

INDEPENDENT AUDITOR'S REPORT

To Board of Directors of Mastek Inc.,

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mastek Inc (“Holding Company”) and its subsidiaries (Collectively, referred to as ‘the Group’), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statement of loss and other comprehensive income, consolidated statement of changes in stockholder’s equity and the consolidated cash flow statement for the year then ended, and the related notes to the consolidated financial statements including a summary of material accounting policies.(hereinafter referred to as the ‘Consolidated Financial Statements’).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the consolidated financial position of the Group as at March 31, 2025, and the results of its consolidated operation and its consolidated cash flow for the year then ended in accordance with International Financial Reporting Standards (‘IFRS’) as issued by the International Accounting Standards Board (‘IASB’)

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements, which includes the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS and for the design, implementation and maintenance of internal control to the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions and events, considered in aggregate, that raise substantial doubt about the Group’s ability to continue as a going concern within one year after the date that the consolidated financial statements are issued, or available to be issued; to disclose, as applicable, matters relating to going concern and to use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group’s financial reporting process





Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether these consolidated 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 International Standards on Auditing (ISAs) 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 consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the consolidated financial statements.

BDO India Services Private Limited
BDO India Services Private Limited

Place: Mumbai

Date: April 06, 2026



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MASTEK INC.,

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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, but not for the purpose of expressing an opinion on the effectiveness of the Holding Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude on the appropriateness of management's 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit of the Holding Company. We remain solely responsible for our audit opinion.

We communicate with Board of Directors 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.

BDO India Services Private Limited

BDO India Services Private Limited

Place: Mumbai

Date: April 06, 2026



Mastek, Inc.

Consolidated Statement of Financial Position as at March 31, 2025

(All amounts in USD '000, unless otherwise stated)

	Note	As at	
		March 31, 2025	March 31, 2024
ASSETS			
Non-current assets			
Property and equipment, net	3a(i)	121	160
Goodwill	3c	111,812	125,074
Other intangible assets, net	3a(ii)	9,469	13,797
Right-of-use assets, net	3b	705	1,401
Financial assets			
Investment	4	2,100	2,000
Deferred tax assets, net	22(c)	10,914	4,941
Total non-current assets		135,121	147,372
Current assets			
Financial assets			
Trade receivables	5	35,634	19,943
Cash and cash equivalents	6	8,017	8,664
Other current assets	7	8,815	8,061
Total current assets		52,466	36,668
Total assets		187,587	184,040
EQUITY AND LIABILITIES			
Equity			
Share capital	8	71,350	71,350
Other equity	9	(15,742)	(15,107)
Total equity		55,608	56,243
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	10 (a)	40,060	32,380
Lease liabilities	28(ii)	76	752
Other financial liabilities	11	-	46,516
Total non-current liabilities		40,136	79,648
Current liabilities			
Financial liabilities			
Borrowings	10 (b)	39,598	16,403
Lease liabilities	28(ii)	732	811
Trade payables	12	45,944	27,434
Other current liabilities	13	4,818	2,966
Provisions	14	751	535
Total current liabilities		91,843	48,149
Total liabilities		131,979	127,797
Total equity and liabilities		187,587	184,040

The accompanying notes form an integral part of the consolidated financial statements

Mastek, Inc.

Consolidated Statement of Profit And Loss and Other Comprehensive Income for the year ended March 31, 2025

(All amounts in USD '000, unless otherwise stated)

	Note	Year ended	
		March 31, 2025	March 31, 2024
Revenue	15	103,311	87,941
Employee benefits expenses	17	(42,274)	(41,850)
Depreciation and amortisation expenses	18	(3,577)	(5,567)
Other expenses	19	(66,538)	(48,412)
Operating loss		(9,078)	(7,888)
Other income	16	833	420
Finance costs	20	(4,200)	(4,275)
Loss before tax and Exceptional Item		(12,445)	(11,743)
Exceptional Item		(5,727)	-
Loss before tax		(6,718)	(11,743)
Tax credit			
Current tax	22(a)	38	1,098
Deferred tax	22(c)	5,973	3,235
Total tax charge		6,011	4,333
Net Loss after tax for the year		(707)	(7,411)
Other comprehensive income (OCI) for the year			
Items that will be reclassified to the statement of profit or loss in subsequent period			
Loss on foreign currency translation		(27)	(3)
Gain on Fair value of Investment		100	500
Total comprehensive loss for the year net of taxes		(634)	(6,914)
Earnings per share	21		
[Equity shares of par value March 31, 2025 : USD 100 each (March 31, 2024 : USD 100 each)]			
Basic and diluted (in USD)		\$ (0.99)	\$ (10.39)

The accompanying notes form an integral part of the consolidated financial statements

Mastek, Inc.

Consolidated Statement Of Cash Flows for the year ended March 31, 2025

(All amounts in USD '000, unless otherwise stated)

	Year ended	
	March 31, 2025	March 31, 2024
Cash flows from operating activities		
(Loss) for the year	(6,718)	(11,743)
Adjustments:		
Provision for compensated absences	216	49
Rent Income	(402)	(391)
Finance cost	4,200	4,275
Depreciation and amortisation	3,577	5,567
Other non-operating income	(22)	(29)
Employee stock compensation expenses	152	417
Impairment of Goodwill and Intangible asset	14,850	-
Gain on fair valuation	-	(500)
	15,853	(2,355)
Changes in operating assets and liabilities		
(Increase) in trade receivables	(15,691)	(6,795)
(Increase) in other assets	(754)	(2,419)
(Decrease) / Increase in trade and other payables, other liabilities and provisions	(26,154)	28,507
Cash (used) in / generated from operating activities before taxes	(26,746)	16,938
Income taxes paid, net	37	66
Net Cash (used) in / generated from operating activities	(26,709)	17,004
Cash flows from investing activities		
Purchase of property and equipment and intangible assets	(104)	(5,440)
Rent income	402	391
Other non-operating income	22	29
Purchase consideration paid for acquisition of subsidiary	-	(21,559)
Net cash generated from / (used) in investing activities	320	(26,579)
Cash flows from financing activities		
Proceeds from borrowings	64,050	17,458
Repayment of borrowings	(33,790)	(1,000)
Finance costs	(3,528)	(2,344)
Payment of lease liabilities	(811)	(795)
Employee stock compensation expenses	(152)	(417)
Net cash generated from financing activities	25,769	12,902
Net increase in cash and cash equivalents during the year	(620)	3,326
Cash and cash equivalents at the beginning of the year	8,664	5,341
Effect of exchange rate changes on Cash	(27)	(3)
Cash and cash equivalents at the end of the year	8,017	8,664

