

**Walker Chandiook & Co LLP**

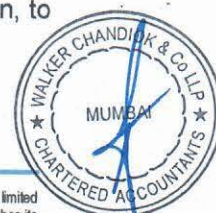
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**Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of Mastek Limited**

1. We have reviewed the accompanying statement of unaudited consolidated financial results (the 'Statement') of **Mastek Limited** (the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as the 'Group'), (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 30 September 2023 and the consolidated year to date results for the period 01 April 2023 to 30 September 2023, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 (the 'Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements ('SRE') 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33(8) of the Listing Regulation, to the extent applicable.



**Mastek Limited**

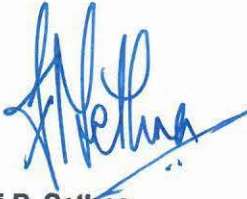
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4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review report of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the Listing Regulation, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the interim financial results of one subsidiary included in the Statement, whose financial information reflects total assets of ₹ 17,133 lakhs as at 30 September 2023, and total revenues of ₹ 9,894 lakhs and ₹ 18,451 lakhs, total net profit after tax of ₹ 1,349 lakhs and ₹ 1,940 lakhs, total comprehensive income of ₹ 1,349 lakhs and ₹ 1,940 lakhs, for the quarter and six-month period ended on 30 September 2023, respectively, and cash outflows (net) of ₹ 2,455 lakhs for the period ended 30 September 2023, as considered in the Statement. These interim financial results have been reviewed by other auditors whose review report has been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the review report of such other auditors and the procedures performed by us as stated in paragraph 3 above.

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

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



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

**UDIN: 23108840BGYAZF5571**

**Place: Mumbai**  
**Date: 19 October 2023**



## **Mastek Limited**

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

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#### **Annexure 1**

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

1. Mastek Enterprise Solutions Private Limited
2. Mastek (UK) Limited
3. Mastek Inc.
4. Trans American Information Systems Inc.
5. Mastek Digital Inc.
6. Mastek Arabia FZ LLC
7. Evolutionary Systems Qatar WLL
8. Mastek Systems (Singapore) Pte Limited
9. Mastek Systems Pty Limited
10. Evolutionary Systems Corp.
11. Mastek Systems Company Limited
12. Evosys Consultancy Services (Malaysia) SDN BHD
13. Evolutionary Systems B.V.
14. Evolutionary Systems Saudi LLC
15. Evosys Kuwait WLL
16. Mastek Systems Bahrain WLL (formerly known as Evolutionary Systems Bahrain WLL)
17. Evolutionary Systems Consultancy LLC
18. Mastek Arabia Systems Egypt LLC
19. Newbury Cloud Inc.
20. Evolutionary Systems Canada Limited
21. Meta Soft Tech Systems Private Limited (w.e.f. 01 August 2022)
22. Metasoftech Solutions LLC (w.e.f. 01 August 2022)
23. BizAnalytica LLC (w.e.f. 01 August 2023)



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

Statement of unaudited Consolidated Financial Results for the Quarter and Six months ended September 30, 2023

(Rs. In lakhs)

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1 Income</b>						
(a) Revenue from operations	76,554	72,525	62,530	1,49,079	1,19,555	2,56,339
(b) Other income (Refer note 5)	483	236	691	719	3,267	3,829
<b>Total income</b>	<b>77,037</b>	<b>72,761</b>	<b>63,221</b>	<b>1,49,798</b>	<b>1,22,822</b>	<b>2,60,168</b>
<b>2 Expenses</b>						
(a) Employee benefits expenses	42,911	39,054	34,000	81,965	64,876	1,37,588
(b) Finance costs	1,260	931	525	2,191	722	2,472
(c) Depreciation and amortisation expenses	2,090	1,970	1,709	4,060	2,818	6,737
(d) Other expenses	21,339	20,772	17,790	42,111	33,017	73,166
<b>Total expenses</b>	<b>67,600</b>	<b>62,727</b>	<b>54,024</b>	<b>1,30,327</b>	<b>1,01,433</b>	<b>2,19,963</b>
<b>3 Profit before exceptional items and taxes (1 - 2)</b>	<b>9,437</b>	<b>10,034</b>	<b>9,197</b>	<b>19,471</b>	<b>21,389</b>	<b>40,205</b>
<b>4 Exceptional items - (loss) / gain (Refer note 4)</b>	<b>(411)</b>	<b>-</b>	<b>2,532</b>	<b>(411)</b>	<b>2,532</b>	<b>2,532</b>
<b>5 Profit before taxes (3 + 4)</b>	<b>9,026</b>	<b>10,034</b>	<b>11,729</b>	<b>19,060</b>	<b>23,921</b>	<b>42,737</b>
<b>6 Income taxes expense / (credit) (Refer note 7)</b>						
- Current tax	3,543	3,485	4,613	7,028	7,859	14,408
- Deferred tax	(1,221)	2,377	(1,504)	1,156	(1,989)	(3,355)
- Current tax adjustments relating to earlier years	175	(3,181)	-	(3,006)	995	657
<b>- Total taxes, net</b>	<b>2,497</b>	<b>2,681</b>	<b>3,109</b>	<b>5,178</b>	<b>6,865</b>	<b>11,710</b>
<b>7 Net profit for the period / year (5 - 6)</b>	<b>6,529</b>	<b>7,353</b>	<b>8,620</b>	<b>13,882</b>	<b>17,056</b>	<b>31,027</b>
<b>8 Other Comprehensive Income - gain (net), net of taxes (Refer note 3)</b>	<b>227</b>	<b>351</b>	<b>2,816</b>	<b>578</b>	<b>4,049</b>	<b>6,584</b>
<b>9 Total Comprehensive Income, net of taxes (7 + 8)</b>	<b>6,756</b>	<b>7,704</b>	<b>11,436</b>	<b>14,460</b>	<b>21,105</b>	<b>37,611</b>
<b>Profit attributable to</b>						
Owners of the Company	6,282	7,009	7,910	13,291	15,626	29,301
Non-controlling interests	247	344	710	591	1,430	1,726
<b>Profit after taxes</b>	<b>6,529</b>	<b>7,353</b>	<b>8,620</b>	<b>13,882</b>	<b>17,056</b>	<b>31,027</b>
<b>Other Comprehensive Income- gain / (loss), net of taxes attributable to</b>						
Owners of the Company	291	281	3,098	572	4,535	6,545
Non-controlling interests	(64)	70	(282)	6	(486)	39
<b>Total Other Comprehensive Income, net of taxes</b>	<b>227</b>	<b>351</b>	<b>2,816</b>	<b>578</b>	<b>4,049</b>	<b>6,584</b>
<b>Total Comprehensive Income attributable to</b>						
Owners of the Company	6,573	7,290	11,008	13,863	20,161	35,846
Non-controlling interests	183	414	428	597	944	1,765
<b>Total Comprehensive income, net of taxes</b>	<b>6,756</b>	<b>7,704</b>	<b>11,436</b>	<b>14,460</b>	<b>21,105</b>	<b>37,611</b>
<b>10 Paid-up equity share capital ( Face value Rs. 5 per share ) (Refer note 8)</b>	<b>1,532</b>	<b>1,529</b>	<b>1,503</b>	<b>1,532</b>	<b>1,503</b>	<b>1,528</b>
<b>11 Other equity</b>						<b>1,66,815</b>
<b>12 Earnings per share (face value Rs. 5 each) (Not annualised, except for the year end) :</b>						
(a) Basic - Rs	20.52	22.95	26.31	43.47	52.01	97.23
(b) Diluted - Rs	20.28	22.67	25.81	42.97	51.00	95.53



