

SEC/62/2021-22

September 6, 2021

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| 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 |
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Dear Sir(s)/Madam(s),

Sub: Annual Report of the Company for the Financial Year 2020-21 along with the Notice convening 39th Annual General Meeting ("AGM") and Intimation of Remote E-voting period dates.

Further to our letter having reference no. SEC/61/2021-22 dated September 6, 2021 and in terms of the requirements of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find herewith the Annual Report for the Financial Year 2020-21 along with the Notice convening 39th AGM of the Company (The brief details of the agenda items proposed to be transacted thereat are given in "Annexure - A").

The aforesaid documents are being dispatched electronically to those Members of the Company, who have registered their e-mail addresses with the Company or Depository Participant(s) and is also being uploaded on the website of the Company at www.mastek.com

In compliance with various circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India, at the backdrop of COVID-19 Pandemic, the AGM will be held on **September 28, 2021 at 5.00 P.M. (IST) through Video Conference / Other Audio-Visual Means (VC / OAVM).**

We further wish to intimate that in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and administration rules), 2014 as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall provide its Members the facility to exercise the votes electronically for transacting the items of business, as per details set out in the Notice convening the ensuing 39th AGM of the Company.

Accordingly, the Company has fixed **Friday, September 17, 2021** as cut-off date for the purpose of determining the eligibility of Members to vote either through Remote E-voting or voting at the AGM.

The Remote E-voting period will commence from **Friday, September 24, 2021 (9.00 a.m. IST)** and will end on **Monday, September 27, 2021 (5.00 p.m. IST).**

Request you to take the same on your record.

Thanking you,

Yours faithfully,

For Mastek Limited


Dinesh Kalani
Company Secretary



Annexure - A

Brief Summary of the Resolutions proposed to be transacted at the 39th AGM of the Company.

| Resolution No. | Details of the Resolution | Ordinary / Special Resolution |
|---------------------------|---|-------------------------------|
| Ordinary Business: | | |
| 1. | To receive, consider and adopt: a. the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021, together with the Reports of the Board of Directors and Auditors thereon; and b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021, together with the Report of Auditors thereon. | Ordinary Resolution |
| 2. | To confirm an Interim Dividend paid of Rs. 5.50 per Equity Share and also to declare a Final Dividend of Rs. 9.00 per Equity Share (Face Value of Rs. 5.00 each) for the Financial Year 2020-21. | Ordinary Resolution |
| 3. | To appoint a Director in place of Mr. Ashank Desai (DIN: 00017767), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for Re-appointment.. | Ordinary Resolution |
| Special Business: | | |
| 4. | To consider Appointment of Mr. Ketan Mehta (DIN: 00129188) as a Director of the Company who shall be liable to retire by rotation. | Ordinary Resolution |
| 5. | To consider Appointment of Mr. Ashank Desai (DIN: 00017767) as Managing Director designated as Vice - Chairman & Managing Director of the Company. | Special Resolution |
| 6. | To consider payment of Remuneration to Mr. Ashank Desai (DIN: 00017767) as Managing Director designated as Vice - Chairman & Managing Director of the Company. | Special Resolution |
| 7. | To consider payment of Remuneration to Mr. S. Sandilya (DIN: 00037542), Chairman (Non-Executive) & Independent Director of the Company in excess of the limits prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. | Special Resolution |



A Resilient Future: Driven by Humane@Work

Forward Looking Statement

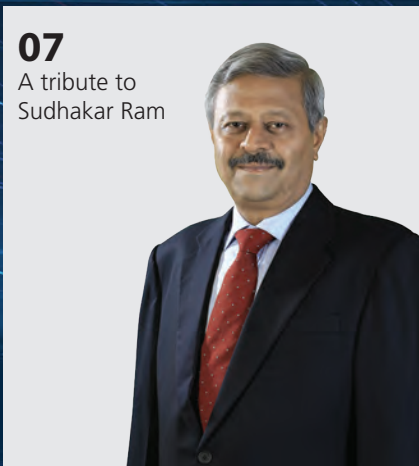
This Annual report contains 'forward-looking statements', identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' 'endeavours' and so on and are based on our current expectations, assumptions, estimates and projections about the Company, our industry, economic conditions in the markets in which we operate, and certain other matters. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, future operations, margins, market position, profitability, liquidity and capital resources, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realised as these statements are subject to known and unknown risks, uncertainties and other factors, which may cause actual results or outcomes to differ materially from those projected in any forward-looking statements. In light of these and other uncertainties, you should not conclude that the results or outcomes referred to in any of the forward-looking statements will be achieved. All forward-looking statements included in this Annual Report are based on information available to us on the date hereof, and we do not undertake to update these forward-looking statements unless required to do so by law. For any further clarification, please contact Mastek Limited.

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A Resilient Future: Driven by **Humane@Work**

As we enter the post covid era, Mastek is traversing an exciting journey to become a big-league global player in the digital transformation business. We aim to achieve this by delivering business Outcomes for Clients and being Humane@Work.

Outcomes for Clients

There is tangible evidence suggesting that investment in digital transformation will surge rampantly to shape a new era of business revolution. As we journey through the current fiscal year of hope and optimism, we look forward to being a preferred partner for empowering our customers to adapt to changing market dynamics and shift confidently into a world where nothing is quite normal. Playing in the big league for offering clients holistic end-to-end solutions for compelling business outcomes will be a key strategy that will get us to our 2025 milestone. Our cloud capabilities in the Oracle space; our D2X approach in broad basing our customers; cross-sell and co-sell strategies; and our digital transformation playbook continue to be compelling engines that we have invested in and further solidifying. Our cloud capabilities continue to be at the sharp end of the spear driving our business forward.

However, at Mastek, we realise that the biggest challenge will be in building and retaining world-class talented people that team up to offer the best options for our clients. To fortify this pillar, Mastek is placing utmost importance in building the best employee experience in the industry these days. This will become even more important as increasingly, how work is delivered will be unshackled from all kinds of geographical and physical limitations.

Humane@Work

At Mastek, we know that our people are our key strength, and over the years we have made tremendous progress towards managing our people and their aspirations. Today, we are taking an even more altruistic approach in how we deal with our stakeholders. When it comes to our employees, we are determined to be a compassionate and humane employer. We believe that this will be essential to build the trust in the partnership pacts that we make with our clients in delivering outlier business outcomes for them.

We are making this strategy actionable by undertaking a plethora of HR investments that will strengthen the foundational and operational support to the Mastek business. We intend to keep strengthening our leadership across all geography and technical capability grids, by complimenting existing ones with new ones. When it comes to our top performers, we intend to ring fence them and jointly plan their careers with them. We are also revamping up our retention and attraction of fresh talent in terms of graduate and intern hirings. To further minimize attrition, we have also devised a comprehensive long-term plan which focuses on a whole gamut of actions ranging from hyper-personalization to career development and growth opportunities, encourage compassionate way of communication and new age wellness programmes.

A steadfast fiscal 2021 now leads us into buoyant times ahead. With a sturdy balance sheet foundation and global human capital to help our clients embrace fundamental transformation with confidence, we look forward to a highly relevant and resilient future.





Sudhakar Ram

Former Vice - Chairman & Managing Director

A tribute to Sudhakar Ram

On November 8th 2020, Mastek suffered an unexpected setback, and an irreparable loss as the Mastek Co-Founder and Vice - Chairman & Managing Director Sudhakar Ram passed away leaving behind a carefully crafted heritage and a great legacy. Sudhakar was a visionary leader, a strong anchor for the Mastek family and his untimely demise has left a permanent void in the very heart of the organization. He was deeply admired by Mastekeers, colleagues, work associates, friends, family and the countless people whose lives he touched during his lifetime.

Sudhakar was much ahead of his times, and as an accomplished industry veteran and strategist, he could easily foresee the upcoming trends & technologies, and made great attempts to prepare everyone for the road ahead. He was industrious and believed in sharing his wisdom and learnings with the world through his numerous blogs and book. Today, there are so many of us who are living testimonies of his values and work.

Sudhakar was a people's person and a humanitarian through and through. He was the architect of Mastek 4.0, the Company culture that aims to empower Mastekeers and instil their belief in themselves. He was set-out to build a company (and the world at large) where dreams come true and human values are celebrated. As a philanthropist and exemplary leader he always inspired people to work to uplift individuals, communities and societies, and to believe in the 'power of the collective'. His unmatched integrity, humility and timeless principles of life and business are strongly etched in all of us, as we fondly remember, grieve his loss and carry the great responsibility of upholding his values, vision and legacy.

Sudhakar will be dearly missed by one and all.

Ashank Desai

Vice - Chairman & Managing Director



Company Introduction

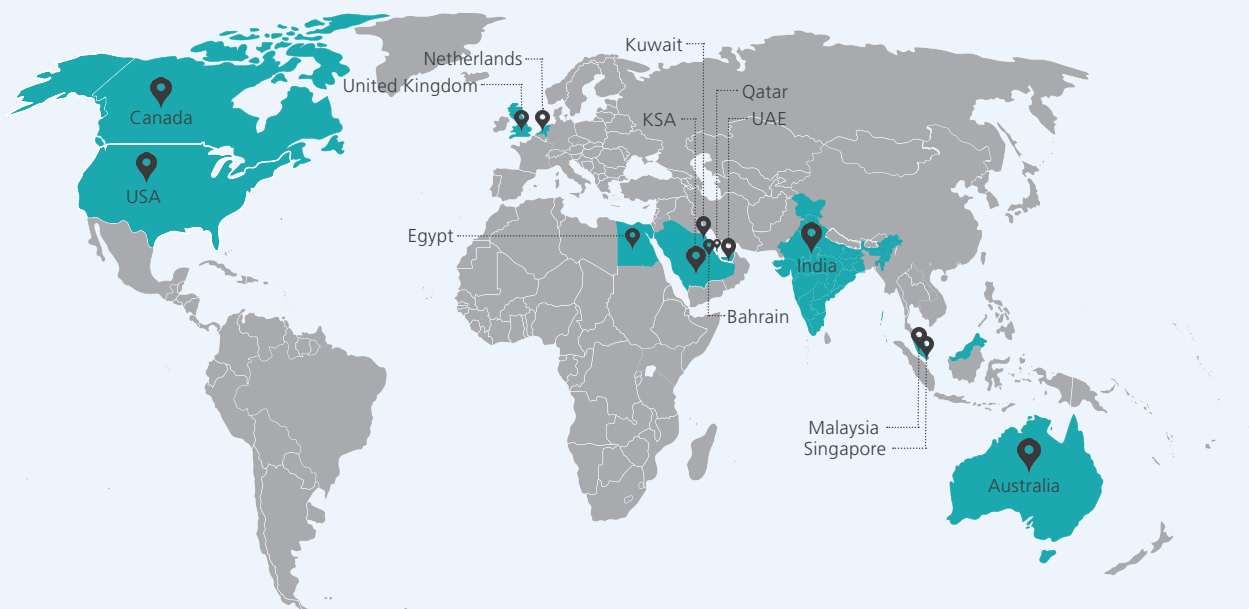
What we do

- Deliver Outcome Based Solutions
- Unlock the Power of Data
- Develop and Modernise Applications
- Accelerate Digital Advantage
- Delivering Measurable Value with Oracle Cloud Solutions

What we offer

- Application Development
- Application Maintenance and Support
- ERP and Cloud Migration
- Business Intelligence & Analytics
- Assurance and Testing
- Digital Commerce

Our Presence



Evolving over the course of three decades, from being an offshore IT provider, today we are an agile, digital transformation partner with a portfolio of leading companies, engineering excellence for customers globally.

