,768
Middle East	5,967	5,285
Others	6,800	6,314
Revenue from operations	41,303	32,198

26 Financial instrument

The carrying value and fair value of financial instruments by categories as at March 31, 2023 and March 31, 2022 is as follows

Particulars	Carrying value March 31, 2023	Carrying value March 31, 2022	Fair value March 31, 2023	Fair value March 31, 2022
Financial assets				
Amortised cost				
Trade receivable (net of provisions)	10,771	9,814	10,771	9,814
Cash and cash equivalents	1,062	1,293	1,062	1,293
Other assets	90	60	90	60
Security deposits	126	119	126	119
Investment in term deposit		699		699
FVOCI				
Derivative assets	-	448	-	448
FVTPL				
Investment in mutual funds	5,577	-	5,577	-
Total Assets	17,626	12,433	17,626	12,433
Financial liabilities				
Amortized cost				
Borrowings	85	109	85	109
Lease liabilities	437	360	437	360
Trade payables	3,278	1,758	3,278	1,758
Other liabilities	1,180	1,930	1,180	1,930
FVOCI				
Derivative liabilities	347	-	347	-
Total Liabilities	4,980	4,157	4,980	4,157

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MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

27 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, 2023 and March 31, 2022

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2023:

Particulars	Date of valuation	Total	Fair value measurement using		
			Level 1	Level 2	Level 3
Financial assets measuring at fair value		-	-	-	-
Derivative Assets		-	-	-	-
Foreign Exchange Forward Contract	March 31, 2023	-		-	-
FVTPL financial assets designated at fair value					
Investment in mutual funds	March 31, 2023	5,577	5,577	-	-
Foreign exchange forward contract	March 31, 2023		0	-	-
Financial liabilities measuring at fair value					
Derivative liabilities	March 31, 2023	-	-	-	-
Foreign exchange forward contract	March 31, 2023	347	-	347	-

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2022:

Particulars	Date of valuation	Total	Fair value measurement using		
			Level 1	Level 2	Level 3
Financial liabilities measuring at fair value		-	-	-	-
Derivative Liabilities		-	-	-	-
Foreign Exchange Forward Contract	March 31, 2022	-	-	-	-
Financial assets measuring at fair value					
FVTPL financial assets designated at fair value					
Investment in liquid mutual fund	March 31, 2022	-	-	-	-
Foreign exchange forward contract	March 31, 2022	448	-	448	-

28 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 renews 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.

Derivative financial instruments:

The Company holds derivative financial instrument i.e., foreign currency forward contracts to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is a bank. These derivative financial instruments are valued based on inputs that is directly or indirectly observable in the marketplace.

The objective of hedge accounting is to represent, in the Company's financial statements, the effect of the Company's use of financial instruments to manage exposures arising from particular risks that could affect profit or loss. As part of its risk management strategy, the Company makes use of derivative financial instruments for hedging the risk arising on account of highly probable foreign currency forecasted sales.

The Company applies cash flow hedge to hedge the variability arising out of foreign currency exchange fluctuations on account of highly probable foreign currency forecasted sales. Such contracts are designated as cash flow hedges.

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

Designated derivative instrument	As at	
	March 31, 2023	March 31, 2022
Forward contract (Amount in USD lakhs)	227	334
Number of contracts	366	460
Fair value (loss)/gains	(316)	370
Forward contract (Amount in GBP lakhs)	55	11
Number of contracts	116	36
Fair value (loss)/gains	(32)	78

Forward Contracts covers part of the exposure during the period April 2023 - March 2027

Accounting for cash flow hedge

The objective of hedge accounting is to represent, in the Company's financial statements, the effect of the Company's use of financial instruments to manage exposures arising from particular risks that could affect profit or loss. As part of its risk management strategy, the Company makes use of derivative financial instruments for hedging the risk arising on account of highly probable foreign currency forecasted sales.