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Statement of unaudited Consolidated Financial Results for the Quarter and Six months ended September 30, 2023

Segment information:-		(Rs. In lakhs)					
Particulars	Quarter ended			Six months ended		Year ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023	
<b>1 Segment revenue</b>							
UK & Europe operations	43,283	42,408	38,818	85,691	77,093	1,58,761	
North America operations	21,767	18,319	15,111	40,086	25,833	62,576	
Middle East operations	8,352	8,851	5,478	17,203	10,737	23,350	
Others	3,152	2,947	3,123	6,099	5,892	11,652	
<b>Revenue from operations</b>	<b>76,554</b>	<b>72,525</b>	<b>62,530</b>	<b>1,49,079</b>	<b>1,19,555</b>	<b>2,56,339</b>	
<b>2 Segment results</b>							
UK & Europe operations	10,511	11,397	10,347	21,908	20,517	39,395	
North America operations	909	1,328	888	2,237	765	4,661	
Middle East operations	428	958	15	1,386	142	673	
Others	421	158	83	579	251	1,507	
<b>Total</b>	<b>12,269</b>	<b>13,841</b>	<b>11,333</b>	<b>26,110</b>	<b>21,675</b>	<b>46,236</b>	
Less : i. Finance costs	1,260	931	525	2,191	722	2,472	
ii. Other un-allocable expenditure (net)	1,572	2,876	1,611	4,448	(436)	3,559	
<b>Profit before exceptional items and taxes</b>	<b>9,437</b>	<b>10,034</b>	<b>9,197</b>	<b>19,471</b>	<b>21,389</b>	<b>40,205</b>	
<b>Exceptional items - (loss) / gain (net) (Refer note 4)</b>	<b>(411)</b>	<b>-</b>	<b>2,532</b>	<b>(411)</b>	<b>2,532</b>	<b>2,532</b>	
<b>Profit before taxes</b>	<b>9,026</b>	<b>10,034</b>	<b>11,729</b>	<b>19,060</b>	<b>23,921</b>	<b>42,737</b>	

**Notes on segment information :**

- i. Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on analysis of various performance indicators by geographical location of the customers.
- ii. Property, plant and equipment used in the Group's business or liabilities contracted have not been identified to any of the reportable segments, as the Property, plant and equipment and the support services are used interchangeably between segments. Accordingly, disclosures relating to total segment assets and liabilities are not practicable.
- iii. 'Others' includes South-east Asia, India, Singapore and Australia.





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Unaudited Consolidated Balance Sheet as at September 30, 2023

(Rs. In lakhs)

Particulars	As at	
	September 30, 2023	March 31, 2023
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	5,929	5,932
Capital work-in-progress	342	666
Investment properties	-	-
Goodwill	1,71,166	1,49,758
Other intangible assets	17,640	15,377
Right-of-use assets	2,939	2,958
Financial assets		
Investments	1,296	1,294
Other financial assets	2,482	3,130
Deferred tax assets (net)	9,710	10,485
Tax asset (net)	2,177	323
Other non-current assets	151	147
<b>Total non current assets</b>	<b>2,13,832</b>	<b>1,90,070</b>
<b>Current assets</b>		
Financial assets		
Investments	3,906	5,577
Trade receivables	57,473	50,663
Cash and cash equivalents	26,556	20,764
Bank balances other than cash and cash equivalents	3,814	79
Other financial assets	2,599	1,209
Contract assets	38,285	35,080
Other current assets	12,182	10,648
<b>Total current assets</b>	<b>1,44,815</b>	<b>1,24,020</b>
<b>Total Assets</b>	<b>3,58,647</b>	<b>3,14,090</b>



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Unaudited Consolidated Balance Sheet as at September 30, 2023

(Rs. In lakhs)