What we achieved in FY2021

₹ 174,977 lakhs

Total Income 57.2% YoY Growth

21.2%

Operating margin

₹ 27,558 lakhs

Free cash flow

88,006

beneficiaries supported by our CSR programmes

84.3%

YoY increase in team size for the last four years from FY2018 (including Evosys acquisition)

Who we work with

164

Customers in Government & Healthcare Sector

106

Customers in Retail Sector

85

Customers in Financial Services

187

New Logos Added in FY2020-21

96.1%

of our revenues come from existing clients

How we do it

- Strategic Alliances for the right technology stack
- Maturity assessment and journey roadmaps
- DevAct and Adapt 2 frameworks for ways of working
- ADOPT and Glide for your Oracle cloud migration

How we operate

Our Core Guiding Values

- Passion
- Accountability
- Collaboration
- Transparency
- Sustainability

Message from Vice-Chairman & Managing Director

In terms of our overall business performance, the proficiency of Evosys in Oracle cloud migration combined with Mastek's capability to cross-sell digital commerce and transformation services, helped us to win some remarkable large deals during the year.

We also witnessed a strong demand acceleration in FY2021, reflected in our record order booking for the fiscal year end.

Dear Investors,

I extend a warm welcome to you all and am pleased to present our FY2021 Annual Report. I hope my message finds you in the best of health and happiness - something we must never forget to cherish.

During the year, we were immensely saddened by the passing away of our friend and colleague, Sudhakar Ram - Founder Member, Vice - Chairman and Managing Director. He departed us on Sunday, 8th November 2020. On behalf of Mastek's Board members and all our stakeholders, we share our deepest condolences to Sudhakar's wife Girija and daughter Samvitha, in their loss. As a Promoter of Mastek, Sudhakar made a huge contribution to Mastek, and his influence will transcend generations. He is widely respected and is known for his professional integrity and strong values, which also laid the foundation to shape Mastek's value system and purpose as it stands today. Sudhakar was the architect of Mastek 4.0 that positioned empowerment at the heart of Mastek's culture and therefore, there is no better way to respect his life than to continue to build on his legacy that enables Mastek to continue to scale.

We are at the dawn of the post-COVID-19 era, in which the world is looking forward to the end of the pandemic while still grappling with the disruptive changes the virus caused to all facets of society. Governments are re-evaluating what social contracts should look like; economies are investing heavily in rejuvenation; people



Ashank Desai
Vice-Chairman & Managing Director

Mastek in Numbers

₹172,186 lakhs

Revenue from Operations

25.6%

Return on Equity

0.3

Debt Equity Ratio

₹36,447 lakhs

Operating EBITDA

₹81.9

Earning Per Share (Diluted)

639

Customers

₹226 lakhs

Global CSR Spends

are getting used to the new normal where physicality has new meaning and businesses are accelerating their digital transformation plans to maintain their operations and evolve new business models for superior outcomes.

In FY2021, Mastek found itself in the eye of a perfect storm. The economic fallout of restrictive lockdown measures meant that the digital channel was the only customer touchpoint available. Organisations that couldn't adapt either put operations on pause or shut their doors permanently. Those that could adapt, not only thrived, but also stood the chance to own the future. The coalescing of this sudden surge in demand for digital transformation solutions, and Mastek's core focus in meeting this very same need, meant that FY2021 was marked to be an unusually prolific year.

At the outset, I am pleased to inform you that recently, we have appointed Hiral Chandrana as our Global Chief Executive Officer. He comes with a proven track record of leading and growing Digital Transformation business. Hiral will be based out of the US. He has over two and half decades of global experience in IT Services and Solutions across a diverse set of industries. He has worked with Wipro Limited and Electronic Data Systems (now part of DXC Technology) in progressive business leadership roles. In his last role during a 14-year stint at Wipro, he served as the Senior Vice President & Global Head, Business Application Services.

Financial Performance for the Year

Year 2020 was always going to be a pivotal year for Mastek. Internally, it marked the completion of our strategy Vision 2020 and externally UK, our key market where we secure most of our revenue, was to exit

the European Union (Brexit). We successfully navigated the challenging conditions of Brexit and took decisive actions to realign our business to support accelerated growth in FY 2021 and beyond. As we had begun FY2021, which was impacted by Covid-19, the future looked uncertain for the IT industry. We had to keep our eyes peeled to see how the evolving landscape would dictate our strategies. However, I am pleased to inform you that not only did we perform extremely well, but also we outperformed industry benchmarks.

Our healthcare business continued to accelerate during FY2021, while the government sector in the UK reported another year of sustained growth. Our Oracle EBM and cloud space also continued to be exciting, with many wins through the year. We found that our value proposition is increasingly able to win against large SIs across geographies. We entered three large deals during the year, primarily in the UK government and the healthcare space which makes us much more confident into the league in which we operate. The overall deal sizes increased, many of them being multi-year, multi-million-dollar deals.

In terms of our overall business performance, the proficiency of Evosys in Oracle cloud migration combined with Mastek's capability to cross-sell digital commerce and transformation services, helped us to win some remarkable large deals during the year. We also witnessed a strong demand acceleration in FY2021, reflected in our record order booking for the fiscal year end.

In terms of our Revenue, we grew our **top line by 60.7% to reach \$231.9 million**. This is driven by growth across verticals, especially in UK Public sector and full year impact from Evosys acquisition which also grew by +20% YoY. We also improved our operating **EBITDA margin to 21.2%, up by 667 bps** year-on-year.

~90%

UK order booking growth YOY.

£25+ million

Our first £25+ million deal was signed in FY2021

Consequently, our **PAT also grew by almost 121%, with an improvement of 416 bps** in our PAT margin. This was helped by significant control over our discretionary spends, reduction of travelling expenses due to restrictions, and overall control on our other operating levers.


The most gratifying end to FY2021 was the record order backlog we amassed, giving us a glimpse of how the near future will shape up. Our order book in terms of **12-month backlog grew by 42% year-on-year, which was worth \$155 million** at the year end. This gives us a big traction as we move forward. We look at the future with a great promise because we are in a space which is growing the fastest within the IT space.

We also navigated our cash position hawkishly well, by ensuring that we did not get stuck for any bad debts from potentially stressed retail clients who depended on discretionary sales, while also accelerating our payment terms with our other businesses. In fact, FY2021 was one of our best years in terms of collections. In addition, the sale proceeds which we earned from the share sale of Majesco, all put together, supported our cash balance to go up significantly during the year.

3-Year Vision and Strategies

To meet our Vision 2025 goals, we are building further on the success of FY2021, by undertaking multiple investments to build key competencies and adding new service lines while strengthening the existing ones.





Our US Digital Service business acquired 13 new logos for FY2021, of which 10 of them were in the non-retail sector, reaffirming our investments in D2X strategy.

In FY2021, we took a hard look at our future gameplay and resources required. From this introspection, we have set a clear vision for ourselves for getting into the \$1bn top-line league in second half of this decade. In a shorter timeframe, we wish to double our size within three years' time. To achieve our longer-term game plan, as first step, in FY'22 we are focusing on following four vectors:

Outcome-based selling:

We further evolved our go to market strategy in FY2021 by adopting "outcome-based selling". We now prefer to talk about customers' priorities, the things they care about, instead of our capabilities and services. Today, our philosophy is aligned to a Value Based Contracting model focused on outcomes, in which we look to baseline and objectively improve aspects of our clients' business. We even allocate a portion of our fees to be contingent on the success of stated outcomes, so we too have our skin in the game with an upside on successful completion.

Joint go to market (JTGM) synergy:

Since completing our acquisition of Evosys in FY2020, we've mainly focused on organisational resilience and transitioning the delivery ends of two organisations into one to work more congruently. Going forward, our focus on integrating the front-line market attack will

accelerate and yield Mastek even better market penetration. During FY2021, we booked almost 160 new customers through Evosys, all of them are ideal candidates for digital transformation that Mastek excels in. Furthermore, many of these logos have large balance sheet sizes and hence sizeable IT spend budgets. The joint go to market (JTGM) synergy of Evosys and Mastek is a key component of our ongoing growth. During FY2021, we intensified our focus through this approach by strengthening our management and leadership teams in all geographies. We also integrated our back-office services under a common leadership team, making us sharper and more agile in delivering our combined propositions. Through this approach over the next 3 years, we intend to build and expand our digital business by making many fortune 500 clients into 'customers for life' and earn a larger share of their wallets.

In our co-selling approach of our joint value propositions, Mastek has earned the rights of passage for competing more credibly and effectively against larger, more diversified GSIs. Being a smaller more focused and nimbler player, and with a much wider IT framework capability under our belt, your Company has the ability and desire to win bigger mandates, both in the public and private sectors. In FY2021, I was pleased to witness our migration from £10-12m deals to £25-30m deals.

Our significant large wins pave the way for a degree of reference-ability and customer confidence that Mastek can be a trusted partner with the ability to handle orders of sizeable magnitude. We have elevated our ambition, and now our pipeline includes bids which are upward of £35-£100 million range. This is a strong reflection of our capability and the trust that we enjoy with our customers.

EVOSYS ADVANTAGE

Global and Cross Pillar

1000+ Global Customers with presences in 30+ countries
Expertise in all Oracle Cloud Pillars

Value Based Delivery

Deliver Measurable Outcome

Verticalised Approach

Vertical specific solution developed for prominent verticals

Evosys Glide (On Premises to Cloud)

Transformation Platform for Oracle EBs, PeopleSoft, & SAP to Oracle Cloud.

Brilliant team and model to scale

1700+ consultant & growing across all pillars of Oracle Cloud

Outlook on Cloud

Market for cloud suites will continue to evolve over next 5 to 10 years. By 2024, Gartner expect 70% of all new midsize core financial management application projects & 35% of large and global ones to be deployed in the public cloud.

Comprehensive Digital Offerings:

As more than 80% of our offerings are in Digital Service areas, we have embarked upon adding more service lines to provide comprehensive solutions to our customers. To achieve this, we are building partnerships and investing in in-house capabilities in the areas of cloud-migration, AI-ML offerings, Next Generation Managed services. If it makes economic sense, we will also look at building these capabilities through M&A activities.

Beyond this for a longer-term success we are seriously investing in building Industry domain expertise in the areas of Health care, Financial Services, Manufacturing and Retail.

Capabilities and Talent:

Over last year, we have built capabilities to get into this growth mode for the next three years. We have added several individuals with strong credentials in our leadership clique. We have also added more than 388 (net) people during FY2021 for balancing out our skill sets. We do not intend to stop here and plan to keep adding sufficient capabilities as we move forward.

We are building further on the success of the previous fiscal, by undertaking a plethora of HR investments that will strengthen the foundational and operational support to the Mastek business. We intend to keep strengthening our leadership across all geography and technical capability grids, by complimenting existing ones with new ones. When it comes to our top performers, we intend to ring fence them and jointly plan their careers with them. We are also revamping up our retention and attraction of fresh talent in terms of graduate and intern hirings.

Covid response and community impact

FY2021 will be remembered as the year of COVID-19. For the Mastek team, it was a tale

of resilience reflected by the determination in facing the challenges and continuing to deliver on our commitments. Throughout, our priority has been the well-being of our people. Our leadership team stepped up into action without hesitation and took all the essential steps to establish and implement the necessary SOPs to ensure that safety came first. I am glad to share that our employee welfare initiatives to manage the COVID pandemic at our workplace were quite effective.

I am immensely proud of the way our resilient and agile workforce efficiently collaborated to quickly respond to the crisis, effectively transitioned to work-from-home setup and contributed to make Mastek successful during these unprecedented times. To mitigate the effects of the ongoing COVID crisis, we initiated advisory communication in January 2020 and adopted an integrated approach to safeguard our people, enable business operations from remote locations, and organize welfare initiatives covering financial, social, physical aspects of wellness with dedicated focus on emotional wellness. We also facilitated various leadership connect sessions along with opportunities for virtual engagement.

