

SEC/30/2020-21

July 29, 2020

Listing Department BSE Limited 25 th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001. Tel No. 022- 22723121 Fax No. 022- 22721919 SCRIP CODE: 523704	Listing Department The National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. Tel No. 022- 26598100 Fax No. 022-26598120 SYMBOL: MASTEK
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Subject: Outcome of the proceedings of Board Meeting held today - July 29, 2020 - SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

Dear Sir(s)/Ma'am(s),

We wish to inform you that the Board of Directors at their meeting held *today – July 29, 2020* through video conferencing, transacted and approved the following items of Business;

1. The Board of Directors have approved and taken on record the Unaudited Financial Results for the Quarter ended June 30, 2020; both Consolidated and Standalone prepared in terms of Regulation 33 of SEBI Listing Regulations.

Pursuant to Regulation (33) of the SEBI Listing Regulations, the Statutory Auditors of the Company, Walker Chandiok & Co LLP, Chartered Accountants, have issued a Limited Review Report with unmodified opinion on the Unaudited Financial Results (Consolidated & Standalone) for the quarter ended June 30, 2020.

Accordingly, please find enclosed the Un-Audited Financial Results (Consolidated and Standalone) for the quarter ended June 30, 2020 along with Limited Review Report issued by M/s. Walker Chandiok & Co. LLP, Statutory Auditors, of the Company.

Further, pursuant to the provisions of Regulation 47 of SEBI Listing Regulations, an extract of the aforementioned Financial Results would be published in the newspapers in accordance with the SEBI Listing Regulations and the same will be made available on the Company's website at www.mastek.com.

2. The Board of Directors have also approved to provide the Corporate Guarantees to bank, on behalf of the Subsidiaries to extend better financial support by enabling them to avail the necessary bank facilities for their business needs. Accordingly, the Disclosure pursuant to Regulation 30 of the SEBI Listing Regulations, read with SEBI Circular CIR/CFD/CMD/4/2015 dated September 9, 2015 is enclosed as "**Annexure A**".

The meeting of the Board of Directors of the Company commenced at 7.30 p.m. and concluded at 9.20 p.m.

This is for your information and record.

Thanking you.

Yours Truly,
For Mastek Limited


Dinesh Kalani
Company Secretary



Encl: As above

Annexure - A

Details as required under Regulation 30 of SEBI Listing Regulations are as follows.

Sr. No.	Particulars	Details			
a.	Name of party for which such guarantees or indemnity or surety given	Trans American Information Systems, Inc., Step Down Subsidiary (SDS) of Mastek Limited	Mastek Arabia – FZ LLC, Step Down Subsidiary (SDS) of Mastek Limited	Evolutionary Systems Private Limited, over which Mastek has a Majority Board Control relating to Demerged Undertaking	Mastek (UK) Limited, Wholly Owned Subsidiary (WOS) of Mastek Limited
b.	Whether the promoter/ promoter group/ group companies have any interest in this transaction? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”.	No	No	No	No
c.	Brief details of such guarantee or indemnity or becoming a surety viz. brief details of agreement entered (if any) including significant terms and conditions, including amount of guarantee;	The Company will be providing Corporate Guarantee to Bank for USD 2 million or its INR equivalent, to enable to avail Line of Credit/ Working Capital facility (upto USD 2 million or its equivalent currency) by the said SDS.	The Company will be providing Corporate Guarantee to Bank for USD 2 million or its INR equivalent, to enable to avail the Line of Credit/ Working Capital facility (upto USD 2 million or its equivalent currency) by the said SDS.	The Company will be providing Corporate Guarantee to Bank for USD 3 million or its INR equivalent for availing Hedging limit (upto USD 3 million or its equivalent currency) and will also provide Corporate Guarantee for INR 200 million for extending the Line of Credit/ Working Capital facility (upto INR 200 million) to the said entity.	The Company will be providing Corporate Guarantee to Bank for USD 1.5 million or its INR equivalent for availing Hedging limit (upto USD 1.5 million or its equivalent currency) and will also provide Corporate Guarantee for USD 10 million for extending Line of Credit/ Working Capital Facility (upto USD 10 million) by the said WOS.
d.	Impact of such guarantees or indemnity or surety on listed entity	No financial/ operational impact foreseen till invocation of the Guarantee by the lender bank. In the event of invocation, the guarantee may have an impact on the Company's financials.			