The Company has a Board approved policy on assessment, measurement and monitoring of hedge effectiveness which provides a guideline for the evaluation of hedge effectiveness, treatment and monitoring of the hedge effective position from an accounting and risk monitoring perspective. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Company assesses hedge effectiveness on prospective basis. The derivative contracts have been taken to hedge foreign currency fluctuations risk arising on account of highly probable foreign currency forecasted sales.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The foreign exchange forward contracts are denominated in the same currency as the highly probable forecasted sales. Further, the entity has included the foreign currency basis spread and takes the forward rates in hedging relationship

The Company applies cash flow hedge to hedge the variability arising out of foreign currency exchange fluctuations on account of highly probable foreign currency forecasted sales. Such contracts are generally designated as cash flow hedges.

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MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

The table below enumerates the Company's hedging strategy, typical composition of the company's hedge portfolio, the instruments used to hedge risk exposures and the type of hedging relationship

Type of risk / hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
Cash flow hedge of foreign currency risk	Highly probable forecasted sales	Foreign currency denominated in proceeds from highly probable forecasted sales is converted into functional currency using a forward contract. Functional currency of the Company is INR.	Foreign exchange forward contracts	Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. These are customised contracts transacted in the over-the-counter market.	Cash flow hedge

Net realised foreign exchange (gain) arising from hedging is accounted under revenue from operations as on March 31, 2023 Rs. 169 lakhs (March 31, 2022 Rs. 88 lakhs)
There was no hedge ineffectiveness during the year.

Mark-to-Market gains / (losses)	As at March 31, 2023	As at March 31, 2022
Opening balance of Mark-to-market gains / (losses) receivable on outstanding derivative contracts	448	127
Less: Released from Hedging reserve account to statement of profit and loss under revenue upon occurrence of forecasted sales transactions	169	(88)
Add: Changes in the value of derivative instrument recognised in Hedging reserve account	(964)	409
Closing balance of Mark-to-market gains receivable/ (losses payable) on outstanding derivative contracts	(347)	448
Disclosed under:		
Other non current financial liabilities (Refer note 10(c))	(265)	253
Other financial liabilities (Refer note 12(d))	(82)	195
	(347)	448

Non-Derivative Financial Instruments
The following table presents foreign currency risk from non-derivative financial instrument as of March 31 2023 and March 31, 2022

Currency	As at March 31, 2023					
	Amount in respective foreign currencies (in lakhs)			Amount (Rs. in lakhs)		
	Financial assets	Financial liabilities	Net assets / (liabilities)	Financial assets	Financial liabilities	Net assets / (liabilities)
SAR	42		42	923	-	923
EURO	11	-	11	939	-	939
USD	40		40	3,270	-	3,270
AUD	8	-	8	423	-	423
QAR	4		4	87	-	87
SGD	21		21	1,291		1,291
AED	16	-	16	360	-	360
GBP	14		14	1,453	-	1,453
CAD	1	-	1	43	-	43
MYR	8	-	8	151	-	151
Total (in INR)			164	8,940	-	8,940

Currency	As at March 31, 2022					
	Amount in respective foreign currencies (in lakhs)			Amount (Rs. in lakhs)		
	Financial assets	Financial liabilities	Net assets / (liabilities)	Financial assets	Financial liabilities	Net assets / (liabilities)
SAR	48		49	979	-	979
EURO	5	-	5	431	-	431
USD	27		27	2,061	-	2,061
AUD	5	-	5	268	-	268
QAR	10	-	10	206	-	206
SGD	35	-	35	1,963	-	1,963
AED	74		74	1,526	-	1,526
GBP	2	-	2	207	-	202
CAD	1		1	81		81
Total (in INR)		-	208	7,717	-	7,717

As at March 31, 2023 and March 31, 2022, respectively, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact results by approximately Rs. 89 lakhs and Rs. 77 lakhs 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. There are five customers that contribute for more than 10% of total accounts receivables aggregating 94% as at March 31, 2023 (61% as at March 31, 2022).

Particulars (Movement of provision for expected credit loss)	March 31, 2023	March 31, 2022
At the beginning of the year	51	39
Provision made / reversed during the year	83	12
At the end of the year	134	51

The following table gives details in respect of revenues generated from top customer and top 5 customers.