In addition to taking care of our employees, carrying out CSR initiatives is also an important pillar of our contribution to society. We believe in contributing to the world community to make the world a better place for everyone. Our charitable wing 'Mastek Foundation' worked in collaboration with the local health agencies and NGOs on the field to provide essential aid to individuals and families adversely affected by the pandemic. For instance, we raised over INR 50 lakhs through our annual fundraiser 'Inspired 2020' to provide COVID relief aid. We also organized global Gratitude is Attitude events every quarter along with Payroll Giving to raise funds for charitable organizations in India, the UK and US.

I invite you to read more about our various responses to COVID and our CSR initiatives in the Annual Report's ESG and MD&A related pages.

In closing

In summary, we accomplished a tremendous amount of progress in a relatively short period of time and placed the Company on a robust footing as we progress through FY2022. The overall business landscape across US, UK, and the Middle East business in the digital transformation space looks promising, and our cross-sell and co-sell continues to be a big engine that we have invested in and further solidifying. Our cloud capabilities continue to be at the sharp end of the spear driving our business forward. We continue to invest in sales, capabilities and technology innovations to help accelerate the growth momentum.

On behalf of the Board of Directors, I want to express our appreciation to our customers for entrusting us with their business, our investors, who believe in the potential of Mastek, and to our dedicated employees, who are such a key part of unleashing the future potential of this great Company. I would like to thank all our customers for entrusting us in shaping great outcomes for them. I also wish to extend my gratitude to our Board of Directors for their support and guidance, and my sincere thanks to our shareholders for their faith in the Mastek story. Most importantly, I would like to acknowledge our dedicated and talented employees, who are the foundation of our continued success.

Best regards,

Ashank Desai

Vice - Chairman and Managing Director

Message from Global Chief Executive Officer

Dear Stakeholders,

I am honored to join the Mastek family and lead an organization which is built on a strong foundation of values over many decades. I commend all Mastekeers for their resilience over the last year and for continuing to deliver successfully to our clients.

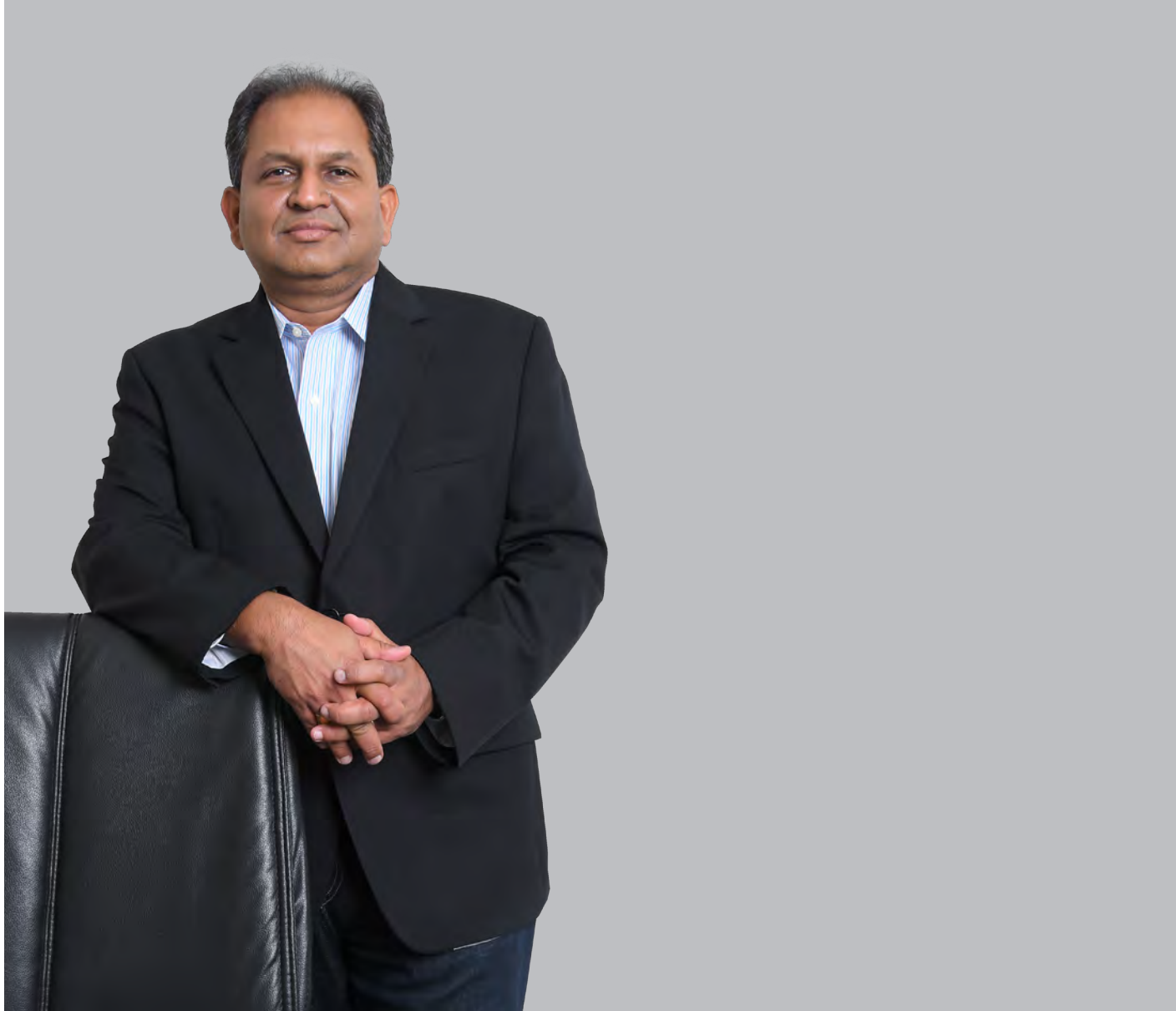
As customers accelerate their digital journeys post pandemic, Mastek is uniquely positioned to be the trusted business solutions partner of choice for enterprises. We have made bold bets over the last decade in cloud, digital commerce, industry specific platforms and I'm convinced there is significant unrealized potential ahead of us. Delivering value for our customers, employees, shareholders and society at large is in our DNA.

Talent and Customer Advocacy are our most important assets. Our clients continue to innovate at a rapid pace, and at Mastek we continue to adapt quickly integrating new digital & cloud technologies with our industry expertise to deliver business outcomes. We are focused on skill transformation and enhancing experiences of our employees which is more critical than ever before. At Mastek, we have a saying, "you don't work for Mastek, you fall in love" and we will strive to live that trust every day.

Finally, in my experience over the last 25+ years, I have always believed the rigorous "execution" of the strategy is critical to achieve our collective vision. I am looking forward to the journey together and excited to collaborate with Ashank, rest of the board members and the leadership team at Mastek as we continue to drive differentiated growth and positive impact to all stakeholders.

Best regards,

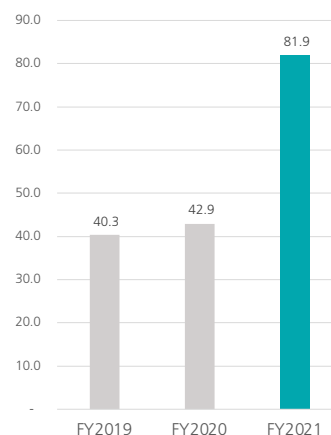
Hiral Chandrana
Global Chief Executive Officer – Mastek Group



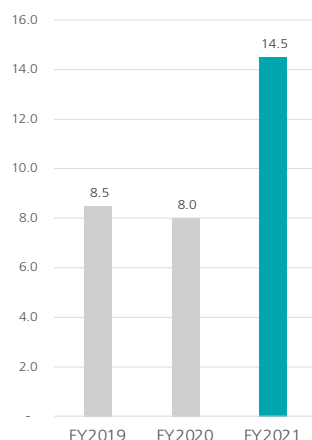
Hiral Chandrana
Global Chief Executive Officer

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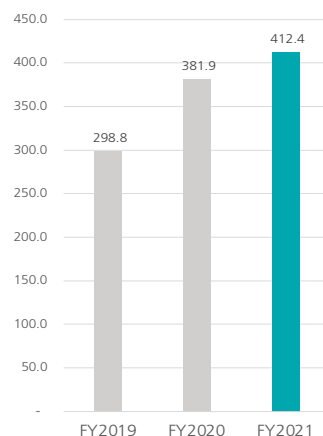
Earning per share - Diluted (₹)



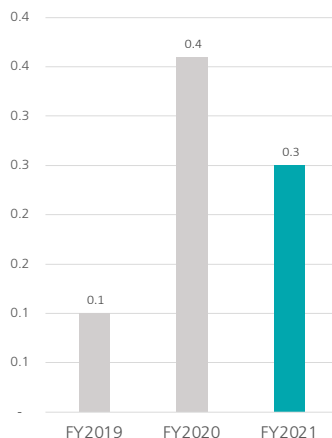
Dividend Per share (₹)



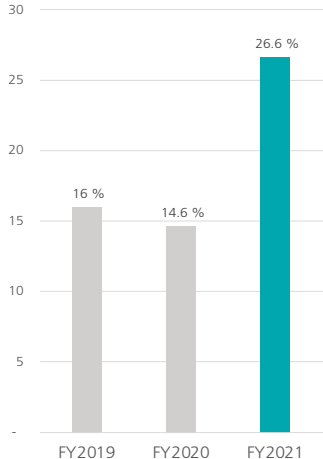
Book Value per share (₹)