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

The accompanying notes form an integral part of the consolidated financial statements

Mastek, Inc.**Consolidated Statement of Change in Stakeholder's Equity as at March 31, 2025**

(All amounts in USD '000, unless otherwise stated)

Particulars	Share capital	Reserves & Surplus	OCI		Total equity
		Retained earnings	Foreign currency translation reserve	Other items of OCI	
Balance as at April 1, 2024	71,350	(15,553)	(54)	500	56,243
Foreign currency translation movement during the year	-	-	(28)	-	(28)
Loss for the year	-	(707)	-	-	(707)
Gain on Fair value of Investment	-	-	-	100	100
Balance as at March 31, 2025	71,350	(16,260)	(82)	600	55,608
Balance as at April 1, 2023	71,350	(8,142)	(51)	-	63,157
Foreign currency translation movement during the year	-	-	(3)	-	(3)
Loss for the year	-	(7,411)	-	-	(7,411)
Gain on Fair value of Investment	-	-	-	500	500
Balance as at March 31, 2024	71,350	(15,553)	(54)	500	56,243

Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025

(USD in '000, unless otherwise stated)

1 Company Overview

Mastek, Inc. (formerly known as Digility, Inc.) ("the Company") was incorporated on November 17, 2015 in Delaware, USA and its subsidiaries (collectively referred to as "the Group") are providers of vertically-focused enterprise technology solutions in North American markets.

The details of Holding Company including Ultimate Holding Company are:

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2025	% of voting power held as at March 31, 2024
Mastek UK, Holding Company	UK	100%	100%
Mastek Limited, Ultimate Holding Company	India	100%	100%

The details of subsidiaries including step-down subsidiaries considered in these consolidated financial statements are:

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2025	% of voting power held as at March 31, 2024
Trans American Information Systems Inc.	USA	100%	100%
Mastek Digital Inc.	Canada	100%	100%
Meta Soft tech Solutions LLC	USA	100%	100%
BizAnalytica LLC	USA	100%	100%

2 Basis of Preparation

a. Statement of compliance

These Consolidated Financial Statements (also referred to as "the financial statements") have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). They have been prepared under the assumption that the Group operates on a going concern basis.

These financial statements correspond to the classification provisions contained in IAS 1 (revised), "Presentation of Financial Statements". Accounting policies have been applied consistently to all periods presented in these financial statements except where a remission to an existing accounting standard required a change in the accounting policy hereto in use. The financial statements comprise the Statement of Financial Position as of March 31, 2025 with comparative Statement of Financial Position as on March 31, 2024; the Statement of Profit and loss; the Statement of Changes in Equity; and the Statement of Cash Flows for the years ended March 31, 2025 with comparatives for the year ended March 31, 2024.

At the date of authorization of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Group. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and interpretations not adopted have not been listed / disclosed below as they are not expected to have a material impact on the Company's financial statements.

All amounts included in the consolidated financial statements are reported by rounding off to the nearest thousands in US dollar (in \$) except share and per share data which are reported (in \$) unless otherwise stated and "0" denotes amount less than one thousand US dollar.

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

- Certain financial assets and liabilities measured at fair value

The consolidated financial statements have been prepared by the management for the limited purpose to provide assurance to present investors and board of managers that adequate governance over financial reporting exists.

Mastek, Inc.**Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025****(USD in '000, unless otherwise stated)****b. Use of estimate and judgement**

The preparation of consolidated financial statements in conformity with IFRS 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 recognised 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 recognised in the consolidated financial statements is included in the following notes:

i) *Revenue Recognition*: The Group applies the percentage of completion method in accounting for its fixed price contracts. Use of the percentage of completion method requires the Group 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) *Property, plant and equipment*: Property, plant and equipment represent a proportion of the asset base of the Group. The change in respect of periodic depreciation is derived after determining an estimate of an assets expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The 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. (Refer accounting policy d(vi)).

iv) *Impairment testing*: Goodwill and Intangible assets recognised on business combination are tested for impairment at least annually or when events occur or changes in circumstances indicate that the recoverable amount of the asset or the cash generating unit (CGU) to which these pertain is less than the carrying value. The recoverable amount of the asset or the cash generating units is higher of value-in-use and fair value less cost of disposal. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions. (Refer accounting policy v)

v) *Expected credit losses on financial assets*: The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group'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 Group 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.

vii) *Provisions*: Provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding expenses for compensated absence) are 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 are adjusted to reflect the current best estimates.

Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025

(USD in '000, unless otherwise stated)

(viii) Leases: Determining the lease term of contracts with renewal and termination options – Group as lessee
IFRS 16 requires the lessee to determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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

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

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The Group has taken indicative rates from its bankers and used them for IFRS 16 calculation purposes.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group (its subsidiaries). Control exists when the parent has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of subsidiaries are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain/ loss from such transactions are eliminated upon consolidation. The financial statements are prepared by applying uniform policies in use at the Group.

d. Summary of material accounting policies

(i) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The consolidated financial statements are presented in USD dollar, which is the functional currency of the Group.

ii) Foreign currency transactions and balances

a) Foreign currency transactions - Foreign currency transactions of the Group 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 consolidated statement of profit and loss. Non-monetary assets and liabilities are continued to be carried at rates of initial recognition.

b) Foreign operations - For the purposes of presenting the consolidated financial statements assets and liabilities of Group's foreign operations with functional currency different from the Company are translated into Company's functional currency i.e. USD using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in foreign currency translation reserve and accumulated in other equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the balance sheet date.

(iii) Financial instruments

A. Initial recognition and measurement

The Group recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised 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 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.

Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025

(USD in '000, unless otherwise stated)

B. Subsequent measurement

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. Financial assets are subsequently measured at amortised cost using the effective interest rate method less impairment losses, if any.

b. Financial Assets at Fair Value Through Other Equity

A financial asset is subsequently measured at fair value through other equity 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 amortised 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.

C. Derecognition of financial instruments

The Group 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.

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

(iv) 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 Group's operating cycle. 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 Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025

(USD in '000, unless otherwise stated)

(v) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated to the cash-generating units (CGU) expected to benefit from the synergies of the combination for the purpose of impairment testing. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

For the purpose of impairment testing, goodwill is allocated to a Cash generating unit (CGU) representing the lowest level within the group at which goodwill is monitored for internal management purposes, and which is not higher than the group operating segment. Goodwill is tested for impairment annually or earlier, if events or changes in circumstances indicate that the carrying amount may not be recoverable. For goodwill impairment testing, the carrying amount of CGU's (including allocated goodwill) is compared with its recoverable amount by the Group. The recoverable amount of a CGU is the higher of its fair value less cost to sell or its value in use. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to other assets of the CGU pro rata on the basis of the carrying amount of such assets in CGU.