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
Revenue from top customer	22%	20%
Revenue from top 5 customers	77%	74%

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MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

(Rs. in lakhs)

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligation, 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 of current financial assets	As at	
	March 31, 2023	March 31, 2022
Cash and cash equivalents	1,062	1,293
Investment in term deposits	-	699
Investment in mutual funds	5,577	-
Total	6,639	1,992

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2023 and March 31, 2022:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Less than 1 Year	1 Year and above	Less than 1 Year	1 Year and above
Borrowing	26	59	24	85
Trade payables	3,278	-	1,758	-
Lease liabilities	214	223	239	121
Other financial liabilities	1,262	-	1,930	-

Trade payables are generally non - interest bearing and are normally settled in line with respective industry norms.

Price risk
The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. These are exposed to price risk. The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in mutual funds.

Particulars	As at	
	March 31, 2023	March 31, 2022
Investments in Mutual Funds	5,577	-

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Price change by :		
100 basis points increase	56	-
100 basis points decrease	(56)	-

29 (A) 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, 2023	March 31, 2022
Total equity attributable to the equity share holders of Company	53,281	48,887
As percentage of total Capital	100%	100%
Current borrowings	26	24
Non current borrowings	59	85
Total loans and borrowings	85	109
Total Cash and cash equivalent	1,062	1,293
% based on debt to total capital	0.16%	0.22%
% based on net debt to adjusted total capital	(1.87%)	(2.48%)
Total Capital(Borrowing and Equity)	53,366	48,996
Total adjusted capital (borrowing - cash and cash equivalent + total equity)	52,304	47,703

The Company is predominantly equity financed which is evident from capital structure table. Further, the Company has always been in a net cash position.

(B). Contingent liabilities

	As at	
	March 31, 2023	March 31, 2022
1. Claims against Company not acknowledged as debts	-	-

2. Provident fund
Based on the Judgement by the Honourable Supreme Court dated February 28, 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the Judgement to the Company with respect to timing and the components of its compensation structure. In absence of further clarification the Company has been advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.
(i) The Company does not expect any cash outflows or any reimbursements in respect of the above contingent liabilities.
(ii) It is not practicable for the Company to estimate the timing of cash outflows if any, in respect of the above, pending occurrence of the default event or resolution of respective proceedings.

3. Social Security Code
The Code on Social Security, 2020 ("the Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

30 Leases

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on systematic basis over the lease term

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

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(c)).

ii) Below are the carrying amounts of operating lease liabilities (included under financial liabilities) and the movements during the period:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	360	563
Additions	227	-
Deletion during the year	-	-
Finance expenses	38	50
Payment of interest	(38)	(50)
Payment of principal	(150)	(203)
Balance at the end of the year	437	360
Current	214	239
Non-current	223	121

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

Particulars	As At March 31, 2023	As At March 31, 2022
Less than one year	214	185
More than one year less than 5 years	284	222
More than 5 years	38	-

The effective interest rate for lease liabilities as at March 31, 2023 is 11% (March 31, 2022 - 11%)

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation expense of right-of-use assets	146	208
Interest expense on lease liabilities	38	50
Expense relating to short-term leases (included in other expenses)	180	108
Total amount recognised in statement of profit and loss	364	366

The Company had total cash outflows for leases of Rs. 189 lakhs in FY 2022-23 (Rs.253 lakhs in FY 2021-22) including cash outflow for short term and low value leases.

There are several lease agreements with extension and termination options for which management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Since it is reasonable 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.

31 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, 2023	As at March 31, 2022
a) Principal amount remaining unpaid to any supplier at the end of the year	4	19
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 with the amount	-	-
d) the amount of interest due and payable for the period of delay in making payment (which have been paid but	-	-
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 such date when the	-	-

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.