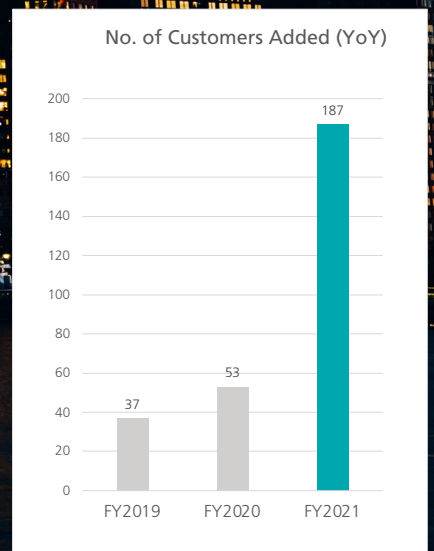
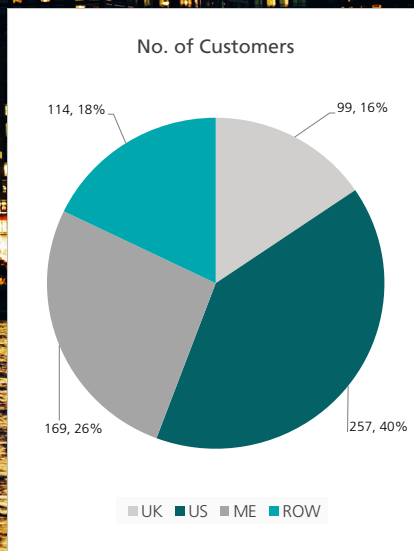
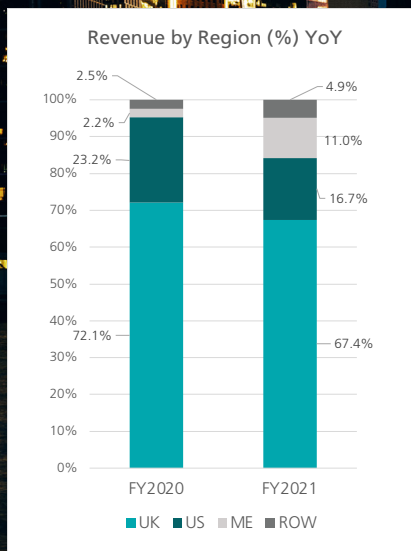
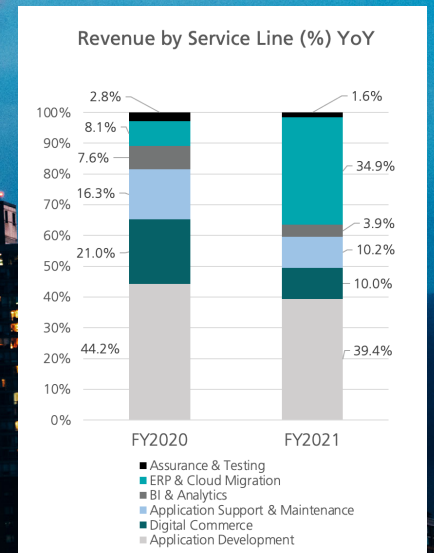
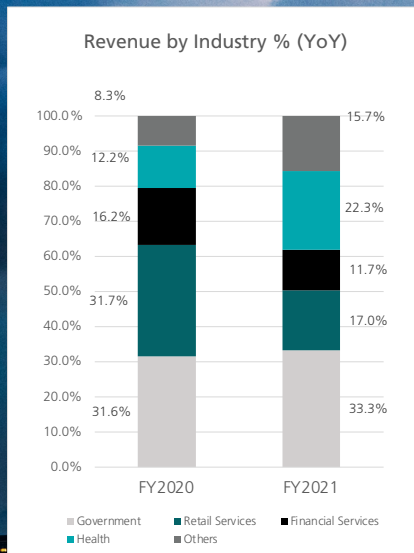
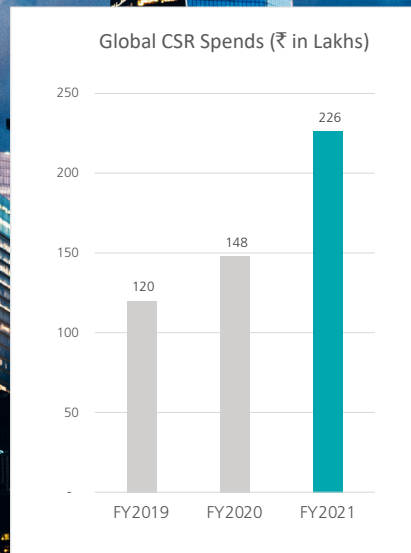
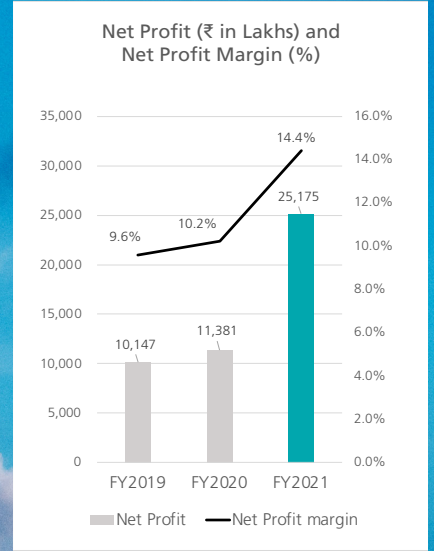
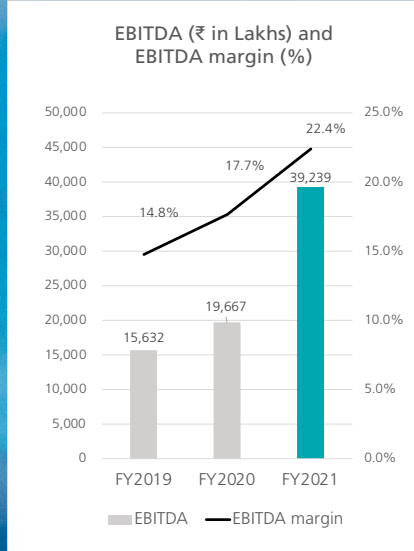
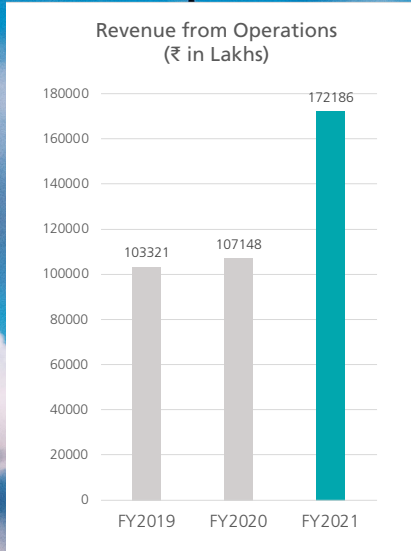


Debt Equity Ratio



Return on Network (%)





Our Strategies in Action

Critical Partner in the UK

Adding Value Every Day



Whilst celebrating its 39th birthday in May 2021, Mastek is also commemorating more than 28 years of service in the UK. For nearly three decades, the Company has been delivering on critical UK Government programmes that are of national importance. From education solutions to 22,000 schools, to the first-of-its-kind London Congestion Charging platform, to advanced cloud services solutions across Health, Immigration and Borders, Maritime Platforms and Defence, Mastek has matured into a world class Government Digital services provider.



Serving UK by partnering the public services

Our largest growth area during FY2021, came from our success with UK Public Sector, where we became part of an elite group of suppliers in the Government Digital Marketplace for the first time. This ranking was earned not only by expanding our business with existing customers, but by also breaking through into new accounts and departments by proving our value as a world class digital services provider.

50.3%

Increase in ₹ terms (incl Evosys)

Our Strategies in Action

Critical Partner in the UK

DHSC

At the Department of Health and Social Care (DHSC), we are delivering and running the Halo Platform, which provides advanced cloud services for UK's COVID-19 Test & Trace technology services. An initial commitment in August-20, has been extended through to September-21.



HMRC

For the HMRC, we were commissioned to deliver service management and support for their Customs Declaration Service at UK Borders, a complex programme supporting Brexit change. Here again, our initial deployment in August-20 has been expanded to HMRC's Customs, Borders & International Unit, and scaled through to March-22.

NHS England

In Health, our 15 year journey in implementing national services was recognised by our place in the Digital Capability for Health framework (£800m over 4 years), enabling access to Mastek's digital services across NHS England. Our innovation was at its most fast paced here, using Process Automation to reduce days of manual work to minutes in the delivery and ordering of PPE (Personal Protection Equipment), and by using advanced analytics delivered as self-service views on the mobile device, to manage Accident & Emergency (A&E) frontline utilisation, during peak pandemic impact periods.



Home Office

Across our secure government services, enterprise services moved at pace too, with the initial launch of the new National DNA Database 2 service for the Home Office and Identity and Analytics Services for major programmes and pandemic support within Defence. The Home Office has entrusted Mastek with a 3-5 year contract for enabling secure Biometrics exchange capabilities

with 5i's (UK, US, Canada, Australia and New Zealand) and Phase 2 of DNA capability for police and forensics departments. Our flagship Case-working engineering capability for the Home Office has now taken a step-up, with the Home Office awarding us a 3-year contract for ATLAS enhancing the platform for UK's Future Borders needs.

DDaT

We also announced our Government Digital Data and Technology (DDaT) skills academy in engineering and DevSecOps, underpinning our advanced civil service enablement programme across Government customers. This enables the creation of digitally skilled civil servants in support of the national digital strategy.

Hospital Trust (Northampton)

We were pleased to enter Secondary Care for the first time, with the use of innovative Robotic Process Automation Shared Services for a Hospital Trust (Northampton) and Commissioning Support Unit (South, Central & West). This innovative shared service will drive NHS improvement initiatives to enable pandemic recovery of health services.

Serving UK by partnering the Private Sector

Whilst the Private Sector faced significant challenges from the pandemic, particularly in Mastek's majority markets of Micro Finance and Retail/Logistics, where IT investment slowed whilst the businesses focused on delivering core processes, Mastek did not stop innovating.

We helped a customer by delivering a store pick solution and deliver their products via multiple online channels including Amazon and Deliveroo. This helped them extend their product range from take away food products to grocery items enabling their customers to get groceries delivered to their homes during Covid.

For Together Money, we have implemented a Low-Code platform to drive their digital transformation journey and we began the micro services strategy implementation for an Industrial Software and Data Management Leader.

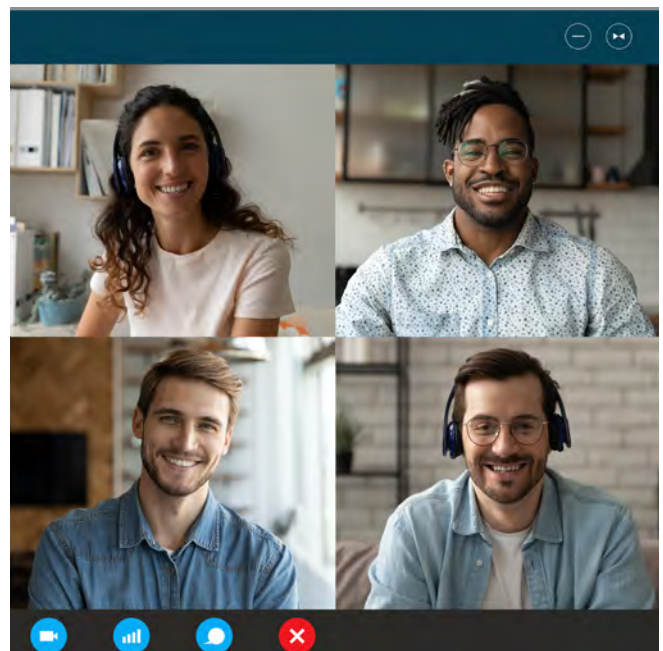
For a leading retailer, we developed and delivered a Virtual Shopper prototype using advanced Augmented Reality (virtual mirrors) functionality.

Adding jobs as our contribution to UK's recovery

When we announced the addition of 350 jobs, it was our way of driving UK recovery from the pandemic disruption. In tandem with the UK Prime Minister's vision for recovery, we too shared our vision of growth in this geography. We demonstrated our commitment to investing in the UK (North and South), just as the UK invested in its citizens through the prolonged shutdowns.

350

New jobs added in the UK

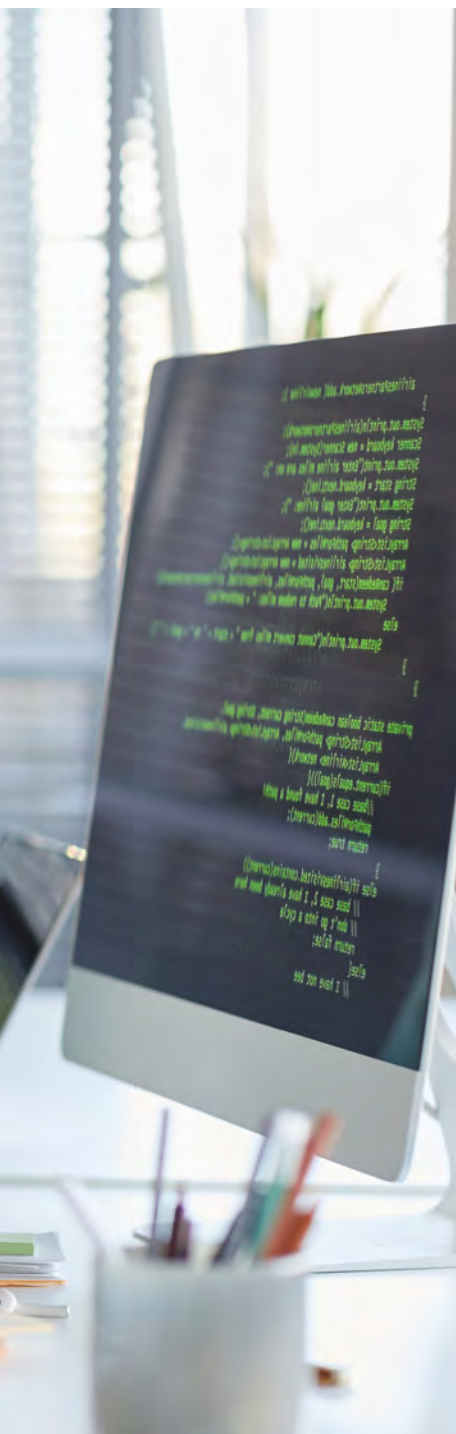


Our Strategies in Action

Scaling our Human Capital

Fulfilling the potential of MASTEK





Mastek is a people-centric organisation and aspires to be an employer of choice. At Mastek, we believe in people empowerment irrespective of grades and background, and we make every effort to ensure a nurturing and conducive environment for all stakeholders.