(vi) Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The cost of property, plant and equipment acquired in a business combination is recorded at fair value on the date of acquisition.

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

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

Category	Useful Life
Computers	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Leasehold improvements	5 - 10 years or the primary period of lease whichever is less

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

(vii) Intangible assets

Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired in a business combination are measured at fair value as at the date of acquisition. 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 lives of amortisable intangibles are reviewed and where appropriate, are adjusted annually.

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
Customer contracts	1 Year
Customer relationships	10 - 15 Years

Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025

(USD in '000, unless otherwise stated)

(viii) Leases

As a lessee

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

a. Right of use assets

The Group 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.

b. Lease liabilities

At the commencement date of the lease, the Group 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 that depend on an index or a rate, 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group 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.

c. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of 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, 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.

As a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease. Contingent rents are recognised as revenue in the period in which they are earned.

(ix) Impairment of assets

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

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

Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025

(USD in '000, unless otherwise stated)

(x) Other short-term benefits

The employees of the Group are also entitled for other short-term benefits in the form of compensated absences. Group's liability towards compensated absences is determined as per the local laws on a full liability basis for the entire un-availed vacation balances standing to the credit of each employee as at the year end.

(xi) Share-based payments

The ultimate holding company determines the compensation cost based on the fair value method. The ultimate holding company grants options which will be vested in a graded manner and are to be exercised within a specified period. The compensation cost is amortised on graded basis over the vesting period. The share based compensation expense is determined based on the Ultimate Holding Company's estimate of equity instruments that will eventually vest.

(xii) Provisions and contingent liabilities

Provisions are recognised when the Group 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 Group 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 Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset, only when such reimbursement is virtually certain.

(xiii) Revenue Recognition

The Group derives revenue primarily from Information Technology services which includes IT Outsourcing services, support and maintenance services. The Group recognises revenue over time of period of contract on transfer of control of deliverables (solutions and services) to its customers in an amount reflecting the consideration to which the Group expects to be entitled. To recognise revenues, Group 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.

Group 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 method 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, Group accounts for individual performance obligations separately if they are distinct by allocating 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 utilizing observable prices to the extent available. If the standalone selling price for a performance obligation is not directly observable, Group 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 Group 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.

Mastek, Inc.**Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended****March 31, 2025****(USD in '000, unless otherwise stated)**

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

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

Trade Receivable, net is primarily comprised of billed and unbilled receivables (i.e. only the passage of time is required before payment is due) for which there exists 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 in "Other current assets" in the financial statements and primarily relate to unbilled amounts on fixed-price contracts utilizing the cost to cost 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 performance obligations 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.

(xiv) Income Tax

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised directly in equity.

Calculation of current tax is based on tax rates and tax laws applicable to the reporting period and for deferred tax with tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

(xv) Finance / Borrowing costs

Finance costs comprises 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 and balance with current bank accounts.

(xviii) Business Combination

Business Combination are accounted for using the acquisition method under the provisions of IFRS 3, Business combinations. The cost of an acquisition is measured at the fair value of the asset 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 group.

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 actual acquisition date results in the material changes in amount recognised. The cost of acquisition also include the fair value of any contingent consideration. Identifiable asset 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 change in fair value are recognised in the consolidated statement of profit & loss.

Acquisition costs that the group incurs in connection with the business combination are expensed as incurred.

Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025

(USD in '000, unless otherwise stated)

(xix) Other Income

Other income comprises interest income on deposits. Interest income is recognised using the effective interest method.

(xx) New and revised IFRS Standards in issue but not yet effective

Some accounting pronouncements which have been issued but not yet effective do not have any significant impact on the Group's financial position.

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Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025

(All amounts in USD '000, unless otherwise stated)

3(a)(i) Property, plant and equipment

Particulars	Gross value (at cost)				Depreciation / Amortisation				Net value	
	April 1, 2024	Additions	Disposals	March 31, 2025	April 1, 2024	For the year	Disposals	March 31, 2025	March 31, 2025	March 31, 2024
Computers	698	66	-	764	549	106	-	655	109	149
Furniture and fixtures	212	0	-	212	206	6	-	212	0	6
Office equipment	46	11	-	57	43	2	-	45	12	3
Leasehold improvements	134	-	-	134	132	2	-	134	-	2
Total	1,090	77	-	1,167	930	116	-	1,046	121	160

3(a)(ii) Other intangible assets

Particulars	Gross value (at cost)				Amortisation				Net value		
	April 1, 2024	Additions	Disposals	March 31, 2025	April 1, 2024	For the year	Impairment	Disposals	March 31, 2025	March 31, 2025	March 31, 2024
Computer software	251	27	(91)	187	228	29	-	(91)	166	21	23
Customer contracts	4,865	-	-	4,865	4,395	353	-	-	4,748	117	470
Customer relationships	18,470	-	-	18,470	5,166	2,384	1,589	-	9,139	9,331	13,304
Total	23,586	27	(91)	23,522	9,789	2,766	1,589	(91)	14,053	9,469	13,797

3(b) Right-of-use assets

Particulars	Gross value (at cost)				Depreciation				Net value	
	April 1, 2024	Additions	Disposals	March 31, 2025	April 1, 2024	For the year	Disposals	March 31, 2025	March 31, 2025	March 31, 2024
Building	3,373	-	-	3,373	1,972	695	-	2,668	705	1,401
Total	3,373	-	-	3,373	1,972	695	-	2,668	705	1,401

Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025

(All amounts in USD '000, unless otherwise stated)

3(a)(i) Property, plant and equipment

Particulars	Gross value (at cost)					Depreciation / Amortisation				Net value	
	April 1, 2023	Additions on Business Acquisition	Additions	Disposals	March 31, 2024	April 1, 2023	For the year	Disposals	March 31, 2024	March 31, 2024	March 31, 2023
Computers	602	6	90	-	698	435	114	-	549	150	168
Furniture and fixtures	210	-	2	-	212	191	15	-	206	6	19
Office equipment	46	-	-	-	46	42	1	-	43	3	4
Leasehold improvements	134	-	-	-	134	131	1	-	132	1	2
Total	992	6	92	-	1,090	799	131	-	930	160	193

3(a)(ii) Other intangible assets

Particulars	Gross value (at cost)					Amortisation				Net value	
	April 1, 2023	Additions on Business Acquisition	Additions	Disposals	March 31, 2024	April 1, 2023	For the year	Disposals	March 31, 2024	March 31, 2024	March 31, 2023
Computer software	200	-	51	-	251	199	29	-	228	23	1
Customer contracts	4,160	705	-	-	4,865	2,431	1,964	-	4,395	470	1,729
Customer relationships	14,340	4,130	-	-	18,470	2,402	2,764	-	5,166	13,304	11,938
Total	18,700	4,835	51	-	23,586	5,032	4,757	-	9,789	13,797	13,668