32 Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2023 is Rs. 249 lakhs (March 31, 2022: Rs. 31 lakhs)

33 Payments to the Auditor (excluding GST)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditors	4	4
For reimbursement of expenses	0	0
Total	4	4

34 Business combinations

Acquisition of entity

During the previous year, the Company had taken control over business of Evolutionary Systems Private Limited (ESPL) including investment in certain subsidiaries of ESPL the parties (the Company, Evolutionary Systems Private Limited (demerged undertaking) and Mastek Limited, Holding entity of the Company) 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, was 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 Holding entity of the Company and the shareholders of Evosys the Holding entity of the Company would have to complete this transaction with the same economic effect by an alternate arrangement within the period specified in the DCA. The DCA gave the holding entity of the Company the right to appoint majority of the board of directors in ESPL and its subsidiaries and also provided for the relevant activities of ESPL and its subsidiaries to be decided by a majority vote of such board of directors, thereby resulting in transfer of control of business of ESPL and its subsidiaries to the Holding entity of the Company. The transfer of legal title of such business undertaking was 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 was completed through issue of 4,235,294 equity shares of the Holding entity of the Company (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 subsequently split into 150,000 CCPS of Re. 1 each, which carry a Put Option to be discharged at agreed EBITDA multiples based on actual EBIDTA of 3 years commencing from financial year ending March 31, 2021 including adjustment for closing cash. During financial year 2020-21, the Company was awaiting the order and had only considered the same for disclosure. In the year of receiving the order, the Company has given effect to the scheme with retrospective effect and accordingly restated the values presented in the statement of profit and loss and Balance sheet to give effect to the scheme in accordance with Ind AS 103. The Company received NCLT approval on September 14, 2021 and had filed with ROC on September 15, 2021 when the scheme became effective.

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CHARTERED ACCOUNTANTS

MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

(Rs. in lakhs)

Purchase consideration

As part of the ESPL acquisition, the purchase consideration is discharged in a combination of equity shares of Mastek, and convertible preference shares of Mastek Enterprise Solutions Private Limited (formerly known as Trans American Information Systems Private Limited) (MESPL). The consideration is (i) 4,235,294 fully paid-up equity shares of face value ₹ 5 of Mastek, and (ii) 15,000 compulsorily convertible preference shares of ₹ 10 of MESPL, for every 10,000 equity shares of ESPL of face value of ₹ 10 each. During the financial year 2021-22 the equity shares has been subdivided to face value of ₹ 1 each

	Year ended March 31, 2022
Fair value of equity shares to be issued*	19 169
Fair value of compulsorily convertible preference shares (CCPS)*	13,274
	32,443

* The fair value of equity shares to be issued is based on the listed share price of Mastek on the date of acquisition of control (₹ 453 per share) which represent level 1 input for fair value determination as per IndAS 103 (Business Combinations) and 113 (Fair Value Measurement). The fair value of preference shares of TAISPL to be issued is based on third party valuation done

The purchase price allocation to the identified assets and liabilities assumed at the acquisition date are

	As at February 01, 2021
Property, plant and equipment, net	2,112
Intangible assets	10
Customer Contracts	8
Customer Relationships	8
Trade receivables	3,029
Financial assets	77
Other assets	540
Cash and cash equivalent	2,195
Investments in (*):	
Evolutionary Systems Company Limited	18,881
Evolutionary Systems Saudi LLC	4,199
Evolutionary Systems Qatar WLL	3,871
Evolutionary Systems Corp.	8,117
Evolutionary Systems (Singapore) PTE. LTD.	1,809
Evolutionary Systems Pty Ltd	693
Trade payables	(217)
Financial liabilities	(3,583)
Other liabilities	(633)
Fair value of identifiable net assets	41,115
Less: Purchase consideration	32,443
Capital reserve	8,672

The Company is not presenting Consolidated Financial Statements as it has opted to avail the exemption from preparing consolidated financial statements granted in Rule 6 of section 129(3) of Companies Act, 2013, as its holding Company Mastek Limited, has presented the Consolidated Financial Statements including the Subsidiaries of the Company as at March 31, 2023

* Value of investment has been determined on the basis of contracted value of investments with the seller (i.e. promoters of the evolutionary Systems Private Limited (ESPL))

35 Current tax liabilities (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax liabilities (net of advance taxes paid and tax deducted at source)	103	291
Total	103	291

36 Expenditure on Corporate social responsibilities

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount required to be spent as per Section 135 of the Companies Act	60	29
Amount spent during the year		
(i) Construction/ acquisition of any asset		
(ii) On purposes other than (i) above	60	44