Despite the pandemic, we successfully on-boarded 565 resources globally this financial year compared to 491 last year. With an effective forecasting model aided by inputs from each of our business units, Mastek is building a strong talent pipeline to fuel the company's future growth.

14.3%

Total Attrition in FY2021

84.3%

YoY increase in team size for the last four years from FY2018 (including Evosys acquisition)

Our Strategies in Action

Scaling our Human Capital

Building on the success of the previous fiscal, in FY2021-22, a plethora of HR activities are planned to continue providing the foundational and operational support to the Mastek business. Some of these include:

- A more robust and scalable Graduate Programme to hire fresh talent for creating a diverse multi-gen workforce. The programme also aims to provide industry experience to fresh graduates to prepare them for the professional journey ahead
- Leadership Development Programme to ensure our leaders understand Mastek values, culture, people management and are aligned to the business objectives
- HRIS tool implementation to streamline the various HR processes and enable deep insights into organisational operations and trends
- New R&R programme, Grade Mapping and Compensation Benchmarking, Top Talent Development Programme, Revamping of the promotion process and Adoption of a new PMS approach to recognise and support some defining aspects of the professional journey of Mastekeers.

Attracting the right talent to complement our global vision

We wish to ensure that Mastek continues to place the right talent at the right place, and has a pool of sufficient multi-skilled workforce to fill requirements. In addition, to further boost our commitment to support the technology graduates aspirations to progress their career in the IT industry, we are currently working on a multi-pronged approach.

Our people are one of our most valuable assets. Their commitment, combined with the diversity of their professional experiences, capabilities, and skillsets enable Mastek to provide best-in-class and innovative services to various businesses globally. By actively investing in each Mastekeer, we aim to build an inherently capable and agile organisation.

Some of these include:

- Revisiting our Graduate Recruitment Programme strategy and actively working on mass global hiring of technology graduates.
- Another Mastek initiative that is also closely associated with our CSR wing – ‘Project Deep Blue’ is a vital platform for identifying and recruiting efficient graduates with strong technical background, passion for innovation and willingness to make a difference.
- We have intensive training programmes for campus hires, including a pre-training virtual programme during the pandemic to facilitate fresh talent infusion and to ensure that learning continues unhindered.
- As part of our branding exercise and extended reach across locations, we aim at recruiting graduates from multiple cities.



Opportunity to grow from within

Transparency is at the core of our guiding principle and to facilitate early fulfilment of open positions and provide Mastekeepers access to career opportunities to further their careers, we share details of all open positions via Internal Job Board (IJB) wherein Mastekeepers can apply for a change in role.

To build a dynamic resource pool of multi-skilled professionals, we provide various opportunities for continuous skill enhancement trainings. This includes industry relevant 360-degree skill building programmes on technology and soft skills for Mastekeepers to help create a business ready workforce to be deployed. Niche trainings on AWS, Azure, Adv. Java, Automation Testing, RPA, BI are also organised. As an initial step, we have enabled an On the Job Training programme that has a unique blended learning model to forward plan staff augmentation on key skills like cloud services that is crucial to new business.

Accelerating the pace of demand fulfilment in challenging times

The ongoing pandemic resulted in many business challenges that needed to be rapidly converted into business opportunities to ensure profitability and sustainability. The COVID-19 pandemic has forced even the traditional organisations to embrace digital transformation, creating a huge demand for IT professionals. This means that employers are hiring IT professionals from the same pool of available resources at higher compensations and candidates have access to a wider range of opportunities than earlier. In this context, we are leveraging #Starfinder - our buddy referral programme to ensure we are ushering in the right talent aligned to our business vision and culture. Starfinder hiring percentage has substantially increased from 8% to 25% We have also been rehiring some of the ex-Mastekeepers as they are already aligned to our culture. These

Our Strategies in Action

Scaling our Human Capital



directed efforts have helped accelerate the pace of demand fulfilment given the current external job market dynamics.

Mastek team is also extensively using the social media channels to engage and attract millennials, Gen Z and passive candidates. Another key initiative that global recruitment team initiated was organising virtual hiring drives for niche skills. We did multiple virtual drives which helped close some critical demands. We ensure that our job adverts and hiring drives are inclusive and addresses candidates from all backgrounds, ethnicities, age groups, and sexual orientations. For instance,

on International Women's Day, we conducted virtual drive for women at all our global locations. Through these drives we successfully identified 30 female candidates.

We have partnered with relevant agencies who can provide resources with niche skills and also maintain a virtual bench for us. We are also in the process of finalising an HRIS tool to automate end-to-end resourcing process that will support in digital recruitment & attracting millennials.

Staff Augmentation is a small portion in a large plan to attract, & retain talent, and the

current market dynamics make it an interesting proposition. 360 degree approach to nurture & retain internal talent is crucial. This support framework was completed through Technology Skill Building to keep our workforce engaged and ready to be deployed on niche technology skills like Cloud, DevSecOps & BI space.

Talent retention: making Mastek a great place to work

Our people are our key strength, and over the years we have made tremendous progress towards managing our people and their aspirations. Their commitment, combined with the diversity of their professional experiences, capabilities, and skillsets enables us to provide best-in-class and innovative services, suited to various business challenges.

To further minimise attrition, we have also devised a comprehensive long term plan which focuses on a whole gamut of actions ranging from hyper-personalisation to career development and growth opportunities, encourage compassionate way of communication, new age wellness programmes, creation of engagement champions, infusing philanthropy into the work culture through GIA which will encourage Mastekeepers to participate more often in social and charity-driven initiatives. Digital learning platforms and customised learning tracks are available to support Mastekeepers in their developmental journey. Internal IJB and rotation policy supports growth & relevant opportunities to Mastekeepers.

Some of the steps to retain talent include:

- Early Retention – We have a Global Induction programme that spans -30 to 90 days, a period popularly known as 'Check-in to Mastek'. This programme is an endeavour to create a rich on-boarding experience for all new Mastekeepers, to help them develop lasting relationships and achieve greater heights while staying true to our values and culture. The design of this programme is to welcome and successfully transform new Mastekeepers into Mastek Brand Ambassadors.

- Regular Mastekeeper connects are conducted to proactively support and resolve issues of Mastekeepers.
- Leadership touchpoint and regular communication is another area that has been paid attention to. Mastekeepers have the opportunity to connect with their senior leaders through various forums and sessions that are conducted at regular intervals
- Employee wellness forms an integral part of our engagement strategy and to cater to the complete spectrum of wellness services we have adopted a holistic approach that covers the overall health and wellbeing of Mastekeepers including Physical, Financial, Social and Emotional wellbeing of Mastekeepers. Through our emotional wellness programme we are helping Mastekeepers cope with uncertainty and anxiety during these unprecedented times.
- The Employee Wellbeing Assistance Programme (EWAP) provides Mastekeepers and up to 2 members of their family consultation from trained EWAP professionals to achieve better work-life balance and overall emotional well-being.
- As part of our commitment to supporting Mastekeepers during the pandemic, the insurance enrolment for parents was re-opened mid-year to enable Mastekeepers to sign in their parents and establish coverage for any unforeseen medical expenses due to hospitalisation.
- As a part of our strategy to retain a comprehensive recognition programme is currently being devised along with investments in tools and resources to enhance Mastekeeper experience. We are also working closely with managers to create an early warning system to identify and engage with potential attrition risks to ascertain early triggers.

Our Strategies in Action

Expanding in the Americas

Bringing new value propositions
to the world's largest market





The US remains the world's largest technology market, providing enormous growth opportunities for IT companies such as Mastek with sound pedigree and solid solution capabilities. One of the most profound changes unfolding in commerce is the shift to the digital channel. Euromonitor estimates that 17% of goods will be bought online in 2021 globally, nearly doubling from 2016.

The pandemic accelerated this shift toward e-commerce, as many consumers experimented and became reliant on the digital channel while in isolation. In 2020, goods bought online globally grew by 24% while stored-based sales declined by 7%.

15.5%

YoY USA Growth, gaining traction both in retail and non-retail sectors.

16.7%

US operations contribution to total operating revenue in FY2021

Our Strategies in Action

Expanding in the Americas

As per Statista.com, US transaction value in the Digital Commerce segment is expected to touch US\$ 804,664 million in 2021 and witness a CAGR growth of 7.9% from 2021 to 2025, resulting in a total amount of US\$ 1,092,295 million by 2025. Additionally, in the Digital Commerce segment, the number of users is projected to expand to 291.2 million users by 2025. The average transaction value per user in the Digital Commerce segment is estimated to be at US\$ 3,059.5 in 2021.

In FY2020-21, US operations contributed ₹ 28,755 lakhs in total operating revenue, i.e. 16.7% of the total revenues of Mastek, reflecting growth of 15.5 % year on year by gaining traction both in retail and non-retail sectors. The US business grew by 10.8% in FY2020-21. During the year, the US business continued to gain traction both in the retail and non-retail sectors. Mastek added 10 non-retail customers to support them in their digital transformation journey. We see increased offshoring opportunities across regions. Our new sales team is now fully operational, driving both digital commerce and digital services together with cross-sell opportunities in tandem. During the year, we entered into alliances and partnerships, which has opened up opportunities for Mastek. We also expanded our base to Canada, enabling us to serve our Canadian customers while expanding the talent work force in the geography.

Enabling Digital Transformation for the Retail Industry

The US retail sales witnessed a historic shift in 2020. According to the National Retail Federation (NRF) report on March 2021, the US retail sales grew by 6.7% in 2020 over 2019 to US\$ 4.06 trillion and is expected to increase in the range of

During the year, the US business continued to gain traction both in retail and non-retail sectors. Mastek added 10 non-retail customers to support them in their digital transformation journey.

Our new sales team is now fully operational, driving both digital commerce and digital services together with cross-sell opportunities in tandem.

6.5% to 8.2% to reach US\$ 4.33 trillion in 2021 as more individuals get vaccinated and the economy reopens. Online and other non-store sales grew to 21.9% at US\$ 969.4 billion and are projected to grow in the range of 18% to 23% in 2021 as consumers shifted to e-commerce. The US's recent fiscal stimulus package of US\$ 1.9 trillion would provide an additional lift to consumer spending in 2021. The Pandemic has also sped up the transition to digital shopping by 5 years.

In early 2020, our subsidiary - TAISTech LLC was rebranded to 'Mastek Americas'. This rebrand represents the expansion of the Company's digital commerce services to create transformative customer experiences and the systems to support those experiences across the enterprise. Beyond the Commerce Transformation services, the Company has expanded its offerings to imagine, create, and deliver the transformative customer experiences that B2C or B2B business needs to compete and win in the experience economy.