For Mastek Limited


Dinesh Kalani
Company Secretary



Walker Chandiook & Co LLP

16th floor, Tower II,
Indiabulls Finance Centre,
SB Marg, Prabhadevi (W)
Mumbai – 400 013
India

T +91 22 6626 2699

F +91 22 6626 2601

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

To the Board of Directors of Mastek Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Mastek Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), (Refer Annexure 1 for the list of subsidiaries, included in the Statement) for the quarter ended 30 June 2020 being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the accounting principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the accounting principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

Mastek Limited

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

5. We did not review the interim financial results of 11 subsidiaries included in the Statement, whose financial information reflects total revenues of ₹ 10,918 lakhs (before intercompany eliminations), total net profit after tax of ₹ 1,239 lakhs, total comprehensive income of ₹ 219 lakhs for the quarter ended on 30 June 2020, respectively, as included in the Statement. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Further, all these 11 subsidiaries, are located outside India, whose interim financial results have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under International Standards on Review Engagement (ISRE) applicable in their respective countries. The Holding Company's management has converted the financial results of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based on the review report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013

ADI PERVEZ Digitally signed by
ADI PERVEZ SETHNA
SETHNA Date: 2020.07.29
21:01:04 +05'30'

Adi P. Sethna

Partner

Membership No:108840

UDIN:20108840AAAACW2183

Place: Mumbai

Date: 29 July 2020

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

Annexure 1

List of entities included in the Statement

1. Mastek (UK) Limited
2. Trans American Information Systems Private Limited
3. Mastek, Inc.
4. Trans American Information Systems, Inc.
5. Mastek Digital, Inc.
6. Indigoblue Limited
7. Mastek Arabia FZ LLC
8. Evolutionary Systems Qatar WLL
9. Evolutionary Systems (Singapore) Pte Ltd
10. Evolutionary Systems Pty Ltd
11. Evolutionary Systems Corp
12. Evolutionary Systems Co Ltd
13. Evolutionary Systems Bahrain SPC
14. Evolutionary Systems Consultancy LLC
15. Evolutionary Systems Egypt LLC
16. Evosys Kuwait WLL
17. Newbury Cloud, Inc.
18. Evolutionary Systems BV
19. Evolutionary Systems Private Limited India
20. Evolutionary Systems Saudi LLC
21. Evosys Consultancy Services (Malaysia) Sdn Bhd

This space has been intentionally left blank.

Statement of Unadited Consolidated Financial Results for the Quarter ended June 30, 2020

(Rs. In lakhs)