3(b) Right-of-use assets

Particulars	Gross value (at cost)				Depreciation				Net value	
	April 1, 2023	Additions	Disposals	March 31, 2024	April 1, 2023	For the year	Disposals	March 31, 2024	March 31, 2024	March 31, 2023
Building	3,635	511	(773)	3,373	2,019	726	(773)	1,972	1,401	1,616
	3,635	511	(773)	3,373	2,019	726	(773)	1,972	1,401	1,616

Mastek, Inc.**Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025****(All amounts in USD '000, unless otherwise stated)****3(c) Goodwill**

Particulars	As at	
	March 31, 2025	March 31, 2024
Gross carrying amount		
Balance as at beginning of the year	125,074	103,515
Additions during the year (Refer note 29)	-	21,559
Impairment of Taistech - Goodwill	(13,262)	-
Balance as at the end of the year	111,812	125,074

Impairment assessment

The Group has redefined its growth strategy to be geography-based rather than service line-specific. Consequently, Group management now monitors and reviews performance based on geographical outcomes rather than individual service lines. The Chief Operating Decision Maker (CODM) regularly assesses the performance of the Group using geographical outcomes. This involves evaluating key performance indicators (KPIs) such as revenue growth, EBITDA margins, and operational efficiency for each geographical segment.

Goodwill having a carrying value of USD 111,812 (March 31, 2024: USD 125,074) includes Goodwill of Mastek US CGU USD 111,812 (March 31, 2024: USD 125,074). The recoverable amount has been determined using value in use. The estimated value-in-use of CGU, is based on the present value of the future cash flows using terminal growth rate of 2.00% p.a for the CGU, annual growth rate for periods subsequent to the forecast period of 5 years (March 31, 2024: 5 years) and discount rate of 11.50% p.a. The growth rate used is in line with the long-term average growth rate for the industry in which Group operates. An analysis of the sensitivity of the computation to a change in key parameters (Growth rate and discount rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below it is carrying amount.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset / CGU is made. Asset / CGU whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the consolidated statement of profit and loss.

In the current year Goodwill and intangibles previously generated on Taistech Business acquired during the year ended March 31, 2017 are written off amounting to USD 13,262. As considering the updated strategy adopted during the current year, the Group believes that the capabilities in the area of digital experience and other service lines from the more recent acquisitions would yield results which are expected to be significantly higher than results with similar efforts, expected from Taistech. Accordingly, the Group has decided to de-prioritise its focus on Taistech US resulting in the impairment loss.

An analysis of the sensitivity of the computation to a change in key parameters (Growth rate and discount rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025
(All amounts in USD '000, unless otherwise stated)

Non Current Assets

	As at	
	March 31, 2025	March 31, 2024
4 Investment		
Investment in share warrant at FVOCI fully paid (unquoted)		
Investment in Volteo Edge*	2,100	2,000
	2,100	2,000

- * On December 16, 2022, Mastek Inc., made a Simple Agreement for Future Equity ("SAFE") note investment in VolteoEdge, an Edge Intelligence Company in the Connected Enterprise Space ("VolteoEdge") which will be converted into an equity stake (of approximately 5%) in series A round with a pre-determined valuation cap. VolteoEdge in collaboration with Intel and ServiceNow, delivers Edge-as-a-Service or Edge-to-Service (E2S) to its customers across Manufacturing, Oil & Gas, Healthcare, Retail, and Infrastructure industries. The purchase consideration includes upfront payment of USD 1,500. Hence the information regarding number of warrants, face value and fair value as on reporting date is not available.

	As at	
	March 31, 2025	March 31, 2024
5 Trade receivables		
Trade receivables, gross from related party [refer note 23(iii)]	14,243	6,194
Trade receivables, gross from others	22,364	15,144
Less: Allowance for expected credit losses (on receivables from others)	(973)	(1,395)
	35,634	19,943

- i) Trade receivables are non-interest bearing.
ii) Refer note 26 for information on credit risk and market risk.
iii) All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

	As at	
	March 31, 2025	March 31, 2024
6 Cash and cash equivalents		
Cash and cash equivalents		
Cash on hand	-	-
Bank balances - in current bank accounts	8,017	8,664
	8,017	8,664

Notes:

- i) Refer note 26 for information on credit risk and market risk.
ii) There are no repatriation restrictions with regards to cash and cash equivalents.

	As at	
	March 31, 2025	March 31, 2024
7 Other current assets		
Prepaid expenses	95	164
Security deposits	261	262
Contract asset [refer note 15]	7,015	6,199
Advances to employees	117	286
Advances to suppliers	778	506
Advance tax paid (Net)	70	42
Receivables from owners of BizAnalytica Solutions LLC	479	602
	8,815	8,061

Note:

- i) Refer note 26 for information on credit risk and market risk.

Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025
(All amounts in USD '000, unless otherwise stated)

8 Equity share capital	As at	
	March 31, 2025	March 31, 2024
Authorised:		
1,000,000 (March 31, 2024: 1,000,000 of USD 100 each) equity shares of USD 100 each	100,000	100,000
	100,000	100,000
Issued, subscribed and fully paid up :		
713,500 (March 31, 2024: 713,500 of USD 100 each) equity shares of USD 100 each fully paid	71,350	71,350
	71,350	71,350

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

The Company has one class of equity shares having a par value of \$ 100 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Particulars	March 31, 2025		March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Balance as at beginning of the year	713,500	71,350	713,500	71,350
Add : Shares issued during the year	-	-	-	-
Balance as at the end of the year	713,500	71,350	713,500	71,350

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

Name of the shareholder	March 31, 2025		March 31, 2024	
	No. of shares	Amount	No. of shares	% of holding
Mastek UK Limited	713,500	100%	713,500	100%

9 Other equity	As at	
	March 31, 2025	March 31, 2024
a) Retained earnings (All net gains and losses and transactions with owners including prior year's undistributed earning after taxes)	(16,260)	(15,553)
b) Foreign currency translation reserve Exchange difference relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Company's presentation currency are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.	(81)	(54)
c) Other items of OCI Gain on Fair value of Investment	600	500
	(15,741)	(15,107)

Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025
(All amounts in USD '000, unless otherwise stated)

10 (a) Borrowings**Secured**

Term loans from Bank*

As at	
March 31, 2025	March 31, 2024
40,060	32,380
40,060	32,380

Note:

* Refer note 26 for liquidity risk and market risk.