As the retail industry transitions from a brick-and-mortar model to a click-and-shop model, the Company sees substantial momentum in the retail and e-commerce vertical in coming years. The rapid acceleration of digital e-commerce in the US, combined with retailer consolidation, creates a massive opportunity for companies such as Mastek. With strong specialisation and domain knowledge in the retail space, we are ideally suited to assist retailers in their digital transformation journey by helping them in delivering a more user-friendly customer experience, upgrading their traditional IT systems and assisting in the deployment of next-generation technology for improved supply chain, inventory management, and customer loyalty.

Latin America has long lagged other regions in terms of e-commerce development due to the large unbanked population, weak postal systems and consumer distrust of the channel. The COVID-19 pandemic led companies to make bigger investments in digital platforms, which included

\$4.33 trillion

Retail sales expected to reach in 2021 in USA

developing a smoother website experience, adding direct-to-consumer operations and partnering with last-mile delivery services. These efforts helped Latin America post the strongest growth of any region with a 60% jump in goods sold online in 2020. Euromonitor expects Latin America to be the regional growth story in 2021 as well with a 16% increase in e-commerce sales of goods. Mexico is projected to lead that expansion, narrowing the gap between itself and the region's largest e-commerce market, Brazil. Mastek Americas will not only focus on the northern side of the continent, but also explore opportunities in the Latin America markets.

Our Strategies in Action

Expanding in the Americas

Expanding our Non-Retail business in the Americas

Leveraging Mastek's broad capabilities

Powered by the global brand of Mastek Ltd, Mastek Americas now also includes Digital Strategy, Platform Development, Data & Analytics, and Automation in its offerings. The rebrand to 'Mastek Americas' represents the organisation's unified, global vision and continuing legacy of building innovative, collaborative, and engaging digital transformation solutions. Commerce transformation is the Company's legacy and Mastek Americas will continue to create innovative and powerful brand experiences powered by its D2X strategy. Furthermore, the Company is leveraging its Digital Commerce customer base to expand service offerings in Business Intelligence & Analytics, Quality Assurance Automation and Robotic Process Automation, thus enabling clients to experience a full spectrum of digital transformation services.

Becoming D2X - 'Digital to Any' Stakeholder

In a post pandemic world, everyone is moving to an online world. Healthcare players are dealing more directly with patients; education is now completely online; and groceries and any form of daily items are increasingly being bought online. These examples show that almost every industry is exploring how they intend to interact with their stakeholders, and are therefore undergoing reinvention and digital transformation. At Mastek Americas, we have migrated from being industry vertical centric, to becoming more horizontal as to whom we pitch to. The fundamental

philosophy behind our D2X strategy is that we can bring about meaningful outcomes based digital transformation to any industry. This is a strategic move by Mastek to broad-base itself beyond discretionary-sales based retail companies in the USA, believing we can bring strong outcomes to any business regardless of who the stakeholder our clients are dealing with. Whether a business is B2C or B2B no longer makes a difference to Mastek. Naturally, as a result we expect our acquisition of non-retail customer base to diversify. In FY2021, we added 10 non-retail client in the USA.

Leveraging the Oracle opportunity

The acquisition of Evosys, a leading Oracle solution provider enabling business transformation, provides Mastek Americas a larger customer base to the Company. Combined service offerings is enabling the geography to grow on the back of larger wallet share with existing customers through cross-selling, and unfolds significant opportunities to co-sell. According to Data Bridge Market Research report, the global oracle services market is expected to witness market growth at a rate of approximately 13.60% in the forecast period of 2021 to 2028 and is expected to reach USD 21,278.49 million by 2028. Europe and North America dominates the oracle services market due to the rising demand for cloud-based services in the regions. Asia-Pacific is expected to witness significant growth during the forecast period of 2021 to 2028 because of the economic growth.

The increase in demand from various enterprises globally is escalating the growth of oracle services market. The rise in the rate of cloud adoption by small and medium enterprises and large enterprises across the globe act as one the major factors



driving the growth of oracle services market. The growing popularity of oracle because of its several benefits of cloud-based offerings such as increasing operational productivity, increasing revenue and lower costs and the increasing preference of the service owning to advantages it brings on the table including fast implementation, no-upfront cost, scalability, accessibility and better security further influence the oracle services market.

A key area of synergistic opportunity lies in the combination of e-commerce plus Oracle CRM, and then the back-office ERP along with it. The Oracle e-commerce business for Mastek grew significantly in FY2021 in terms of the number of new customers that we have acquired. As we create this combination of Oracle e-commerce plus Oracle CRM as an offering, it makes us a significant sought-after partner from a retail segment and Oracle point of view.

Another key focus for us is going to be the SAP Compete market that we will aggressively be going

after. Because given our size and focus on Oracle, we are an ideally suited partner for focusing on the SAP Compete business. The SAP Compete is becoming a significant market that Oracle is also planning to pursue. Within this space, we intend to create a strong name for ourselves. In the last two quarters of fiscal 2021, we won five marquee customers, of which two were SAP-ECC users. It is also a market that is going to allow us to move significantly forward in the UK and Europe region.

The final key area that we are now focusing on is the managed services on cloud applications. As the cloud implementation business matures, customers have migrated towards Oracle cloud applications and that population continues to grow all the time. This is where niche specialized partners like Mastek can make difference. We want to grow our business on managed services, not only by converting or creating managed services on cloud applications for our install-based customers, but also by competing and winning customers who had been implemented by other large consulting firms.

Our Go-To-Market strategies

Building the rights of passage to compete and win big ticket mandates.

A New Mastek

Over the last six quarters, Mastek's market reach and capabilities have expanded significantly. Over this period, the Group's customer acquisition rate has accelerated with an additional 40 customer per quarter than what it was before. The Company's service offerings have grown from pure Digital transformation, to a portfolio including Digital transformation, Cloud, Data and Innovation. Our Geography diversification has also grown from largely 3 countries to 40+ countries. And, our Vertical Focus has changed from being majorly Public Sector and Retail, to Public Sector, Financial Services, Retail, Healthcare, Life Sciences and Manufacturing.

Operating revenue up YoY by

60.7%

in INR terms

52.2%

in constant currency

Gone are the days when we aligned our business to the potential of our existing clients. Today, our philosophy is aligned to a Value Based Contracting model focused on outcomes, in which we look to baseline and objectively improve aspects of our clients' business. By combining our digital and cloud value propositions together, Mastek has found the ideal entry mechanism to establish relationships quickly, only then to expand into them through our joint go to market strategy.

With our co-selling approach of our joint value propositions, Mastek has earned the rights of passage for competing more credibly and effectively against larger, more diversified GSIs. Through this approach over the next 3 years, we intend to build and expand our digital business by making many Fortune 500 clients into 'customers for life' and earn a larger share of their wallets.



Our Strategies in Action

Our Go-To-Market strategies

Our Approach to Growth is based on the following four key pillars:

1. Value Based Delivery

For decades, being successful depended on your ability to win business through a competitive RFP process. If we could prove the features and functionality of our solutions were the best match for the customer's needs and could offer them at a competitive price were usually enough to clinch the deal. Today, companies now prefer to purchase their technology solution "as-a-service" where the supplier is accountable for managing and operating the technology.

We too want our customers to perceive Mastek as their long term strategic partners. At Mastek, we have evolved our go to market strategy by adopting "outcome-based selling". We now prefer to talk about our customers' priorities, the things they care about, instead of our capabilities and services. Through this approach, we open the discussion with a prospect, whether they're new or existing, by talking about what we know, or suspect, are the business outcomes that are a priority in their world. This way, we gain credibility by CXO buyers by speaking in a language that they understand and by showing them a tangible connection between what they care about and what we have to offer. When it comes to co-selling, or selling more to existing standalone Mastek and Evosys customers, we are leveraging the success of our joint go-to-market (JGTM) customers by telling an existing client an outcome-based story about how we can create value in ways they didn't know or believe.

Our vision is to deliver a 3x ROI on every dollar that our customer invests with us. Thus our customers see us as investment with a 3x potential return. To match this capability, we are investing in enhancing our delivery model and assets to support an outcome based contracting model.

We are now on a new journey for charting 'ambitious' outcomes for our customers. Gone are the days when we aligned our business to the potential of our existing clients. Today, our sights are set on larger mandates and on the potential outcomes of our clients. Our 3-year plan focuses on leveraging our strengths that we have, while building the ones that will complement our portfolio. Today, our philosophy is based on a Value Based Contracting model based on outcomes, in which we look to baseline and objectively improve aspects of our clients' business. We even allocate a portion of our fees to be contingent on the success of stated outcomes, so we too have our skin in the game with an upside on successful completion. Our vision is to deliver a 3x ROI on every dollar that our customer invests with us. Thus our customers see us as investment with a 3x potential return. To match this capability, we are investing in enhancing our delivery model and assets to support an outcome based contracting model.

FORTUNE 500

We intend to expand our digital business by making many Fortune 500 clients into 'customers for life'



2. 'We Sell' approach

Our focus is now on expanding business in the rapidly growing install base of 600+ customers we already have. We are investing more and more in growing our Customer Success and Account Management Teams to gain much bigger wallet share in these customers.

In our co-selling approach of our joint value propositions, Mastek has earned the rights of passage for competing more credibly and effectively against larger, more diversified GSIs. Being a smaller more focused and nimbler player, and with a much wider IT framework capability under our belt, the Company has the ability and desire to win bigger mandates. More and more customers are seeing us as a brilliant alternative

to large traditional GSI. Our expanded services capability to deliver large transformations combined with the agility and humility of a young organization is driving many customer to choose Mastek as their partner of choice replacing some of the larger SI's.

In the USA, EU and ROW, our go to market strategy also entails our pursuit to acquire new non-retail-based logos that feature in the Fortune 500; take our digital commerce value proposition to one that integrates commerce with services; cross-sell into existing Mastek and Evosys clients; and co-sell jointly to acquire new logos. Through this approach, we expect our average deal size to get bigger, with even longer tenures. Today, with increasing scope of winning combinatorial development, Mastek can offer strong managed

Our Strategies in Action


Our Go-To-Market strategies

Industry Verticals:

- Public Sector
- Retail
- Healthcare
- Life Sciences
- Manufacturing
- Financial Services

While there is great breath in our install base in these verticals, we are now expecting to gain depth in customer wallet share and also move north towards Fortune 500 customers in these focused verticals enhancing our delivery model and assets to support an outcome based contracting model.





services propositions, in which we can offer turkey managed responsibility for digital commerce, digital transformation services, and cloud solutions and services.

3. Geographic diversification

During FY2020, we acquired Evosys, which allowed us to diversify our geographic concentration, leverage the customer acquisition velocity that Evosys brings, and provide an immediate addressable opportunity to increase our share of wallet and deliver more value for customers. Moreover, the successful 'sell with partnering' model that Evosys operates will help us scale our combined businesses faster than traditional direct route to market. While Mastek's organic digital business is characterised with longer sales and revenue cycles, our Evosys business by contrast is characterised by shorter sales cycles with quicker delivery timelines. Furthermore, the cloud services market continues to grow faster than traditional IT segments and is often the starting point for many company's digital transformation journeys. By combining these value propositions together, Mastek found the ideal entry mechanism to establish relationships quickly, only then to expand into them through our joint go to market strategy.

4. Verticalization

Mastek is investing further in developing to become a strong Vertical focused business, especially in Healthcare, Life Sciences and Manufacturing, in addition to our traditional strongholds in Public Sector and Retail. While there is great breath in our install base in these verticals, we are now expecting to gain depth in customer wallet share and also move north towards Fortune 500 customers in these focused verticals.

Our people are one of our most valuable assets. Their commitment, combined with the diversity of their professional experiences, capabilities, and skillsets enable Mastek to provide best-in-class and innovative services to various businesses globally. By actively investing in each Mastek employee, we aim to build an inherently capable and agile organisation.