Particulars	As at	
	September 30, 2023	March 31, 2023
	(Unaudited)	(Audited)
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity share capital	1,532	1,526
Other equity	1,77,726	1,66,815
<b>Equity attributable to owners of the Holding Company</b>	<b>1,79,258</b>	<b>1,68,341</b>
Non-controlling interest	9,707	9,110
<b>Total equity</b>	<b>1,88,965</b>	<b>1,77,451</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	35,323	26,904
Lease liabilities	2,209	2,249
Other financial liabilities	39,424	27,617
Provisions	3,799	3,357
Deferred tax liabilities (net)	2,784	2,961
<b>Total non current liabilities</b>	<b>83,539</b>	<b>63,088</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	12,377	10,174
Lease liabilities	1,107	1,007
Trade payables	20,020	18,294
Other financial liabilities	26,799	20,410
Contract liabilities	7,036	5,927
Other current liabilities	9,781	8,223
Provisions	3,958	3,324
Current tax liabilities (net)	5,065	6,192
<b>Total current liabilities</b>	<b>86,143</b>	<b>73,551</b>
<b>Total liabilities</b>	<b>1,69,682</b>	<b>1,36,639</b>
<b>Total equity and liabilities</b>	<b>3,58,647</b>	<b>3,14,090</b>



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Particulars	(Rs. In lakhs)	
	Six months ended	Six months ended
	September 30, 2023	September 30, 2022
	(Unaudited)	(Unaudited)
<b>Cash flows from operating activities</b>		
Profit for the period	13,882	17,056
Adjustments for:		
Interest income	(87)	(112)
Employee stock compensation expenses	343	138
Finance costs	2,191	722
Depreciation and amortisation	4,060	2,818
Net gain on foreign currency translation	(231)	(1,065)
Tax expense	5,178	6,865
Exceptional items	411	(2,532)
Provision made against receivables, loans and advances doubtful of recovery, net	1,152	983
Loss on sale of property plant and equipment, net	(3)	-
Profit on sale of current investments	(125)	(60)
Rental income including maintenance charges	(165)	(280)
<b>Operating profit before working capital changes</b>	<b>26,606</b>	<b>24,533</b>
<b>Changes in operating assets and liabilities; net of effects from acquisitions</b>		
(Increase) in trade receivables	(6,404)	(9,041)
Decrease / (Increase) in advances and other assets	(1,727)	246
(Decrease) in trade payables, other liabilities and provisions	(1,152)	(9,918)
<b>Cash generated from operating activities before taxes</b>	<b>17,323</b>	<b>5,820</b>
Income taxes paid, net of refunds	(5,446)	(5,388)
<b>Net cash (used in) / generated from operating activities</b>	<b>11,877</b>	<b>432</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment and investment property	121	4,437
Taxes on proceeds from sale of investment property	-	(750)
Purchase of property, plant and equipment and intangible assets	(1,452)	(2,244)
Interest received	16	114
Rental income including maintenance charges	165	274
Purchase consideration paid for slump purchase (refer note 10)	(1,050)	-
Purchase consideration paid for acquisition of subsidiary (refer note 10)	(10,683)	(63,076)
Purchase of other current investments	(13,604)	(9,708)
Liquidation of short term bank deposit	(19)	-
Proceeds from sale of current investments	15,399	11,957
Tax proceeds from sale of current investments	(43)	(11)
<b>Net cash (used in) investing activities</b>	<b>(11,150)</b>	<b>(59,007)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares under the employee stock option schemes	22	47
Proceeds from long term borrowing	13,905	24,404
Repayments of long term borrowings	(3,609)	(3,121)
Payment of lease liabilities	(532)	(311)
Amount transferred to Unclaimed Dividend Bank Account, pending distribution	(3,677)	(3,115)
Dividends paid including dividend distribution tax	-	(490)
Interest paid on lease	(108)	(44)
Other finance charges	(15)	(18)
Interest paid on loan	(1,190)	(330)
<b>Net cash generated from financing activities</b>	<b>4,796</b>	<b>17,022</b>
Effect of changes in exchange rates for cash and cash equivalents	(14)	(2,768)
Net (Decrease) / Increase in cash and cash equivalents during the period	5,509	(44,322)
Cash and cash equivalents at the beginning of the period	20,764	72,658
Cash and cash equivalents transferred pursuant to acquisition of subsidiary (refer note 9)	283	2,413
<b>Cash and cash equivalents at the end of the period</b>	<b>26,556</b>	<b>30,749</b>

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





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**Notes to the unaudited consolidated financial results:**

- 1 The above consolidated financial results ('Statement') of Mastek Limited ('the Holding Company / the Company') were reviewed and recommended by the Audit Committee and were thereafter approved by the Board of Directors at their respective meetings held on October 19, 2023. The statutory auditors have carried out a limited review of the Statement for the quarter and six months ended on September 30, 2023.
- 2 The Statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 (the 'Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

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

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	<b>(Rs. in lakhs)</b>					
<b>(i) Items that will not be subsequently reclassified to the profit or loss (net of taxes):</b>						
Defined benefit plan actuarial (loss)/ gain, net	(150)	21	(29)	(129)	335	356
<b>Total</b>	<b>(150)</b>	<b>21</b>	<b>(29)</b>	<b>(129)</b>	<b>335</b>	<b>356</b>
<b>(ii) Items that will be subsequently reclassified to the profit or loss (net of taxes):</b>						
Exchange gain on translation of foreign operations	477	229	2,248	706	2,949	7,026
(Loss) / Gain on change in fair value of forward contracts designated as cash flow hedges, net	(100)	101	552	1	787	(613)
Gain/ (loss) on change in fair value of other financial instruments, net	-	-	45	-	(22)	(185)
<b>Total</b>	<b>377</b>	<b>330</b>	<b>2,845</b>	<b>707</b>	<b>3,714</b>	<b>6,228</b>
<b>Other Comprehensive Income- gain (net), net of taxes (i+ii)</b>	<b>227</b>	<b>351</b>	<b>2,816</b>	<b>578</b>	<b>4,049</b>	<b>6,584</b>