Nature of Security :**Term loan of USD 30 million**

- i. Secured by corporate guarantee of USD 32 million given by the ultimate holding company Mastek Limited.
- ii. Secured by mortgage of Mahape property of Mastek Limited - Mahape Property A-7, Section -I, Industrial Area, Mastek Millenium Centre, Millenium Business Park 2, TTC Industrial Area, Shil Phata-Mahape Road, Mahape, Navi Mumbai - 400710.

Term loan of USD 16.72 million

- i. Secured by corporate guarantee of USD 23.9 million given by the ultimate holding company Mastek Limited.

Term loan of USD 24.2 million

- i. Secured by mortgage of Chennai property of Mastek Limited - Mahindra World City, Plot No. TP – 5, 4th Avenue, Nathan Sub (PO), Chengalpattu, Tamil Nadu – 603002
- ii. Secured by corporate guarantee of USD 24.2 million given by the ultimate holding company Mastek Limited.

Line of Credit of USD 5 million

USD 3.95 million credit facility is availed by the company during the year.

Repayment

- i. Term loan of 30 million:** Payment in 8 equal half yearly installment of USD 3.75 million over a period of 5 years starting from the month of March 2024 along with the interest at secured overnight financing rate (SOFR) + 100 Basis points: 5.4 % - 6.4 % p.a. as at year end (March 31, 2024: 6.7 % - 7.3 % p.a.)
- ii. Term of loan 16.72 million:** Payment in 8 equal half yearly installment of USD 2.09 million over a period of 5 years starting from the month of March 2025 along with the interest at secured overnight financing rate (SOFR) + 150 Basis points: 5.7% - 7.6% p.a as at year end (March 31, 2024 : 6.3% - 6.9% p.a)
- iii. Term of loan 24.2 million:** Payment in 10 equal half yearly installment of USD 2.42 million over a period of 5 years starting from the month of May 2025 along with the interest at secured overnight financing rate (SOFR) + 170 Basis points: 5.5% - 6.6% p.a as at year end (March 31, 2024 : NA)

10 (b) Borrowings**Unsecured**

Loan from related party, repayable on demand [refer note 23(iii)]

Secured

Current Maturities of term loan from bank (refer note 10 (a) above, for security)

As at	
March 31, 2025	March 31, 2024
15,204	2,804
24,394	13,599
39,598	16,403

Notes:

1. Loan taken from Mastek Systems Company Limited carrying interest in the range of 2.5% above SONIA Rate, repayable at demand. Refer note 23
2. Loan taken from Mastek UK Limited carrying interest in the range of 1.5% above the SONIA Rate, repayable at demand. Refer note 23
3. Loan from related party includes interest amounting to USD 954 thousand as on 31 March, 2025 (USD 254 thousand as on 31 March, 2024)

Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025
(All amounts in USD '000, unless otherwise stated)

	As at	
	March 31, 2025	March 31, 2024
11 Other financial liabilities		
Contingent consideration payable (Refer Note no. 29)	-	46,516
	-	46,516

Out of above, contingent consideration of USD 25,863 related to acquisition of Metasofttech Solutions LLC was paid during the year and balance is written back

	As at	
	March 31, 2025	March 31, 2024
12 Trade payables		
Trade payables	22,038	17,832
Accrued expenses	23,906	9,602
	45,944	27,434

Notes:

- i) All amounts are short-term. The carrying values of trade payables are considered to be a reasonable approximation of fair value.
ii) Out of total trade payable USD 42,020 (March 31, 2024: USD 21,394) amount payable to relate party [refer note 23(iii)]

	As at	
	March 31, 2025	March 31, 2024
13 Other current liabilities		
Statutory dues	525	270
Employee benefits payable	2,222	1,759
Other deposits	31	31
Contract liabilities [refer note (ii) below]	453	137
Payable on business acquisition	518	618
Other liabilities	1,069	151
	4,818	2,966

Notes:

- i) Refer note 26 for liquidity risk and market risk.
ii) The amounts recognised as a contract liability will generally be utilised within the next annual reporting period.

	As at	
	March 31, 2025	March 31, 2024
14 Provisions		
Provision for employee benefits		
Provision for compensated absences*	751	535
	751	535

*Disclosure for movement in provision for leave entitlement

Particulars	March 31, 2025	March 31, 2024
Opening provision at the beginning of the year	535	390
Created during the year (net)	216	145
Closing provision at the end of the year	751	535

Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025
(All amounts in USD '000, unless otherwise stated)

15 Revenue	For the year ended	
	March 31, 2025	March 31, 2024
Sale of service		
Information technology services	94,813	82,521
Other operating revenue	8,498	5,420
	103,311	87,941

Disaggregated revenue

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

Revenue by geography	For the year ended	
	March 31, 2025	March 31, 2024
US	92,013	81,854
Canada	2,684	446
Singapore	-	7
Netherlands	116	214
	94,813	82,521

Revenue by service line	For the year ended	
	March 31, 2025	March 31, 2024
Digital Commerce and Experience	60,623	56,321
Data, Automation and AI	14,607	13,448
Oracle	19,583	12,752
	94,813	82,521

Timing of revenue recognition	For the year ended	
	March 31, 2025	March 31, 2024
Transferred at a point in time	54,070	59,754
Transferred over time	40,743	22,767
	94,813	82,521

Notes:

- i) The above figures have been extracted from MIS generated report, to compute Time and Material and Fix Bid Revenue.
- ii) The above figures excludes the amount pertaining to other operating revenue in March 31, 2025 USD 8,498 (March 31, 2024 USD 5,420).

Remaining performance obligation

As of March 31, 2025, the aggregate amount of transaction price allocate to remaining performance obligation, was USD 10,783 thousand of which approximately 98.56% is expected to be recognised as revenue within 3 years. (March 31, 2024 USD 25,020)

Changes in Contract assets are as follows:

Changes in Contract assets are as follows:	For the year ended	
	March 31, 2025	March 31, 2024
Balance at the beginning of the year	6,199	5,574
Invoices raised that were included in the contract assets balance at the beginning of the year	(6,199)	(5,574)
Increase due to revenue recognised during the year, excluding amounts billed during the year	7,015	6,199
Balance at the end of the year	7,015	6,199

Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025
(All amounts in USD '000, unless otherwise stated)

Changes in contract liability are as follows:

Balance at the beginning of the year

Revenue recognised that was included in the contract liability balance at the beginning of the year

Increase due to invoicing during the year, excluding amounts recognised as revenue during the year

Balance at the end of the year

For the year ended	
March 31, 2025	March 31, 2024
137	34
(126)	(34)
442	137
453	137