Today, verticalized upselling is an important driver of growth for the Company. During FY2021, we intensified our focus through this approach by strengthening our management and leadership teams in all geographies. We also integrated our back-office services under a common leadership team, making us sharper and more agile in delivering our combined propositions.

In FY2021, we prolifically added more than 40+ new logos per quarter to our cloud business, with 29+ new ones to Mastek's digital services business during the year. Furthermore, many of these logos have large balance sheet sizes and hence sizeable IT spend budgets. Along with our legacy customer base, we have a growing base of customers to cross-sell and co-sell within. Through this approach over the next 3 years, we intend to build and expand our digital business by making many Fortune 500 clients into 'customers for life' and earn a larger share of their wallets.

Taking ESG commitments further


Our business is engaging the future.
We are actively working to create a better world.

At Mastek, we are deeply invested in reimagining our future into a shared reality that everyone can adapt to with ease, and benefit from equitably. Our ESG Vision focuses on shaping and sharing solutions to tackle this global challenge. We have made considerable progress on this path in fiscal 2021 and are happy to share with you the highlights of our efforts and their outcomes in this ESG executive summary report.



People

People comfort is a key factor, for instance, while we strive for energy efficiencies by setting ambient temperature, air quality, and space management and so on – all of which affect productivity and morale. Mastek's approach is conscious of this broader responsibility. We also believe people must own sustainability, and we advocate the same through several ways. Lifestyle imperatives of sustainability form a constant refrain to all our ecological campaigns and initiatives.


| People | Why is it important to us? | How are we Responding? |
|---|---|---|
| Health & Safety  | <p>Mastek only succeeds because of its people. Together, our employees form an inclusive community of problem-solvers that help us deliver innovative solutions and a best customer experience, while transforming industries and shaping a sustainable future.</p> <p>We're invested in fostering a culture of inclusion, diversity and continuous learning to ensure every Mastek employee is respected, valued and encouraged to make their fullest contribution. A commitment to safety, employee health and world-leading environmental performance is engrained in our culture and central to how we work.</p> <p>At Mastek, we remain committed to pursue our business in a sustainable manner. Pursuing sustainable value creation / growth, we balance our business interest with that of the environment and social well-being of our employees, channel partners, nearby communities and direct customers.</p> | <ul style="list-style-type: none">– At Mastek, we place utmost importance to the wellness of our people. We have a clear and well-defined EHS policy.– Our Mahape India location is certified for ISO 14001:2015 & ISO 18001:2007. Majority of our locations have first aiders, ergonomic seating and on call medical help available.– A pandemic-induced remote work situation has given rise to a new hybrid work model with employees working from premise as well as remotely. Our experience of partnering some of the biggest global companies during the crisis is helping us re-engineer our approach to work. Our Work from Home (WFH) Policy was extended quickly and effectively in March 2020 as a response to the COVID 19 crisis, and we ensured almost 100% WFH across regions to ensure safety of our people.– Healthy Mind, Healthy Body has been our constant mantra through several years. Our wellness initiatives include wellness activities, counselling, ergonomic care, mental health awareness, advocacy on work-life balance, awareness on financial planning and so on. All our initiatives have inspired our people to get healthier, stronger, and fitter. |


| People | Why is it important to us? | How are we Responding? |
|--|---|---|
| <p>Employee Engagement</p>  | <p>By investing in employee engagement, Mastek believes it will be able to increase productivity, work quality, and retain top talent. Employee engagement is quickly becoming one of the most important indicators in gauging work satisfaction. Employees today are looking for more than just a 9-to-5 job. They want to be involved in their work, enthusiastic about the organization they work for and committed to their fellow workers.</p> | <ul style="list-style-type: none"> – Employees play important role in culture building. The capabilities and well-being of our employees influence our operational performance and leave a significant footprint in the organization's work culture. – In the hybrid working model, new norms of employee experience and engagement have emerged. Engagement now means sharing a Vision and purpose within teams, for psychological safety and trust, effective team goals and recognition of demanding work. – We are a people company that is driven by technology and our employees are our most valuable assets. Our employee care focus has comprehensive programs to address concerns on employee health and the impact of work stress on our employees and their families. – With the uncertain times often inducing anxiety among employees, there was a renewed focus on specific interventions this year. – Communications through the virtual set up, has a renewed focus on employee well-being. At Mastek, we are paying particular focus on innovation, career development, learning and experience. We believe, every company must differentiate itself by offering a great employee experience. We create meaningful engagement touchpoints across the employee lifecycle, including activities from hiring to separation for a refined employee experience. – To create a ubiquitous reward culture in the new world of work and augment employee experience, we are focusing on prompt, frequent, specific, inclusive, innovative and value-based appreciation. |
| <p>Supply Chain</p>  | <p>We recognize that suppliers are valuable stakeholders in our business ecosystem. Our Responsible Supply Chain Policy categorizes our suppliers in three segments: people, services and products. Our ability to identify, assess and mitigate supply chain risks helps us ensure a more sustainable one. Considering its impact on our value creation model, we work to eliminate real or potential risk exposure to supply chain performance. The framework identifies risk across the supplier processes - pre-contract and evaluation, contract execution, ongoing and post-exit.</p> | <ul style="list-style-type: none"> – Our strong supplier base consists of trusted partners, chosen with a conscious approach to local sourcing, and adherence to the supplier code of conduct, which insists on self-declarations with respect to EHS, human rights, and elimination of child labour and forced labour. – Our approach is to progressively engage with our suppliers to inculcate responsible business practices in the entire supplier life cycle. In India, we have launched several awareness programs across our campuses for our contract workforce on subjects, including our values and Code of Conduct, anti-discrimination, anti-sexual harassment, wages, benefits, health and safety and emergency preparedness. – Our Supplier Code of Conduct is administered to all key suppliers. Our agreement with vendors includes a mandate to follow local laws and regulations. We expect our suppliers to support and respect internationally proclaimed human rights guidelines. Our contracts have right clauses and checks to prevent the employment of child labour or forced labour in any form. We also provide forums, where suppliers can voice their concerns and issues. All suppliers must sign our Supplier Code of Conduct. |


Environment

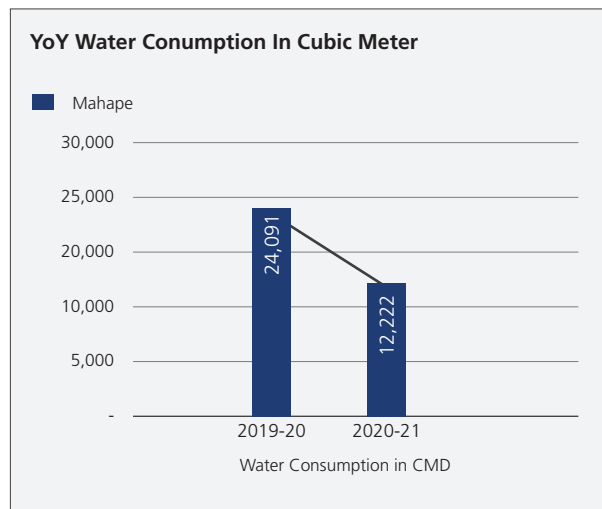
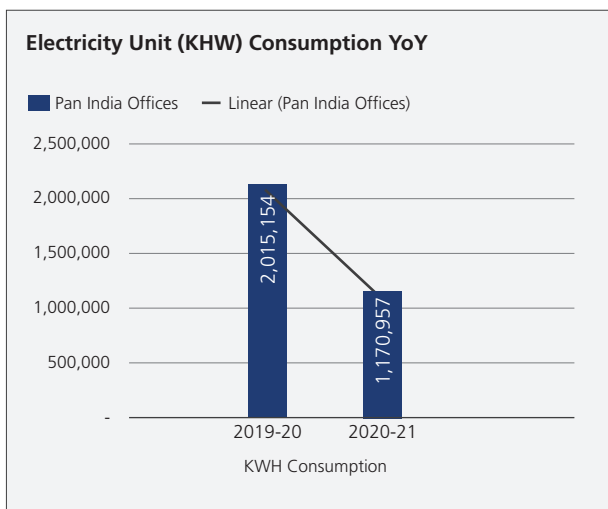
While it is important to save the planet and achieve smart savings for business through ecological strategies, it is of absolute importance to factor in human comfort into the ecological equation. Mastek believes in balancing these three factors (People, Planet & Profit) while following ecological sustainability.



| Environment | Why is it important to us? | How are we Responding? |
|--|---|---|
| <div>Climate Change Mitigation and adoption</div> <div></div> | <p>World is facing Climate change as one of the principal challenges. Human emissions of greenhouse gases have considerably increased global temperatures since pre-industrial times.</p> | <p>We approach energy, water efficiency and waste management not only through systems and technology routes but also through advocacy and sensitization – thus influencing behavioural change. Over last three years, our conservation efforts have achieved good results with a steady dip in consumption of natural resources. Energy and water consumption year on year have decreased consistently in this period and waste recycling has improved despite increasing scale of business. We focus on sustaining the movement while exploring newer steps in space utilization and applying the principles of simplifying, standardizing, and differentiating our approaches and processes.</p> <p>While the COVID-19 crisis focuses our attention on business continuity at present, we are aware that it is value creation on the lines of People, Planet and Profit, which will make us thrive in the long run, beyond mere surviving the crisis. We believe sustainability is an integral and non-negotiable factor that helps us foster a nurturing environment, to realize our mission of helping businesses and societies to flourish. As a responsible organization, we have designed our sustainability programs to be effective and strategic.</p> |

| Environment | Why is it important to us? | How are we Responding? |
|---|--|--|
| Energy Management  | <p>Energy management is critical for controlling and reducing an organisation's energy consumption, so that one can reduce costs. Energy efficiency also brings a variety of other environmental benefits, such as reducing greenhouse gas emissions, reducing demand for energy imports, and lowering costs, both at a household and at the economy-wide level.</p> | <p>The Company is committed to reduce its negative environment impact in its internal operations. Most of our offices are installed with LED lights making them very energy efficient.</p> <p>We continuously follow initiatives for conservation of electrical energy, water consumption across all Mastek offices.</p> <p>During the year across PAN India locations, we saved 8.44 lakhs KWH units YoY of the electrical energy in FY2021, a 42% reduction compared to the previous year.</p> <p>Specific measures taken include:</p> <ul style="list-style-type: none"> – replacement of CFL lights to LED lights is ongoing Initiative – replacement of old UPS units with energy efficient Modular UPS units at our SEEPZ office, Mumbai |

| Environment | Why is it important to us? | How are we Responding? |
|--|---|---|
| Water Management  | <p>Water conservation and management encompasses the policies, strategies and activities made to manage water as a sustainable resource and to meet current and future human demand. Reducing our use of water reduces the energy required to process and deliver it to homes, business, farms, and communities, which in turn helps to reduce pollution and conserve fuel resources.</p> | <p>Water is essential for life to sustain itself on this planet and is increasingly becoming a scarce resource in many parts of the world. As part of the approach, we have taken a holistic view of our water management to encompass fresh and recycled water consumption, water conservation efforts and efforts on water reusing and recycling. This is evaluated through periodic water audits and improvement plans.</p> <p>During FY2021, we were able to reduce our water consumption by 11,869 m3, which constituted a reduction of 49% compared to the previous period.</p> |



Social

The Company ardently believes in giving something back to the society. Any business is directly related to well-being and development of the society in which it is embedded. With our continuous efforts in Corporate Social Responsibility activities, the Mastek group has contributed significantly to society with key focus on improvement of Health, Education, social infrastructure, women empowerment specifically in rural areas. We also focus on fulfilling the developmental objectives of neighbouring communities and villages. Through its CSR arm Mastek Foundation, the Company partnered with 15 NGOs with domain expertise and credibility to deliver sustainable impact. The annual India CSR spend on the projects supported by Mastek on a consolidated basis was ₹ 226 lakhs for FY2021