	Particulars	Quarter ended			Year ended
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
		(Unaudited)	(Refer note 1)	(Unaudited)	(Audited)
1	Income				
	(a) Revenue from operations	38,606	33,666	24,754	107,148
	(b) Other income	1,670	1,750	513	4,130
	Total Income	40,276	35,416	25,267	111,278
2	Expenses				
	(a) Employee benefits expenses	20,366	17,751	13,502	58,414
	(b) Finance costs	250	114	82	362
	(c) Depreciation and amortisation expenses	1,140	771	573	2,489
	(d) Other expenses	11,428	10,094	7,964	33,198
	Total expenses	33,184	28,730	22,121	94,463
3	Profit before exceptional items & tax (1 - 2)	7,092	6,686	3,146	16,815
4	Exceptional items - (loss) / gain, net (Refer note 4)	-	(1,755)	-	(2,407)
5	Profit before tax (3 + 4)	7,092	4,931	3,146	14,408
6	Income tax expense / (credit)				
	- Current tax	1,770	1,441	757	4,081
	- Deferred tax	(66)	(441)	(33)	(1,091)
	- Tax provision relating to prior periods (Refer note 8)	730	37	-	37
	- Total, net	2,434	1,037	724	3,027
7	Net Profit (5 - 6)	4,658	3,894	2,422	11,381
8	Other Comprehensive Income / (Loss), net of tax (Refer note 3)	3,686	(4,883)	7,720	767
9	Total Comprehensive Income / (Loss), net of tax (7 + 8)	8,344	(989)	10,142	12,148
	Profit attributable to				
	Owners of the Company	4,043	3,399	2,422	10,886
	Non-controlling interests	615	495	-	495
	Profit after tax	4,658	3,894	2,422	11,381
	Other comprehensive Income / (loss) (OCI) attributable to				
	Owners of the Company	3,687	(4,819)	7,720	831
	Non-controlling interests	(1)	(64)	-	(64)
	Total other comprehensive Income / (loss), net of taxes	3,686	(4,883)	7,720	767
	Comprehensive Income / (loss) attributable to				
	Owners of the Company	7,730	(1,420)	10,142	11,717
	Non-controlling interests	614	431	-	431
	Total comprehensive Income / (loss)	8,344	(989)	10,142	12,148
10	Paid-up equity share capital (Face value Rs. 5/- per share)	1,221	1,214	1,199	1,214
11	Other Equity				77,832
12	Earnings per share (of Rs 5/- each) (not annualised) :				
	(a) Basic - Rs	16.62	14.03	10.10	45.21
	(b) Diluted - Rs	16.00	13.33	9.58	42.93

MASTEK LIMITED

Registered Office : 804/805, President House, Opp.C.N.Vidyalaya

Near Ambawadi Circle, Ahmedabad-380 006

CIN No. L74140GJ1982PLC005215

Statement of Consolidated Segmental Information for the Quarter Ended June 30, 2020

(Rs. In lakhs)

	Particulars	Quarter ended			Year ended
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
		(Unaudited)	(Refer note 1)	(Unaudited)	(Audited)
1	Segment Revenue				
	UK & Europe operations	25,195	23,251	18,055	77,240
	North America operations	6,611	6,478	6,306	24,886
	Middle East	5,460	2,354	-	2,354
	Others	1,340	1,583	393	2,668
	Revenue from operations, net	38,606	33,666	24,754	107,148
2	Segment Results profit before exceptional item, tax and finance cost				
	UK & Europe operations	5,105	4,245	2,858	13,074
	North America operations	544	563	501	2,117
	Middle East	574	628	-	628
	Others	159	(115)	(230)	(1,289)
	Total	6,382	5,321	3,129	14,530
	Less : i. Finance costs	250	114	82	362
	ii. Other un-allocable expenditure net of un-allocable (income)	(960)	(1,479)	(99)	(2,647)
	Profit from ordinary activities after finance costs but before exceptional items	7,092	6,686	3,146	16,815
	Exceptional items - (loss) / gain, net (Refer note 4)				
	UK & Europe operations	-	-	-	-
	North America operations	-	(1,037)	-	(1,037)
	Others	-	(718)	-	(1,370)
	Exceptional (loss) / gain, net	-	(1,755)	-	(2,407)
	Profit from ordinary activities before tax	7,092	4,931	3,146	14,408

Notes on Segment Information :

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on analysis of various performance indicators by geographical region of the customers.

Property, Plant and Equipment used in the Group's business or liabilities contracted have not been identified to any of the reportable segments, as the Property, Plant and Equipment and the support services are used interchangeably between segments. Accordingly disclosure relating to total segment assets and liabilities are not practicable.

Notes to the consolidated financial results:

- The above results were reviewed by the Audit Committee and were thereafter approved by the Board of Directors at their respective meetings held on July 29, 2020. The auditors have carried out limited review of the consolidated financial results for the quarter ended June 30, 2020. The figures for the previous quarter ended March 31, 2020 are the balancing figures between the audited figures for the year ended March 31, 2020 and the year to date figures upto the end of third quarter of the said financial year, on which auditors had performed a limited review.
- The Group has accounted net foreign exchange gain under "Other income" and net foreign exchange loss under "Other Expenses". Further, 'Revenue from operations' includes net realised foreign exchange loss / (gain) arising from currency hedges relating to certain firm commitments and forecasted sales transactions. The table below shows the impact of the net foreign exchange (gain) / loss on the Group's results in each of the periods presented:

(Rs. In lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
Net foreign exchange loss/(gain)	9	(1,450)	134	(1,373)
Net realised foreign exchange (gain) / loss arising from hedging accounted under Income from Operations	(53)	(115)	(90)	(395)

3 Other Comprehensive Income includes:

(Rs. In lakhs)

Particulars	Quarter ended			Year Ended
	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
(i) Items that will not be reclassified subsequently to the statement of profit or loss (net of tax):				
Defined benefit plan actuarial (loss)/gain, net	(239)	(66)	49	(37)
Gain / (loss) on change in fair value of equity instrument through OCI, net	3,760	(3,479)	8,587	105
Total	3,521	(3,545)	8,636	68
(ii) Items that will be reclassified subsequently to the statement of profit or loss (net of tax):				
Exchange differences on translation of foreign operations	(173)	(1,474)	(1,115)	739
Gain/ (loss) on change in fair value of forward contracts designated as cash flow hedges, net	381	36	196	(267)
(Loss) / gain on change in fair value of financial instruments, net	(43)	100	3	227
Total	165	(1,338)	(916)	699
Other comprehensive Income / (loss) net of tax (i+ii)	3,686	(4,883)	7,720	767

- 4 Exceptional items for the previous quarter and year ended March 31, 2020, include (i) material provisions for doubtful debts on certain revenue contracts (Mastek India and US) Rs. 1,230 lakhs and Rs. 1882 lakhs, respectively; (ii) Contingent consideration written back (Mastek US) Rs. 194 lakhs; and (iii) legal and professional costs (UK and India) Rs. 719 lakhs, relating to the business combination consummated during the quarter ended March 31, 2020.
- 5 The Group has assessed the impact of Covid-19 Pandemic on its operations as well as financial reporting process, including but not limited to the areas of financial controls, credit risk, effectiveness of hedge relationship, goodwill, impairment of financial and non-financial assets, and Cyber security pertaining to the remote access of information for the quarter ended June 30, 2020 and up to the date of approval of financial results. While assessing the impact, Group has considered all internal and external sources of information like industry reports, economic forecast, credit reports and company's business forecast basis the global economic consensus. Group expects to recover the carrying amount of its assets and retain effectiveness of its hedge transactions. Further, there have been no material changes in the financial control/process followed by the company. However, the impact of COVID-19 may be different from that estimated as on the date of approval of these financial results and the Group will continue to closely monitor any material changes to the business due to future economic conditions.
- 6 During the quarter ended March 31, 2020 the group has acquired control of business of Evolutionary Systems Private Limited ("ESPL") and its subsidiary companies (together referred to as "Evosys"). The acquisition was as follows:
- i. Mastek (UK) Limited, a wholly-owned subsidiary of Mastek Limited, entered into a Business Transfer Agreement ("BTA") on 8 February 2020 to acquire the Middle East and North Africa business ("MENA business") of Evosys (except Qatar) by paying a cash consideration (net of debt and including cash & cash equivalents) of USD 64.9 million i.e. Rs. 48,204 lakhs. The closing of such transaction occurred on 17 March 2020, which is considered to be the date of transfer of control, or the date of acquisition, as per Ind AS 103, and necessary effects have been recognised in the standalone financial statements of the respective entities and consolidated financial statements of the Group.
- While the acquisition has been effected and full consideration has been paid, procedures to complete the legal process viz. registering sale of shares, etc. in certain geographies is ongoing. The legal procedures are delayed because of COVID-19 pandemic related lockdown in certain geographies, and the Company has been legally advised that such legal procedures are administrative in nature, and the parties to the BTA expect to complete these post the lockdown is relaxed / lifted i.e. second quarter of the financial year 2020-21.
- ii. With respect to a business undertaking of Evosys (including investment in certain subsidiaries of ESPL), the parties entered into a Demerger Co-operation Agreement (DCA) and Shareholders Agreement on 8 February 2020. The manner of discharge of the non-cash consideration and the acquisition of legal ownership, is decided to be achieved through a demerger scheme to be filed before the NCLT ("the Scheme"), or, as per DCA between Mastek and the sellers of Evosys, Mastek shall complete this transaction with the same economic effect, by an alternate arrangement within the period specified in the DCA. The DCA gives Mastek the right to appoint majority of the board of directors in ESPL and its subsidiaries and also provide for the relevant activities of ESPL and its subsidiaries to be decided by a majority vote of such board of directors, thereby resulting in transfer of control of business of ESPL and its subsidiaries to Mastek. The transfer of legal title of such business undertaking shall be completed in financial year 2020-21. The date of acquisition of business undertaking for the purposes of Ind AS 103 is the date of transfer of control to Mastek, i.e. 8 February 2020. Discharge of consideration through demerger will be done through issue of 42,35,394 equity shares of Mastek Limited (face value Rs. 5 each) and balance through Compulsorily Convertible Preference Shares (CCPS) of Trans American Information Systems Private Limited which carry a Put Option to be discharged at agreed EBITDA multiples, over the next 4 years. Pending completion of legal acquisition, this transaction has been disclosed in the standalone financial statements and will be given effect to on receiving NCLT approval or on executing the alternate arrangement in accordance with the DCA.
- Purchase consideration for both the acquisitions aggregates Rs. 80,647 lakhs which has resulted in a Goodwill of Rs.37,657 lakhs for MENA acquisition and Rs.18,763 lakhs for acquisition through DCA, as per the purchase price allocation valuation report. Such goodwill, which is the excess of fair value of purchase consideration determined over the fair value of assets acquired, is primarily attributable to growth expectations, expected future profitability, the substantial skill and expertise of Evosys's workforce and expected synergies.
- The consolidated financial results, for the quarter ended June 30, 2020 and quarter / year ended March 31, 2020 are not comparable with other periods presented, to the extent of the impact on account of the aforesaid acquisitions.