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

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	<b>(Rs. in lakhs)</b>					
Net profit on sale of investment property (relating to corporate asset of India operations)	-	-	4,277	-	4,277	4,277
Expense relating to business combination consummated during the year (relating mainly to North America operations)	(411)	-	(1,745)	(411)	(1,745)	(1,745)
<b>Net (loss)/ gain</b>	<b>(411)</b>	<b>-</b>	<b>2,532</b>	<b>(411)</b>	<b>2,532</b>	<b>2,532</b>



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- 5 The Group has accounted net foreign exchange (loss) / gain under "Other income". Further, during the period the Group has realised foreign exchange loss / (gain) arising from currency hedges relating to certain firm commitments and forecasted sales transactions. The table below shows the amount of gain or loss in each of the periods / years presented:

Particulars	(Rs. In lakhs)					
	Quarter ended			Six months ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
Net foreign exchange (gain)	(270)	-	(399)	(270)	(2,739)	(2,597)
Net realised foreign exchange gain arising from hedging accounted under revenue from operations	(55)	(87)	(319)	(142)	(542)	(832)

- 6 During the quarter and year ended March 31, 2020, Mastek acquired control of the business of Evolutionary Systems Private Limited ("ESPL") and its subsidiary companies (together referred to as "Evosys"). The acquisition was as follows:

i. Mastek (UK) Limited, a wholly-owned subsidiary of Mastek Limited, entered into a Business Transfer Agreement ("BTA") on February 8, 2020 to acquire the business of Evosys Arabia FZ LLC and Share Transfer Agreements (STA) to acquire Middle East Companies ("MENA Acquisition") by paying a cash consideration (net of cash and cash equivalents) of USD 64.9 million i.e. Rs. 48,204 lakhs. The closing of such transaction occurred on March 17, 2020, which is considered to be the date of transfer of control or the date of acquisition, as per Ind AS 103- "Business Combinations", and necessary effects have been recognised in the standalone financial statements of the respective entities and consolidated financial statements of the Group.

ii. With respect to a business undertaking of ESPL (including investments in certain subsidiaries of ESPL), the parties (Mastek group and Evosys group) entered into a Demerger Co-operation Agreement (DCA) and Shareholders Agreement on February 8, 2020. The manner of discharge of the non-cash consideration and the acquisition of legal ownership, was decided to be achieved through a demerger scheme filed before the National Company Law Tribunal (NCLT) ("the Scheme"), or, as per DCA, the parties were to complete this transaction with the same economic effect, by an alternate arrangement within the period specified in the DCA. The DCA gave Mastek Enterprise Solutions Private Limited ("MESPL") (formerly known as Trans American Information Systems Private Limited), a subsidiary of Mastek Limited, the right to appoint majority of the board of directors in ESPL and its subsidiaries and also provided for the relevant activities of ESPL and its subsidiaries to be decided by a majority vote of such board of directors, thereby resulting in transfer of control of business of ESPL and its subsidiaries to Mastek Group. The date of acquisition of business undertaking for the purposes of Ind AS 103 is the date of transfer of control to the Group, i.e. February 8, 2020. Discharge of consideration for demerger was made through issue of 4,235,294 equity shares of Mastek Limited (face value Rs. 5 each) and balance consideration through MESPL by issuing 15,000 Compulsorily Convertible Preference Shares (CCPS), (face value of Rs. 10 each) of MESPL, subsequently split into 150,000 CCPS of Re. 1 each, which carry a Put Option to be discharged at agreed EBITDA multiples, based on actual EBITDA of 3 years commencing from financial year ending March 31, 2021 including adjustments for closing cash.

On September 14, 2021, the above transaction was approved by the NCLT, pursuant to the Scheme of De-merger, for the demerger of Evolutionary Systems Private Limited (ESPL or demerged entity), into MESPL, with the effective date of February 1, 2020 (Appointed Date). Accordingly, 4,235,294 equity shares of Mastek Limited (face value Rs. 5 each) were issued on September 17, 2021 and considered for the calculation of basic earnings per share from the quarter ended September 30, 2021.

On December 17, 2021, a board meeting was held where the Board approved the buy out of first tranche of CCPS i.e. 1/3rd of the total outstanding CCPS (of MESPL) basis the agreed valuations in line with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended). Accordingly, 254,755 equity shares of Mastek Limited (face value of Rs. 5 each) had been issued on February 10, 2022, for said buy-out of first tranche of 50,000 CCPS of MESPL.

On December 11, 2022, a board meeting was held where the Board approved the buy out of second tranche of 50,000 CCPS of MESPL basis the agreed valuations in line with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended). Accordingly, 320,752 equity shares of Mastek Limited (face value of Rs. 5 each) had been issued on January 17, 2023, for said buy-out of second tranche of 50,000 CCPS of MESPL.





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- 7 The Company had filed for a Bilateral Advance Pricing Arrangement ('BAPA') in the financial year 2015-16, under which the Company had recognised a provision in its books of account based on the most likely outcome expected as per the BAPA. Since no agreement could be reached between the respective competent tax authorities, the said application has been closed by them during the quarter ended June 30, 2023. Basis the analysis done by management, the additional tax provision upto March 31, 2023, amounting to Rs. 2,755 lakhs, being no longer required, has been reversed during the aforesaid quarter and included under 'Current tax adjustments relating to earlier years'.