16 Other income

Other non-operating income

Rent income

Reversal of provision for doubtful trade receivable

For the year ended	
March 31, 2025	March 31, 2024
22	29
402	391
409	-
833	420

17 Employee benefits expenses

Salaries, wages and performance incentives

Employee stock compensation expenses [refer note 23(ii)]

Staff welfare expenses

For the year ended	
March 31, 2025	March 31, 2024
40,598	39,949
152	417
1,524	1,484
42,274	41,850

18 Depreciation and amortisation expenses

Property, plant and equipment

Right-of-use assets [refer note 28(iii)]

Intangible assets

For the year ended	
March 31, 2025	March 31, 2024
116	84
695	726
2,766	4,757
3,577	5,567

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Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025
(All amounts in USD '000, unless otherwise stated)

	For the year ended	
	March 31, 2025	March 31, 2024
19 Other expenses		
Recruitment and training expenses	255	326
Travelling and conveyance expenses	1,792	1,491
Communication charges	223	223
Consultancy and sub-contracting charges [refer note 23(ii) for related party transactions]	60,549	31,921
Rates and taxes	9	90
Repairs	-	-
Buildings	123	99
Others	168	506
Insurance charges	278	183
Printing and stationery expenses	6	10
Professional fees	1,044	1,768
Rent [refer note 28(iii)]	32	63
Advertisement and publicity	315	323
Donation	11	-
Net loss on foreign currency transactions and translation	6	-
Electricity charges	10	11
Bank charges	30	17
Guarantee Commission	566	663
Bad debts	71	1,318
Miscellaneous expenses	1,050	9,400
	66,538	48,412

	For the year ended	
	March 31, 2025	March 31, 2024
20 Finance costs		
Interest on lease liabilities [refer note 28(iii)]	56	90
Other finance charges	4,144	4,185
	4,200	4,275

	For the year ended	
	March 31, 2025	March 31, 2024
21 Earnings per share		
The components of basic and diluted loss per share for total operations are as follows:		
(a) Net loss attributable to equity shareholders	(707)	(7,411)
(b) Weighted average number of outstanding equity shares		
Considered for basic and diluted EPS	713,500	713,500
(c) Earning per share in \$		
Basic and Diluted	\$ (0.99)	\$ (10.39)
(Face value per share March 31, 2025 : \$ 100 each, March 31, 2024 : \$ 100 each)		

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Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025

(All amounts in USD '000, unless otherwise stated)

22 Income taxes

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

Particulars	For the year ended	
	March 31, 2025	March 31, 2024
Current tax	(38)	(1,098)
Deferred tax	(5,973)	(3,235)
Total tax credit recognised in the consolidated statement of profit and loss	(6,011)	(4,333)

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

Particulars	For the year ended	
	March 31, 2025	March 31, 2024
(Loss) before tax	(6,719)	(11,744)
Enacted income tax rate in United States of America	21%	21%
Computed expected tax expense	(1,411)	(2,466)
Effect of:		
Additional tax payable in Canada on account of differential income tax rate	(6)	(15)
Reversal of excess provision for tax of earlier year	-	(303)
State taxes for the year	(720)	(752)
Loss on which deferred tax credit not taken	(4,337)	(882)
Others	463	86
Income tax credit recognised in the consolidated statement of profit and loss	(6,011)	(4,333)

c) The movement in gross deferred income tax assets and (liabilities) (before set-off) for the year ended March 31, 2025 is as follows:

Particulars	Carrying value as at April 1, 2024	Changes through profit and loss	Carrying value as at March 31, 2025
Property, plant and equipment	(33)	37	4
Intangible assets	(1,987)	3,051	1,064
Brought forward losses	4,677	62	4,739
Others	2,284	2,823	5,107
Total	4,941	5,973	10,914

The movement in gross deferred income tax assets and (liabilities) (before set-off) for the year ended March 31, 2024 is as follows:

Particulars	Carrying value as at April 1, 2024	Changes through profit and loss	Carrying value as at March 31, 2025
Property, plant and equipment	107	(140)	(33)
Intangible assets	(1,503)	(484)	(1,987)
Brought forward losses	2,323	2,354	4,677
Others	779	1,505	2,284
Total	1,706	3,235	4,941

Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025

(All amounts in USD '000, unless otherwise stated)

23 Related party disclosures (relationships have been disclosed to the extent transactions have taken place and for relationships of control)

Name of related party	Nature of relationship	Country of incorporation
Mastek Limited	Ultimate Holding Company	India
Mastek (UK) Limited	Holding Company	United Kingdom
Mastek Systems Pty Ltd	Fellow Subsidiary Company	Australia
Evolutionary Systems Corp.	Fellow Subsidiary Company	United States of America
Evolutionary Systems B.V.	Fellow Subsidiary Company	Netherlands
Mastek Systems (Singapore) Pte. Ltd.	Fellow Subsidiary Company	Singapore
Mastek Arabia FZ LLC, (UAE)	Fellow Subsidiary Company	United Arab Emirates
Mastek Systems Company Ltd.	Fellow Subsidiary Company	United Kingdom
Evolutionary Systems Canada Ltd	Fellow Subsidiary Company	Canada
Evolutionary Systems Qatar WLL	Fellow Subsidiary Company	Qatar
Mastek Systems Bahrain WLL	Fellow Subsidiary Company	Bahrain
Mastek Systems (Malaysia) SDH BHD	Fellow Subsidiary Company	Malaysia
Evolutionary Systems Consultancy LLC	Fellow Subsidiary Company	United Arab Emirates
Evosys Kuwait WLL	Subsidiary Company	Kuwait
Mastek Information Technology Company (LLC)	Subsidiary Company	Kingdom of Saudi Arabia

Key management personnel:	Hiral Chandana, Director
	Ketan Mehta, Director
	Vivek Chopra, Director
	David Rutchik, Director
	Suresh Vaswani, Director
	Marilyn Jones, Director
	Daniel Lang, Local Professional
	Mayur Gajendragadkar, Company Secretary
	Sanjit Chanda - Company Secretary

i) Transactions with key management personnel

Particulars	For the year ended	
	March 31, 2025	March 31, 2024
Salaries and other employee benefits	783	3,061

Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025

(All amounts in USD '000, unless otherwise stated)

ii) Transactions with related parties during the year were:

Nature of transactions	Name of related party	For the year ended	
		March 31, 2025	March 31, 2024
Employee stock compensation expenses	Mastek Limited	152	418
Consultancy and sub-contracting charges	Mastek Limited	20,996	17,319
	Mastek (UK) Limited	2,933	1,935
	Evolutionary Systems Corp.	23,981	8,053
Other reimbursable expenses	Mastek Limited	68	-
	Mastek (UK) Limited	50	-
Information technology services	Evolutionary Systems Corp.	7,325	3,211
	Evolutionary Systems B.V.	149	214
	Mastek Systems (Singapore) Pte. Ltd.	-	7
Other reimbursable income	Mastek Arabia FZ LLC, (UAE)	88	513
	Evolutionary Systems B.V.	67	101
	Mastek Systems Co. Ltd.	209	306
	Evolutionary Systems Corp.	289	161
	Evolutionary Systems Qatar WLL	11	-
	Evolutionary Systems Canada Ltd	-	10
	Mastek Systems Pty Ltd	74	-
	Mastek Limited	67	24
	Mastek Systems (Singapore) Pte. Ltd.	25	-
	Mastek Systems (Malaysia) SDH BHD	8	-
	Evolutionary Systems Consultancy LLC	6	-
	Mastek Systems Bahrain WLL	8	-
	Evosys Kuwait WLL	2	-
	Mastek Information Technology Company (LLC)	234	-
	Mastek (UK) Limited	1,459	1,497
Guarantee Commission	Mastek Limited	566	663
Loan repayment	Mastek (UK) Limited	20,000	-
Loan received	Mastek (UK) Limited	31,700	-
Interest on Inter-Co Loan	Mastek Systems Co. Ltd.	81	82
	Mastek (UK) Limited	619	71

Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025

(All amounts in USD '000, unless otherwise stated)

iii) Balances outstanding are as follows:

Nature of balances	Name of related party	Balance as at	
		March 31, 2025	March 31, 2024
Trade receivables	Mastek Systems Pty Ltd	24	-
	Evolutionary Systems Corp.	11,891	4,513
	Evolutionary Systems B.V.	384	250
	Mastek Systems (Singapore) Pte. Ltd.	171	146
	Evolutionary Systems Canada Ltd	26	23
	Mastek Systems Co. Ltd.	76	90
	Mastek Limited	122	40
	Mastek Arabia FZ LLC, (UAE)	771	682
	Mastek (UK) Limited	726	447
	Mastek Systems (Malaysia) SDH BHD	8	-
	Evolutionary Systems Consultancy LLC	6	-
	Mastek Systems Bahrain WLL	8	-
	Evosys Kuwait WLL	2	-
	Mastek Information Technology Company (LLC)	236	-
	Evolutionary Systems Qatar WLL	4	-
	Meta Soft Tech Systems Private Limited	-	1
Mastek Enterprise Solutions Private Limited (formerly known as Trans American Information Systems Private Limited)	-	2	
Trade payables	Evolutionary Systems Corp.	27,384	9,311
	Mastek Limited	8,082	8,511
	Mastek (UK) Limited	6,385	3,402
	Evolutionary Systems B.V.	4	4
	Mastek Systems (Singapore) Pte. Ltd.	5	5
Borrowings	Evolutionary Systems Qatar WLL	162	162
	Mastek Systems Co. Ltd.	1,687	1,606
	Mastek (UK) Limited	13,517	1,198

24 Segment reporting

The Group has only one reportable segment which is Information technology service. Accordingly, the figures appearing in these consolidated financial statements relate solely to that business segment. Non-current assets other than financial instrument and employee benefits have not been identified to any of the geography as they are used interchangeable between geographies. Accordingly disclosures relating to total segment assets and liabilities are not practicable.

25 Financial instrument

The carrying value and fair value of financial instruments by categories as at March 31, 2025 and March 31, 2024 is as follows:

Particulars	Carrying Value as at		Fair Value as at	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Assets				
Amortised cost				
Trade receivables	35,634	19,943	35,634	19,943
Cash and cash equivalents	8,017	8,664	8,017	8,664
Other financial assets	-	-	-	-
Other current assets	261	262	261	262
Total assets	43,912	28,869	43,912	28,869
Liabilities				
Amortised cost				
Borrowings	79,658	48,783	79,658	48,783
Other financial liabilities	-	46,516	-	46,516
Trade payables	45,944	27,434	45,944	27,434
Lease liabilities	808	1,563	808	1,563
Other current liabilities	2,222	1,759	2,222	1,759
Total liabilities	128,632	126,055	128,632	126,055

Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025

(All amounts in USD '000, unless otherwise stated)

26 Financial risk management

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

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

Foreign currency risk

The Group'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 relevant group entity.

Non-Derivative Financial Instruments

The following table presents foreign currency risk from non-derivative financial instrument as of March 31, 2025 and March 31, 2024.

Currency	As at March 31, 2025	
	Financial liabilities [in foreign currencies (in '000)]	Financial liabilities (\$ in '000)
CAD	(983)	(686)
GBP	(973)	(1,260)
QAR	(593)	(163)
Total	(2,549)	(2,109)

Currency	As at March 31, 2024	
	Financial liabilities [in foreign currencies (in '000)]	Financial liabilities (\$ in '000)
CAD	(493)	(362)

As at March 31, 2025 and March 31, 2024 respectively, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Group would impact results by approximately USD 21 and USD 3 respectively.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. 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 Group assesses the credit quality of the counterparties, taking into account their financial position, past experience, analysis of historical bad debts, ageing of accounts receivable and other factors.

Trade Receivables

The Group'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 Group accounts for the expected credit loss. One customers who contributes for more than 10% of outstanding total accounts receivables aggregating to 38% as at March 31, 2025. (One customers who contributes for more than 10% of outstanding total accounts receivables aggregating to 27% - March 31, 2024).

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

Particulars	For the year ended	
	March 31, 2025	March 31, 2024
Revenue from Top Customer	10%	27%
Revenue from Top 5 Customers	37%	48%

Ageing schedule of Receivables and Expected credit loss (ECL)

Trade receivables	Outstanding for the following periods from due date of transactions						Total
	< 2 months	2-3 months	3-6 months	6 months to 1 year	1-2 years	> 2 years	
Gross carrying amount	14,019	400	1,154	401	571	180	16,725
Expected credit loss %	0.00%	0.50%	2.50%	25.00%	75.00%	100.00%	
Expected credit loss (in USD)	-	2	29	100	551 *	180	863

Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025

(All amounts in USD '000, unless otherwise stated)

Unbilled revenue	Outstanding for the following periods from due date of transactions						Total
	< 2 months	2-3 months	3-6 months	6 months to 1 year	1-2 years	> 2 years	
Gross carrying amount	9,470	1,115	1,421	435	-	-	12,441
Expected credit loss %	0.00%	0.00%	0.25%	10.00%	50.00%	100.00%	
Expected credit loss (in USD)	-	-	4	107 *	-	-	111

* Group has created expected credit loss at 100% on outstanding from some customers.