MASTEK LIMITED

Registered Office : 804/805, President House, Opp.C.N.Vidyalaya

Near Ambawadi Circle, Ahmedabad-380 006

CIN No. L74140GJ1982PLC005215

- 7 These results have been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under the Companies (Ind-AS) Rules, 2015 as amended.
- 8 During the quarter ended June 30, 2020, the holding company has recognised a provision towards the possible impact of an uncertain tax treatment based on the present status of the on-going proceedings of its Advance Pricing Arrangement with the tax authorities. INR 730 Lakhs represents a best estimate of the impact for prior years, at present, which will be adjusted based on additional facts and / or ultimate outcome. The holding company has also recognised current tax expense of INR 55 Lakhs for the current quarter on a similar basis.
- 9 Previous period's / year's figures have been regrouped or reclassified wherever necessary.



SUDHAKAR RAM
Vice Chairman & Managing Director

Place : Mumbai, India

Date : July 29, 2020

Walker Chandio & Co LLP

16th floor, Tower II,
Indiabulls Finance Centre,
SB Marg, Prabhadevi (W)
Mumbai – 400 013
India

T +91 22 6626 2699
F +91 22 6626 2601

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

To the Board of Directors of Mastek Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Mastek Limited ('the Company') for the quarter ended 30 June 2020, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the accounting principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the accounting principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

ADI PERVEZ Digitally signed by
ADI PERVEZ SETHNA
SETHNA Date: 2020.07.29
21:00:18 +05'30'

Adi P. Sethna
Partner
Membership No:108440
UDIN No:20108840AAAACV8194

Place:Mumbai
Date: 29 July 2020

MASTEK LIMITED

Registered Office : 804/805, President House, Opp.C.N.Vidyalaya

Near Ambawadi Circle, Ahmedabad-380 006

CIN No. L74140GJ1982PLC005215

Statement of Unaudited Standalone Financial Results for the Quarter ended June 30, 2020

(Rs. In lakhs)