Further, during the quarter ended June 30, 2023, the management has decided to opt for new tax rate regime as per Section 115BAA of the Income-tax Act, 1961, effective FY 2022-23. As per provisions of Section 115BAA, the Group on shifting to new tax regime will be taxed at a lower rate and would not be required to pay Minimum Alternate Tax (MAT) and, as a consequence, no longer claim MAT credits. Accordingly, deferred tax adjustments during the quarter ended June 30, 2023, primarily include reversal of deferred tax asset (towards MAT credit) amounting to Rs. 2,839 lakhs and remeasurement of other opening deferred tax balances, based on the new tax rate. In view of the same, adjustment (reversal) was also required to the provision recognised for the year ended March 31, 2023, at the higher tax rate (prior to the adoption of new tax regime), which have been included under 'Current tax adjustments relating to earlier years'.

- 8 During the quarter and six months ended September 30, 2023 the paid-up equity share capital stands increased by Rs. 3 lakhs (52,873 equity shares of Rs. 5 each) and Rs. 6 lakhs (118,135 equity shares of Rs. 5 each) respectively, pursuant to the allotment of equity shares on the exercise of options by eligible employees, under the ESOP scheme Plan VI and Plan VII.
- 9 Mastek Inc., a wholly-owned first level step-down subsidiary of Mastek Limited, had signed a definitive agreement and acquired the 100% equity Interest of Metasoftech Solutions LLC ("MST USA"). MST USA is an independent Salesforce consulting and system integration partner in the Americas region. The purchase consideration includes upfront payment of USD 76.60 million (approximately Rs. 61,200 lakhs) and earn out – between USD 0 to USD 35 million, subject to achieving financial targets. The acquisition was completed on August 1, 2022. Consequent to the acquisition, MST along with US entity 'Metasoftech Solutions LLC', had become a wholly owned subsidiary of the Company and had been considered for the purpose of preparing consolidated financial results of the Mastek Group from such date.

- 10 The Group agreed to acquire BizAnalytica LLC and its India affiliate BizAnalytica Solutions LLP (collectively referred as "acquiree"), a data cloud, analytics and modernisation specialist. In the current quarter the deal had been structured in two stages:

Mastek Inc., a wholly-owned first level step-down subsidiary of Mastek Limited, signed a definitive agreement to acquire 100% equity interest of BizAnalytica LLC ("BizAnalytica USA"). BizAnalytica USA is an independent data cloud, analytics and modernisation partner in the Americas region. The purchase consideration includes upfront payment of USD 16.72 million (approximately Rs. 13,710 lakhs) and earn out upto USD 24.0 million (approximately upto Rs.19,680 lakhs) over a period of 3 years, subject to achieving financial targets.

Further, Mastek Limited, signed a definitive agreement for slump purchase of the identified assets and liabilities of BizAnalytica Solutions LLP, which is an off-shore service provider and is mainly engaged in data cloud, analytics and modernization related services. The slump purchase including identified assets and liabilities to be bought for a consideration of approximately Rs. 1,050 lakhs (equivalent to USD 1.28 million), subject to customary closing adjustments as per the terms of the Business Sale Agreement.

The acquisition was completed on August 1, 2023. Consequent to the acquisition, Biz Analytica LLC has become a wholly owned subsidiary of Mastek Limited and has been considered for the purpose of preparing Statement of the group as on date. All the identified asset and liabilities are recorded at acquisition date at fair value. Further, the gain value assigned to contingent consideration is currently provisioned and the Company has exercised the option of using exemption available under Ind AS 103 'Business Combination' which provide the Company period of one year from the acquisition date for completing the purchase price allocation.

- 11 During the quarter ended 30 September 2023, the Company has paid a final dividend of Rs. 12 per share (240%) on face value Rs. 5 each post receiving shareholder's approval in Annual General Meeting, which was in line with the dividend recommended by the Board of Directors for the financial year 2022-23.

Place : Mumbai, India  
Date : October 19, 2023



  
Ashank Desai  
Chairman

A circular stamp with "MASTEK LTD" around the top edge and "MMC" around the bottom edge. In the center, the word "Mastek" is written with a small logo to its right.



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**Walker Chandiook & Co LLP**

16th Floor, Tower III,  
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Mumbai - 400013  
Maharashtra, India  
T +91 22 6626 2600

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

**To the Board of Directors of Mastek Limited**

1. We have reviewed the accompanying statement of standalone unaudited financial results (the 'Statement') of **Mastek Limited** (the 'Company') for the quarter ended 30 September 2023 and the year-to-date results for the period 01 April 2023 to 30 September 2023, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 (the 'Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements ('SRE') 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**Mastek Limited**

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

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4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013



**Adi P. Sethna**

Partner

Membership No. 108840

**UDIN: 23108840BGYAZE9691**

**Place: Mumbai**

**Date: 19 October 2023**

**MASTEK LIMITED**  
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Statement of unaudited Standalone Financial Results for the Quarter and Six months ended September 30, 2023