Reconciliation of Expected credit loss (ECL)

Particulars	As at	
	March 31, 2025	March 31, 2024
Opening balance	1,395	1,398
Add : Provision created during the year	367	2,027
Less : Reversal of ECL	(789)	(2,030)
Closing balance	973	1,395

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group 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 Group has unutilized credit limits with banks. The Group'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 Group's net liquidity position through rolling forecast on the basis of expected cash flows.

The liquidity position of the Group is given below:

Particulars	For the year ended	
	March 31, 2025	March 31, 2024
Cash and cash equivalents	8,017	8,664

The table below provides details regarding the contractual maturities of significant liabilities as at March 31, 2025 and March 31, 2024:

Particulars	March 31, 2025	
	Less than 1 Year	1 Year and above
Borrowings	39,598	40,060
Trade and other payables	45,944	-
Lease liabilities	732	76
Other liabilities	4,818	-

Particulars	March 31, 2024	
	Less than 1 Year	1 Year and above
Borrowings	16,403	32,380
Trade and other payables	27,434	-
Lease liabilities	811	752
Other liabilities	2,966	-

27 Capital management

The Group'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 Group monitors the return on capital. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

Particulars	For the year ended	
	March 31, 2025	March 31, 2024
Total equity attributable to the equity share holders of the Group	55,609	56,243
Equity capital as a percentage of total capital	41%	54%
Current borrowings	79,658	48,783
Total borrowings	79,658	48,783
Borrowings as a percentage of total capital	59%	46%
Total capital (Borrowings and equity)	135,267	105,026

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

Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025

(All amounts in USD '000, unless otherwise stated)

28 Leases

The Group as lessee

The Group'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 3 to 5 years. The Group has applied low value exemption for leases of laptops, leased lines, furniture and equipment and accordingly are excluded from IFRS 16. Further Group has taken exemption for short term leases having duration of less than 12 months.

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

ii) Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	For the year ended	
	March 31, 2025	March 31, 2024
Balance at the beginning of the year	1,563	1,757
Additions during the year	-	511
Accretion of interest	56	90
Payments	811	(795)
Balance at the end of the year	808	1,563
Current	732	811
Non-current	76	752

Maturity analysis of lease liability :

The contractual maturity analysis of lease liabilities (includes amount not falling under IFRS 16) are disclosed herein on an undiscounted basis:

Particulars	For the year ended	
	March 31, 2025	March 31, 2024
Less than one year	732	811
More than one year to five years	76	827
Total	808	1,638

The average effective interest rate for lease liabilities is 4.8%

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

Particulars	For the year ended	
	March 31, 2025	March 31, 2024
Depreciation expense of right-of-use assets	695	726
Finance expense on lease liabilities	56	90
Expense relating to short-term leases (included in other expenses)	32	63
Total amount recognised in the statement of profit or loss	783	879

The Group had total cash outflows for leases of USD 811 thousand for the year ended March 31, 2025 (USD 148 thousand for the year ended March 31, 2024).

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

Mastek, Inc.**Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025**

(All amounts in USD '000, unless otherwise stated)

29 Business combinations**Acquisition of entities****(i) BizAnalytica LLC**

1. During the year end ended March 31, 2024, Mastek Inc has acquired the control of the business BizAnalytica LLC ("Biz USA"). The Acquisition was as follows:
 - a. Mastek Inc signed a definitive agreement to acquire 100% equity Interest for a cash consideration (net of cash and cash equivalents) of USD 25.9 million (including contingent consideration of USD 11.8 million)
 3. BizAnalytica USA is an independent data cloud, analytics and modernisation partner in the Americas region.

Purchase Consideration

Particulars	Biz USA
Purchase Consideration	26,291
Less: Adjustment for Cash [^]	(387)
	<u>25,904</u>

[^] Purchase consideration is net of cash and cash equivalents acquired including contingent consideration to be paid based on agreed revenue and gross margin performance.

The Purchase Price Allocation to be identified assets and liabilities assumed at the acquisition date are :

Particulars	Biz USA
Property, plant and equipment	6
Intangible assets	-
Customer Contracts	705
Customer Relationships	4,130
Trade receivables*	4,058
Financial assets*	75
Other assets*	62
Trade payables	(2,129)
Financial liabilities	(636)
Other liabilities	(246)
Closing Indebtedness	(1,682)
Fair value of identifiable net assets	4,342
Less: Purchase Consideration	(25,904)
Goodwill	21,562
Contingent Liability	NA
Goodwill expected to be deductible for tax purpose	-

Goodwill is primarily related to growth expectations, expected future profitability, the substantial skill and expertise of BizAnalytica' s workforce and expected synergies.

*Represents fair value of receivables and gross contractual amounts receivable. All amounts are expected to be collected.

Notes

- (i) Projected revenue and (loss) of the company had the acquisition occurred as of the beginning of the year would be USD 892,279 thousand and USD (8,271) thousand respectively
- (ii) . Amount of revenue and (loss) of the acquiree since the acquisition date included in the consolidated statement of profit and loss is USD 8,677 thousand and USD (1,719) thousand respectively.

Acquisition Costs

Acquisition-related Costs amounting USD 498 thousand are not included as a part of consideration transferred and have been recognised as expense in the consolidated profit and loss.

30 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2025 is Nil (March 31, 2024: USD 8 thousand).

Mastek, Inc.

Material accounting policies and notes forming part of the consolidated financial statements as at and for the year ended March 31, 2025

(All amounts in USD '000, unless otherwise stated)

31 Post-reporting date events

In December 31, 2022, the Company invested USD 1.50 million in Volteo Edge through SAFE (Simple Agreement for Future Equity) instruments, designated at fair value through other comprehensive income (FVOCI) in accordance with IFRS 9, Financial Instruments. As at 31 March 2025, the investment was carried at its fair value of USD 2.10 million, with cumulative unrealised gains of USD 0.60 million recognised in Other Comprehensive Income (OCI) over the years.

Subsequent to the reporting date, the Company reassessed the business performance of Volteo Edge, which indicated a significant decline in the recoverable value of the investment. The fair value of the investment has consequently decreased by USD 1.70 million, resulting in the investment currently being carried at USD 0.40 million.

No adjusting or significant non-adjusting events have occurred between March 31, 2025 and the date of authorization of consolidated financial statements.

32 Previous year figures have been regrouped, reclassified and rearranged wherever necessary, to confirm to this year's presentation, and these are not material to the consolidated financial statements.

33 Authorization of Financial Statements

These consolidated financial statements for the year ended March 31, 2025 (including comparatives) were approved by the Board of Directors and authorised for issue on April 6, 2026.


For and on behalf of Board of Directors of **Mastek Inc.**



Vivek Chopra

Chairman

April 06, 2026



Ketan Mehta

President

April 06, 2026