	Particulars	Quarter ended			Year ended
		June 30,	March 31,	June 30,	March 31,
		2020	2020	2019	2020
		(Unaudited)	(Refer note 1)	(Unaudited)	(Audited)
1	Income				
	(a) Revenue from operations	4,060	4,037	4,416	16,344
	(b) Other income	706	1,549	399	4,886
	Total Income	4,766	5,586	4,815	21,230
2	Expenses				
	(a) Employee benefits expenses	3,023	3,131	2,968	12,364
	(b) Finance costs	12	14	10	45
	(c) Depreciation and amortisation expenses	257	242	296	1,113
	(d) Other expenses	643	650	1,093	3,642
	Total expenses	3,935	4,037	4,367	17,164
3	Profit before exceptional items & tax (1 - 2)	831	1,549	448	4,066
4	Exceptional items - (loss) / gain, net (Refer note 4)	-	(31)	-	(683)
5	Profit before tax (3 + 4)	831	1,518	448	3,383
6	Income tax expense / (credit)				
	- Current tax	301	274	155	869
	- Deferred tax	(10)	39	(16)	(231)
	- Tax provision relating to prior periods (Refer note 9)	730	-	-	-
	- Total, net	1,021	313	139	638
7	Net (Loss) / Profit (5 - 6)	(190)	1,205	309	2,745
8	Other Comprehensive Income, net of tax (Refer note 3)	188	274	270	152
9	Total Comprehensive (Loss) / Income, net of tax (7 + 8)	(2)	1,479	579	2,897
10	Paid-up equity share capital (Face value Rs. 5/- per share)	1,221	1,214	1,199	1,214
11	Other Equity				25,698
12	Earnings per share (of Rs 5/- each) (not annualised) :				
	(a) Basic - Rs	(0.78)	4.97	1.29	11.40
	(b) Diluted - Rs	(0.78)	4.72	1.22	10.82

MASTEK LIMITED

Registered Office : 804/805, President House, Opp.C.N.Vidyalaya

Near Ambawadi Circle, Ahmedabad-380 006

CIN No. L74140GJ1982PLC005215

Notes to the standalone financial results:

- 1 The above results were reviewed by the Audit Committee and were thereafter approved by the Board of Directors at their respective meetings held on July 29, 2020. The auditors have carried out a limited review of the unaudited standalone financial results. The figures for the previous quarter ended March 31, 2020 are the balancing figures between the audited figures for the year ended March 31, 2020 and the year to date figures upto the end of third quarter of the said financial year, on which auditors had performed a limited review.
- 2 The Company has presented net foreign exchange gain under "Other income" and net foreign exchange loss under "Other Expenses". Further, during the period company has realised foreign exchange loss / (gain) arising from currency hedges relating to certain firm commitments and forecasted sales transactions. The table below shows the amount of gain or loss in each of the periods presented:

(Rs. In lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
Net foreign exchange loss / (gain)	4	70	116	(127)
Net realised foreign exchange (gain) / loss arising from hedging accounted under Income from Operations	(70)	(116)	(90)	(396)

3 Other Comprehensive Income includes:

(Rs. In lakhs)

Particulars	Quarter ended			Year ended
	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
(i) Items that will not be reclassified subsequently to the statement of profit or loss (net of tax):				
Defined benefit plan actuarial (loss) / gain, net	(41)	(25)	58	5
Total	(41)	(25)	58	5
(ii) Items that will be reclassified subsequently to the statement of profit or loss (net of tax):				
Gain / (loss) on change in fair value of forward contracts designated as cash flow hedges, net	272	200	209	(79)
(Loss) / gain on change in fair value of financial instruments, net	(43)	99	3	226
Total	229	299	212	147
Other comprehensive income, net of tax (i+ii)	188	274	270	152