		Quarter ended			Six months ended		Year ended
Particulars		September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1</b>	<b>Income</b>						
	(a) Revenue from operations	9,004	8,292	7,304	17,296	14,347	31,339
	(b) Other income (Refer note 6)	3,829	181	3,515	4,010	3,862	7,337
	<b>Total Income</b>	<b>12,833</b>	<b>8,473</b>	<b>10,819</b>	<b>21,306</b>	<b>18,209</b>	<b>38,676</b>
<b>2</b>	<b>Expenses</b>						
	(a) Employee benefits expenses	6,404	5,993	5,371	12,397	10,326	21,259
	(b) Finance costs	4	8	12	12	29	44
	(c) Depreciation and amortisation expenses	286	264	373	550	728	1,303
	(d) Other expenses	1,262	1,359	1,704	2,621	2,882	5,369
	<b>Total expenses</b>	<b>7,956</b>	<b>7,624</b>	<b>7,460</b>	<b>15,580</b>	<b>13,965</b>	<b>27,975</b>
<b>3</b>	<b>Profit before exceptional items and taxes ( 1 - 2 )</b>	<b>4,877</b>	<b>849</b>	<b>3,359</b>	<b>5,726</b>	<b>4,244</b>	<b>10,701</b>
<b>4</b>	<b>Exceptional items - (loss) / gain (Refer note 4)</b>	-	-	3,690	-	3,126	5,864
<b>5</b>	<b>Profit before taxes ( 3 + 4 )</b>	<b>4,877</b>	<b>849</b>	<b>7,049</b>	<b>5,726</b>	<b>7,370</b>	<b>16,565</b>
<b>6</b>	<b>Income tax expense / (credit) (Refer note 9)</b>						
	- Current tax	398	305	1,446	703	1,694	3,669
	- Deferred tax	(35)	2,947	(505)	2,912	(419)	(318)
	- Current tax adjustments relating to earlier years	-	(3,818)	-	(3,818)	-	-
	<b>- Total tax, net</b>	<b>363</b>	<b>(566)</b>	<b>941</b>	<b>(203)</b>	<b>1,275</b>	<b>3,351</b>
<b>7</b>	<b>Net profit for the period / year ( 5 - 6 )</b>	<b>4,514</b>	<b>1,415</b>	<b>6,108</b>	<b>5,929</b>	<b>6,095</b>	<b>13,214</b>
<b>8</b>	<b>Other Comprehensive Income - (loss) / gain (net of taxes) (Refer note 3)</b>	(140)	(130)	671	(270)	1,368	(139)
<b>9</b>	<b>Total Comprehensive Income, net of taxes (7 + 8)</b>	<b>4,374</b>	<b>1,285</b>	<b>6,779</b>	<b>5,659</b>	<b>7,463</b>	<b>13,075</b>
<b>10</b>	<b>Paid-up equity share capital ( Face value Rs. 5 per share ) (Refer note 10)</b>	<b>1,532</b>	<b>1,529</b>	<b>1,503</b>	<b>1,532</b>	<b>1,503</b>	<b>1,526</b>
<b>11</b>	<b>Other equity</b>						<b>72,747</b>
<b>12</b>	<b>Earnings per share (of face value Rs. 5 each) (Not annualised, except for year end) :</b>						
	(a) Basic - Rs	14.75	4.63	20.32	19.39	20.28	43.85
	(b) Diluted - Rs	14.58	4.58	19.94	19.17	19.89	43.07





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Unaudited Standalone Balance Sheet as at September 30, 2023

(Rs. In lakhs)

Particulars	As at	
	September 30, 2023	March 31, 2023
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,462	3,266
Capital work-in-progress	98	433
Goodwill	1,032	-
Other intangible assets	100	11
Right-of-use assets	21	22
<b>Financial assets</b>		
Investment in subsidiaries	67,383	67,383
Investments	55	53
Other financial assets	604	843
Deferred tax assets (net)	938	3,661
Tax assets (net)	2,204	-
Other non-current assets	139	128
<b>Total non-current assets</b>	<b>76,056</b>	<b>75,800</b>
<b>Current assets</b>		
<b>Financial assets</b>		
Investments	239	-
Trade receivables	3,381	3,757
Cash and cash equivalents	1,781	692
Bank balances other than cash and cash equivalents	3,785	54
Other financial assets	2,172	1,136
<b>Other current assets</b>	<b>2,015</b>	<b>2,028</b>
<b>Total current assets</b>	<b>13,373</b>	<b>7,667</b>
<b>Total assets</b>	<b>89,409</b>	<b>83,467</b>



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Unaudited Standalone Balance Sheet as at September 30, 2023

(Rs. In lakhs)

Particulars	As at	
	September 30, 2023	March 31, 2023
	(Unaudited)	(Audited)
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity share capital		1,526
Other equity	1,532	72,747
<b>Total equity</b>	<b>75,085</b>	<b>74,273</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings		193
Lease liabilities	202	23
Other financial liabilities	23	223
Provisions	1,128	1,102
<b>Total non-current liabilities</b>	<b>1,382</b>	<b>1,541</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings		78
Lease liabilities	78	0
Trade payables	0	0
total outstanding dues of micro enterprises and small enterprises; and		
total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Other financial liabilities	2,459	2,436
Contract liabilities	5,594	1,671
Other current liabilities	140	251
Provisions	632	595
Current tax liability, net	1,154	1,020
<b>Total current liabilities</b>	<b>10,057</b>	<b>7,853</b>
<b>Total liabilities</b>	<b>12,792</b>	<b>9,194</b>
<b>Total equity and liabilities</b>	<b>89,409</b>	<b>83,467</b>



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**Unaudited Standalone Statement of Cash Flows for Six months ended September 30, 2023**