The aforementioned amount has been contributed to the trust 'Mastek foundation' which is controlled by the Company. Mastek foundation is primarily engaged in programs related to promoting health care including preventive health care, promoting education and ensuring environmental sustainability (Refer note 24(b))

37 Disclosure of ratios

Sr. No. Ratio	Formula for Computation	Measure (in times / percentage)	31-Mar-23	31-Mar-22	Variation	Remarks
(a) Current ratio	Current asset / Current liabilities	Times	3.46	2.84	21.69%	-
(b) Debt-equity ratio	Debt / Average net worth	Times	0.002	0.002	(16.80%)	-
(c) Debt service coverage ratio	Earnings available for debt service/Debt service	Times	21.48	13 44	59.80%	Refer note c below
(d) Return on equity ratio	Profit after tax / Net worth	Percentage	9.73%	7.04%	38.20%	Refer note d 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	Times	4.01	4.82	(16.74%)	-
(g) Trade payable turnover ratio	Net purchases / Average trade payables	Times	NA	NA	NA	-
(h) Net capital turnover ratio	Revenue from operations / working capital (current assets - current liability)	Times	2 87	3.46	(16 93%)	-
(i) Net profit ratio	Profit after tax / Revenue from operations	Percentage	12 03%	10.30%	16.83%	-
(j) Return on capital employed	EBIT / Capital employed	Percentage	12 76%	10.95%	16.51%	-
(k) Return on investment	Profit before tax/ Average total assets	Percentage	11.63%	10.15%	14.65%	

Notes:

(i) Debt = Non-current borrowings + Current borrowings
(ii) Net worth = Paid-up share capital + Reserves created out of profit - Accumulated losses
(iii) EBITDA = Earnings before depreciation, amortisation expense and tax
(iv) Net purchase = Purchase of stock-in-trade + Cost of materials consumed + Closing inventory of raw materials - Opening inventory of raw materials
(v) Net assets = Property, plant and equipment (including CWIP) + Current assets - Current liabilities
(vi) EBIT = Earnings before interest and tax
(vii) Capital employed = Tangible net worth + Total debt + Deferred tax liability
(viii) Earnings available for debt service= Net profit after taxes + Non operating expenses like depreciation and other amortisations + Interest + Other adjustment like loss on sale of fixed assets etc.

(ix) Debt service = Interest & Lease Payments + Principal Repayments

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED

(Rs. in lakhs)

Disclosure for change in ratio by more than 25%:

	Type of ratio	Variation in ratio between 31 March 2023 and 31 March 2022	Reasons for variance
(c)	Debt service coverage ratio	59.80%	Debt service coverage ratio has increased due to higher profitability.
(d)	Return on equity ratio	38.20%	Return on equity has increased due to higher profitability.

38 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 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 or on behalf of the Funding Party (Ultimate Beneficiaries), or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

39 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.

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

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

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

43 The Company has not traded or invested in Crypto currency or Virtual currency during the financial's year

44 The Company does not have 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)

45 The Company has not been declared willful defaulter by any bank or financial institution or any other lender

46 The Company has complied with the number of layers prescribed under section 2(87) of the Act.

47 The Company has not entered into any scheme of arrangement in terms of section 230 to 237 of the Act for the year ended March 31, 2023 and March 31, 2022.

48 Previous year's figures have been regrouped or reclassified wherever necessary to correspond with the current year classification/ disclosure, which are not considered material to these financial statements

These are the notes to the financial statements referred to in our report of even date
The Financial Statements were authorised for issue by the directors on September 30, 2023.

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

Adi P. Sethna
Partner
Membership No.: 108840

Place: Mumbai
Date: September 30, 2023

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Mastek Enterprise Solutions Private Limited (Formerly known as Trans American Information Systems Private Limited)

Umang Nahata
Director
DIN: 00323145

Ashank Desai
Director
DIN: 00017767

Place: Mumbai
Date: September 30, 2023

MASTEK ENTERPRISE SOLUTIONS PRIVATE LIMITED