MASTEK LIMITED

Registered Office : 804/805, President House, Opp.C.N.Vidyalaya

Near Ambawadi Circle, Ahmedabad-380 006

CIN No. L74140GJ1982PLC005215

- 4 Exceptional items for the quarter ended March 31, 2020 represents legal costs related to acquisition and includes material provisions for doubtful debts on certain revenue contracts for the year ended on that date.
- 5 These results have been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under the Companies (Ind-AS) Rules, 2015 as amended.
- 6 During the quarter ended March 31, 2020 the group has acquired control of business of Evolutionary Systems Private Limited (“ESPL”) and its subsidiary companies (together referred to as “Evosys”). The acquisition was as follows:
- i. Mastek (UK) Limited, a wholly-owned subsidiary of Mastek Limited, entered into a Business Transfer Agreement (“BTA”) on 8 February 2020 to acquire the Middle East and North Africa business (“MENA business”) of Evosys (except Qatar) by paying a cash consideration (net of debt and including cash & cash equivalents) of USD 64.9 million i.e. Rs. 48,204 lakhs. The closing of such transaction occurred on 17 March 2020, which is considered to be the date of transfer of control, or the date of acquisition, as per Ind AS 103, and necessary effects have been recognised in the standalone financial statements of the respective entities and consolidated financial statements of the Group for the year ended March 31, 2020.
- ii. With respect to a business undertaking of Evosys (including investment in certain subsidiaries of ESPL), the parties entered into a Demerger Co-operation Agreement (DCA) and Shareholders Agreement on 8 February 2020. The manner of discharge of the non-cash consideration and the acquisition of legal ownership, is decided to be achieved through a demerger scheme to be filed before the NCLT (“the Scheme”), or, as per DCA between Mastek and the sellers of Evosys, Mastek shall complete this transaction with the same economic effect, by an alternate arrangement within the period specified in the DCA. The DCA gives Mastek the right to appoint majority of the board of directors in ESPL and its subsidiaries and also provide for the relevant activities of ESPL and its subsidiaries to be decided by a majority vote of such board of directors, thereby resulting in transfer of control of business of ESPL and its subsidiaries to Mastek. The transfer of legal title of such business undertaking shall be completed in financial year 2020-21. The date of acquisition of business undertaking for the purposes of Ind AS 103 is the date of transfer of control to Mastek, i.e. 8 February 2020. Discharge of consideration through demerger will be done through issue of 42,35,394 equity shares of Mastek Limited (face value Rs. 5 each) and balance through Compulsorily Convertible Preference Shares (CCPS) of Trans American Information Systems Private Limited which carry a Put Option to be discharged at agreed EBITDA multiples, over the next 4 years. Pending completion of legal acquisition, this transaction has been disclosed in the standalone financial statements for the year ended March 31, 2020 and will be given effect to on receiving NCLT approval or on executing the alternate arrangement in accordance with the DCA.
- 7 The Company has assessed the impact of Covid-19 Pandemic on its operations as well as financial reporting process, including but not limited to the areas of financial controls, credit risk, effectiveness of hedge relationship, impairment of financial and non-financial assets, and Cyber security pertaining to the remote access of information for the quarter ended June 30, 2020 and up to the date of approval of financial results. While assessing the impact, Company has considered all internal and external sources of information like industry reports, economic forecast, credit reports and company’s business forecast basis the global economic consensus. Company expects to recover the carrying amount of its assets and retain effectiveness of its hedge transactions. Further, there have been no material changes in the financial control/process followed by the company. However, the impact of COVID-19 may be different from that estimated as on the date of approval of these financial results and the Company will continue to closely monitor any material changes to the business due to future economic conditions.
- 8 In accordance with Ind AS 108 – ‘Operating Segments’, the Company has opted to present segment information along with the consolidated financial results of the Group.
- 9 During the quarter ended June 30, 2020, the company has recognised a provision towards the possible impact of an uncertain tax treatment based on the present status of the on-going proceedings of its Advance Pricing Arrangement with the tax authorities. INR 730 Lakhs represents a best estimate of the impact for prior years, at present, which will be adjusted based on additional facts and / or ultimate outcome. The Company has also recognised current tax expense of INR 55 Lakhs for the current quarter on a similar basis.
- 10 Previous period’s / year’s figures have been regrouped or reclassified wherever necessary.



SUDHAKAR RAM
Vice Chairman & Managing Director

Place : Mumbai, India

Date : July 29, 2020