Particulars	Six months ended	Six months ended
	September 30, 2023	September 30, 2022
	(Unaudited)	(Unaudited)
<b>Cash flows from operating activities</b>		
Profit for the period	5,929	6,095
Adjustments for :		
Interest income	(70)	(61)
Guarantee commission	(189)	(99)
Employee stock compensation expenses	25	46
Finance costs	12	29
Depreciation and amortisation	550	728
Provision for doubtful debts including Bad debts written off, net	153	280
Net gain on foreign currency translation	(22)	23
Tax expense	(203)	1,275
Exceptional item	-	(3,126)
Dividend from subsidiary	(3,517)	(3,206)
Profit on sale of property, plant and equipment, net	(39)	-
Profit on sale of current investments	(44)	(58)
Rental income	(4)	(230)
<b>Operating profit before working capital changes</b>	<b>2,581</b>	<b>1,696</b>
Decrease in trade receivables	240	61
(Increase) in advances and other assets	(955)	(106)
Increase / (decrease) in trade payables, other liabilities and provisions	1,432	(1,269)
<b>Cash generated from operating activities before taxes</b>	<b>3,298</b>	<b>382</b>
Income taxes paid, net of refunds	(356)	(182)
<b>Net cash generated from/ (used in) operating activities</b>	<b>2,942</b>	<b>200</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment and Investment property	83	4,437
Taxes on proceeds from sale of Investment property	-	(750)
Purchase of property, plant and equipment and intangible assets	(599)	(847)
Interest received	-	86
Purchase consideration paid for acquisition of subsidiaries, net of cash and cash equivalents	-	(2,723)
Purchase consideration paid for slump purchase (refer note 12)	(1,050)	-
Dividend from subsidiary (refer note 6)	3,517	3,206
Rental income	3	274
Guarantee Commission received	63	82
Purchase of current investments	(6,803)	(6,977)
Proceeds from sale of current investments	6,604	9,372
Tax proceeds from sale of current investments	(11)	(10)
<b>Net cash generated from investing activities</b>	<b>1,807</b>	<b>6,150</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares under the employee stock compensation schemes	22	132
Proceeds from long term borrowings	62	7
Repayment of long term borrowings	(53)	-
Amount transferred to Unclaimed Dividend Bank Account, pending distribution	(3,677)	(3,115)
Dividends paid including dividend distribution tax	-	(490)
Payment of lease liabilities	(1)	(61)
Interest paid on lease	(1)	(3)
Other finance charges	(12)	(10)
<b>Net cash (used in) financing activities</b>	<b>(3,660)</b>	<b>(3,540)</b>
Net increase in cash and cash equivalents during the period	1,089	2,810
Cash and cash equivalents at the beginning of the period	692	1,570
<b>Cash and cash equivalents at the end of the period</b>	<b>1,781</b>	<b>4,380</b>

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





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**Notes to the unaudited standalone financial results:**

- The above standalone financial results ('Statement') were reviewed and recommended by the Audit Committee and were thereafter approved by the Board of Directors at their respective meetings held on October 19, 2023. The statutory auditors have carried out a limited review of the Statement of Mastek Limited ('Company') for the quarter and six months ended September 30, 2023.
- The Statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 (the 'Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

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

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	(Rs. In lakhs)					
<b>(i) Items that will not be reclassified subsequently to the profit or loss (net of taxes):</b>						
Defined benefit plan actuarial (loss) / gain, net	(46)	13	(81)	(33)	45	65
<b>Total</b>	<b>(46)</b>	<b>13</b>	<b>(81)</b>	<b>(33)</b>	<b>45</b>	<b>65</b>
<b>(ii) Items that will be reclassified subsequently to the profit or loss (net of taxes):</b>						
(Loss) / gain on change in fair value of forward contracts designated as cash flow hedges, net	(94)	(143)	737	(237)	1,345	(20)
Gain / Loss on change in fair value of other financial instruments, net	-	-	15	-	(22)	(184)
<b>Total</b>	<b>(94)</b>	<b>(143)</b>	<b>752</b>	<b>(237)</b>	<b>1,323</b>	<b>(204)</b>
<b>Other Comprehensive Income- (loss) / gain (net of taxes) (i+ii)</b>	<b>(140)</b>	<b>(130)</b>	<b>671</b>	<b>(270)</b>	<b>1,368</b>	<b>(139)</b>

**4 Exceptional Items represents the following:**

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	(Rs. In lakhs)					
(Loss) / gain on changes in fair value of put option liability (refer note 7)	-	-	(587)	-	(1,151)	874
Net profit on sale of investment property	-	-	4,277	-	4,277	4,277
Reversal of settlement provision relating to revenue contract	-	-	-	-	-	713
Expense relating to business combination consummated during the period	-	-	-	-	-	-
<b>Net (loss) / gain</b>	<b>-</b>	<b>-</b>	<b>3,690</b>	<b>-</b>	<b>3,126</b>	<b>5,864</b>

- The Company has accounted net foreign exchange gain / (loss) under "Other income". Further, during the period / year, Company has realised foreign exchange gain arising from currency hedges relating to certain firm commitments and forecasted sales transactions. The table below shows the amount of gain or loss in each of the periods presented:

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	(Rs. In lakhs)					
Net foreign exchange (gain) / loss	(17)	(55)	169	(72)	324	(83)
Net realised foreign exchange gain arising from hedging accounted under revenue from operations	(87)	(117)	(354)	(204)	(572)	(1,000)



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

(Rs. In lakhs)

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
Dividend received	3,517	-	3,206	3,517	3,206	5,714

7 During the quarter and year ended March 31, 2020, Mastek acquired control of the business of Evolutionary Systems Private Limited ("ESPL") and its subsidiary companies (together referred to as "Evosys"). The acquisition was as follows:-

i. Mastek (UK) Limited, a wholly-owned subsidiary of Mastek Limited, entered into a Business Transfer Agreement ("BTA") on February 8, 2020 to acquire the business of Evosys Arabia FZ LLC and Share Transfer Agreements (STA) to acquire Middle East Companies ("MENA Acquisition") by paying a cash consideration (net of cash and cash equivalents) of USD 64.9 million i.e. Rs. 48,204 lakhs. The closing of such transaction occurred on March 17, 2020, which is considered to be the date of transfer of control or the date of acquisition, as per Ind AS 103 'Business Combinations', and necessary effects have been recognised in the standalone financial statements of the respective entities and consolidated financial statements of the Group.

ii. With respect to a business undertaking of ESPL (including investments in certain subsidiaries of ESPL), the parties (Mastek group and Evosys group) entered into a Demerger Co-operation Agreement (DCA) and Shareholders Agreement on February 8, 2020. The manner of discharge of the non-cash consideration and the acquisition of legal ownership, was decided to be achieved through a demerger scheme filed before the National Company Law Tribunal ("NCLT") ("the Scheme"), or, as per DCA, the parties were to complete this transaction with the same economic effect, by an alternate arrangement, within the period specified in the DCA. The DCA gave Mastek Enterprise Solutions Private Limited ("MESPL") (formerly known as Trans American Information Systems Private Limited) a subsidiary of Mastek Limited, the right to appoint majority of the board of directors in ESPL and its subsidiaries and also provided for the relevant activities of ESPL and its subsidiaries to be decided by a majority vote of such board of directors, thereby resulting in transfer of control of business of ESPL and its subsidiaries to Mastek Group. The date of acquisition of business undertaking for the purposes of Ind AS 103 is the date of transfer of control to the Mastek Group, i.e. February 8, 2020. Discharge of consideration for demerger was made through issue of 4,235,294 equity shares of Mastek Limited (face value Rs. 5 each) and balance consideration by issuing 15,000 Compulsorily Convertible Preference Shares (CCPS) of Rs. 10 each of MESPL, subsequently split into 150,000 CCPS of Re. 1 each, which carry a Put Option to be discharged at agreed EBITDA multiples, based on actual EBITDA of 3 years commencing from financial year ended March 31, 2021 including adjustment for closing cash.

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

On December 17, 2021, a board meeting was held where the Board approved the buy out of first tranche of CCPS i.e. 1/3rd of the total outstanding CCPS (of MESPL) basis the agreed valuations in line with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended). Accordingly, 254,755 equity shares of Mastek Limited (face value of Rs. 5 each) had been issued on February 10, 2022, for said buy-out of first tranche of 50,000 CCPS of MESPL.

On December 11, 2022, a board meeting was held where the Board approved the buy out of second tranche of 50,000 CCPS of MESPL basis the agreed valuations in line with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended). Accordingly, 320,752 equity shares of Mastek Limited (face value of Rs. 5 each) had been issued on January 17, 2023, for said buy-out of second tranche of 50,000 CCPS of MESPL.





**MASTEK LIMITED**  
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CIN No. L74140GJ1982PLC005215

- 8 In accordance with Ind AS 108 – ‘Operating Segments’, the Company has opted to present segment information along with the consolidated financial results of the Group.
- 9 The Company had filed for a Bilateral Advance Pricing Arrangement (‘BAPA’) in the financial year 2015-16, under which the Company had recognised a provision in its books of account based on the most likely outcome expected as per the BAPA. Since no agreement could be reached between the respective competent tax authorities, the said application had been closed by them during the quarter ended June 30, 2023. Basis the analysis done by management, the additional tax provision upto March 31, 2023, amounting to Rs. 2,755 lakhs, being no longer required, had been reversed during the aforesaid quarter and included under ‘Current tax adjustments relating to earlier years’.
- Further, during the quarter ended June 30, 2023, the management had decided to opt for new tax rate regime as per Section 115BAA of the Income-tax Act, 1961, effective FY 2022-23. As per provisions of Section 115BAA, the Company on shifting to new tax regime will be taxed at a lower rate and would not be required to pay Minimum Alternate Tax (MAT) and, as a consequence, no longer claim MAT credits. Accordingly, deferred tax adjustments during the quarter ended June 30, 2023, primarily include reversal of deferred tax asset (towards MAT credit) amounting to Rs. 2,839 lakhs and remeasurement of other opening deferred tax balances, based on the new tax rate. In view of the same, adjustment (reversal) was also required to the provision recognised for the year ended March 31, 2023, at the higher tax rate (prior to the adoption of new tax regime), which have been included under ‘Current tax adjustments relating to earlier years’.
- 10 During the quarter and six months ended September 30, 2023 the paid-up equity share capital stands increased by Rs. 3 lakhs (52,873 equity shares of Rs. 5 each) and Rs. 6 lakhs (118,135 equity shares of Rs. 5 each) respectively, pursuant to the allotment of equity shares on the exercise of options by eligible employees, under the ESOP scheme Plan VI and Plan VII.
- 11 The Company had signed a definitive agreement to acquire 100% of the equity shares of Meta Soft Tech Systems Private Limited, which is an off-shore service provider and is mainly engaged in Information Technology and software support services. The equity shares were purchased for a consideration of Rs. 2,723 lakhs, subject to customary closing adjustments as per the terms of the Share Purchase Agreement. The acquisition was completed on August 1, 2022.
- 12 Mastek Limited, signed a definitive agreement for slump purchase of the identified assets and liabilities of BizAnalytica Solutions LLP, which is an off-shore service provider and is primarily engaged in Data cloud, analytics and modernization related services. The slump purchase including identified assets and liabilities to be bought for a consideration of approximately Rs. 1,050 lakhs (equivalent to USD 1.28 million), subject to customary closing adjustments as per the terms of the Business Sale Agreement. The slump purchase was completed on August 1, 2023.
- 13 During the quarter ended 30 September 2023, the Company has paid a final dividend of Rs. 12 per share (240%) on face value Rs. 5 each post receiving shareholder’s approval in Annual General Meeting, which was in line with the dividend recommended by the Board of Directors for the financial year 2022-23.

Place : Mumbai, India  
Date : October 19, 2023



  
Ashank Desai  
Chairman