Our CSR focus areas and the number of people impacted:

₹226 lakhs

Global CSR Spends in FY2021

88,006

beneficiaries supported by our CSR programmes

| Verticals | People Impacted |
|--------------|-----------------|
| Livelihood | 51,605 |
| Education | 930 |
| Health | 30,815 |
| Total | 83,350 |

CSR (Mastek)

| Verticals | People Impacted |
|--------------|-----------------|
| Health | 755 |
| Education | 2,286 |
| Total | 3,041 |


CSR (TAISTech)

| Vertical | People Impacted |
|-------------------------------|-----------------|
| Women Empowerment/ Livelihood | 15 |
| Education | 57 |
| Total | 72 |

CSR (Evosys)


| Vertical | People Impacted |
|--------------|-----------------|
| Health | 1,000 |
| Education | 543 |
| Total | 1,543 |




| Social | Why is it important to us? | How are we Responding? |
|---|---|---|
| <p>Health and Disaster Relief / COVID-19</p>  | <p>Ensuring access to healthcare and emergency services and essentials to underprivileged tribal individuals, urban poor families, women, and children. Especially, amidst the COVID-19 lockdown.</p> | <p>30,815 beneficiaries were helped with access to basic and emergency healthcare services in partnership with 6 NGOs.</p> <ul style="list-style-type: none"> - Employee Payroll Giving - COVID relief campaign: To help tribal families who were among the severely affected groups, and on the threshold of losing their livelihood source during the COVID-19 lockdown, Mastek raised ₹ 3.27 lakhs through employee payroll and distributed dry ration kits to 480 tribal families in Palghar, Maharashtra in collaboration with PRASAD Chikitsa Nonprofit Organisation. The employee giving programme reached 3,041 beneficiaries during FY2021. - Annual Fundraiser – Inspired 2020: The eighth virtual edition of Inspired supported COVID-19 relief operations in Mumbai and Ahmednagar, Maharashtra. The fundraiser raised ₹ 77.33 lakhs in collaboration with Snehalaya and Apnalaya NGOs. Snehalaya distributed 10,500 kits (survival + food + hygiene) to each migrant families in Ahmednagar and Apnalaya distributed 4,000 fruit and vegetable packets in five quarantine centers of M-East Ward in Mumbai. - Supported Ante Natal Care (ANC) through making nutrition and quality healthcare accessible to pregnant women from rural and underprivileged families in Thane, Palghar. The programme is developed to impact the reduction in maternal and infant mortality and morbidity rates. - Supported a Blindness Control Program in partnership with an NGO in Amravati, Maharashtra and sponsored medicines under medical programmes in a hospital for tribal people in Thane, Maharashtra. - Worked with an NGO to provide hot meals and counselling to underprivileged children battling with cancer in Delhi, Jammu and Kashmir, and Bangalore. - Supported the nutrition and physiotherapy of underserved special children in partnership with an NGO in Thane, Palghar. - Urban poor and tribal families were provided essentials with dry ration, hygiene and nutrition meal kits. Mastek partnered with 2 NGOs for their 2 project interventions in Mumbai and Thane. |

Environment, Social and Governance



| Social | Why is it important to us? | How are we Responding? |
|--|--|---|
| Livelihood  | <p>Empowering youth and women with appropriate skills and equipping them for sustainable livelihood opportunities. Empowering distressed farmer families' communities to enhance their livelihood through access to resources.</p> | <p>Mastek partnered with 3 NGOs for their projects in Madhya Pradesh, Navi Mumbai and Yavatmal, Maharashtra and reached 50,605 individuals to strengthen their livelihood.</p> <p>Mastek supported 2 projects under 'Project Aajivika' in Navi Mumbai and Delhi. The projects focused on the skill training of disadvantaged women artisans, capacity building workshops conducted increased their efficiency to make products and increased capacity of the production units to process orders and increased the prospects of market linkages and demand.</p> <p>Enhanced livelihood of workers impacted by COVID-19 at Khajuraho – UNESCO world heritage site, self-help groups were formed and strengthened, loan support was provided to beneficiaries for goat rearing, beneficiary families engaged in income generating activities through making sustainable disposable utensils, and skill development trainings were conducted for youth and women on water plant management.</p> <p>Distressed farmer communities were supported for their livelihood enhancement through a project on irrigation development. The project phases included increased area of crop irrigation, enhanced ground water storage, and increased surface storage capacity, capacity building of farmers and drought proofing with community participation.</p> |

| Social | Why is it important to us? | How are we Responding? |
|---|---|--|
| People & Philanthropy  | <p>Spending time and financial resources enriching your community is a great way to broaden our impact on the world. A majority of people feel that businesses should give back to the community and make addressing global inequalities a high priority. Today, every business needs to play an active role in moving the needle on critical societal issues, like diversity, equity, and sustainability. Making progress in these areas isn't just the right thing to do; it's also a significant business opportunity.</p> | <p>The company partnered with the government and continued to contribute in the field of education & improving healthcare facilities. We are honoured to garner the kind words of appreciation from the Government along with bagging 'Best Company for CSR activities' in the state of Gujarat.</p> |



| Environment | Why is it important to us? | How are we Responding? |
|---|---|---|
| <p>Waste Management</p>  | <p>Low cost and environmentally favorable reuse of this waste materials have become an important topic with the respective national and local regulatory bodies stipulating minimum treatment levels and standards.</p> | <p>Our waste management approach is based on the philosophy of Reduce, Reuse and Recycle. We seek to uphold our ambition of zero waste to landfills through active minimization combined with technology investment in recycling and streamlining systems and processes. With our efforts, we contribute to a circular economy and convert waste to resource. Extending the Company's efforts towards elevated environmental stewardship, we have adopted a strategic approach to waste management at each of our operating locations.</p> <p>Following initiatives were continued during the year towards sustainable consumption:</p> <ul style="list-style-type: none"> – Reduction in use of plastic – Reduction in use of printing paper – Disposal of e-waste and hazardous waste as per government approved norms – Reduction in business travel trips with the help of technology such as Video Conferencing for business meetings – Encouraging employees to use carpooling for commuting between their homes and their offices |



| Social | Why is it important to us? | How are we Responding? |
|---|---|--|
| <p>Project Deep Blue Season 6</p>  | <p>To transform lives by using technology, Mastek initiated “Project Deep Blue”, and since then, we are continuously encouraging engineering students to solve social problems using coding skills and come up with meaningful technical solutions. The project signifies the willingness to challenge the norms, the determination to solve challenging issues to create a social change and the drive to become forward thinkers. As the new generation of emerging engineers lack practical knowledge with reference to the industry, “Project Deep Blue” serves as a platform that bridges the gap between industry and academia. The initiative gives engineering students the opportunity to test their technical acumen under the mentorship of industry veterans from Mastek.</p> | <p>Highlights of Season 6:</p> <p>In season 6, 423 teams made up of 1,382 students registered from 18 Colleges that participated. Out of this crop, 71 teams were selected to solve 6 Problem Statements, including Air Quality Visualization; Automation Society Security Task; Crowd Counting Challenge; Geofencing using IoT; and Predict Queue Wait.</p> <p>Colleges participating were from colleges in Orissa, Rajasthan, Madhya Pradesh and Gujarat. Around 10 e-Campus visits to colleges outside Mumbai with Evosys HR were conducted. 12 e-Campus visits to Mumbai colleges made and the entire programme was run virtually.</p> <p>Season 6 saw the highest number of registrations (423 Teams), the result of strong positive branding through Project Deep Blue and word of mouth publicity.</p> |

Governance

Governance plays an irreplaceable part in effective management of an organization. It's a system which enables control framework for an entity and defines structure and processes for decision-making, accountability, control and behavior amongst all levels within an entity. It's a culture that's driven at the Board level and is ingrained in each and every action of the Company.



Governance at Mastek has an influence on Company's strategy, objectives and their achievement, risk management and performance optimization.

| Governance | Why is it important to us? | How are we Responding? |
|--|--|--|
| Corporate Governance  | <p>Stakeholder's trust and confidence in the Company is a direct reflection on the Company's financial and operational strength. Their interest is key part of corporate governance at Mastek.</p> <p>Driven by these principles is the framework that Mastek's Board and Committee's follow to ensure Company is ethical, follows highest level of corporate governance, is transparent and is responsible to its shareholders.</p> | <p>Over and above the compliance with the regulatory requirements in ensuring transparency and disclosure of necessary information on the Company's action, Company officials reach out to the stakeholders on a regular basis apprising them of actions taken by the Company.</p> <p>Mastek has detailed and effective governance procedures to ensure business of the Company is followed in the manner intended and at par with ethical and corporate governance standards. Further details are provided in the Corporate Governance Report and Director's Report.</p> |
| Operational Governance  | <p>Operational governance when aligned with business strategy helps in positioning Mastek to deliver on its promise. It addresses how a company's decisions are made and executed.</p> <p>Without such governance, inefficiencies in the structure can creep in and can impact an organization's growth and its business.</p> | <p>At Mastek, operational governance is at the heart of every decision that Company is taking and that may impact its business. These governances form the charter and terms of reference of the Board, its committees and management committees.</p> <p>Whether its dealing with the privacy information of its customers, shareholders, business partners and its employees or ensuring compliance with anti-corruption laws of the geographies where Company has its business, Mastek ensures that operational governance is the fundamental part of any decision making and business transaction.</p> <p>Further details on the frameworks that drive such operational governance are provided in the Corporate Governance Report.</p> |
| Third Party Governance and Risk Management  | <p>Third parties play a key role in organization's success. In Information Technology, people resourcing and advisory support from third parties provide strategic and competitive advantage.</p> <p>As Mastek grows its business and taps customers across various industries based out of various geographies, the third-party ecosystem becomes vital. Mastek believes that efficient management of third parties not just enables competitive advantage over its peers but also helps in avoiding potential costs and reputational damage.</p> | <p>Mastek continues to standardize measurements, controls, and deliverables of third parties thereby standardizing the risk and performance management processes across the enterprise.</p> <p>As part of governance, Company assesses third-party risks with the lens of impact on business contracts, third-party delinquency, alignment with Company policies and procedures, Sanctions and other inherent risks. Such assessment helps the Company to make necessary adjustments to the third-party ecosystem to ensure the business strategy and plans remain unhindered and customer's confidence in Mastek's delivery grows.</p> |

Board of Directors



S. Sandilya

(DIN:00037542)

Chairman (Non-Executive) &
Independent Director

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Mr. S. Sandilya is a Commerce Graduate from Madras University and holds an MBA from the Indian Institute of Management (IIM), Ahmedabad and he holds almost 5 (five) decades of rich and diverse professional experience.

Mr. Sandilya is presently the Non-Executive Chairman of Eicher Group. He joined Eicher Group in 1975 and has held various responsibilities in the areas of Group Finance including Information Technology, Strategy and Planning, Manufacturing and General Management. He was the Group Chairman and Chief Executive for 6 (six) years before becoming the Non-Executive Chairman, the post he continues to hold.

He has been a National Council Member of Confederation of Indian Industries (CII) for many years. He is also Independent Director on the Boards of a couple of Companies. He has been an Executive Committee Member of the Society of Indian Automobile Manufacturers. Additionally, Mr. Sandilya is a Past Member of the Board of Lean Global Network USA, Past President of Society of Indian Automobile Manufacturers and was also the President of International Motorcycle Manufacturers Association, Geneva for the period from 2012 to 2014. He was also providing his services as the Non-Executive President of SOS Children's Villages of India, a Non-Profit Organisation providing care for parentless, abandoned and vulnerable children. He continues to be associated with the organisation as the Chairman of SOS Children's Villages of India Trust.



Ashank Desai

(DIN:00017767)

Vice-Chairman &
Managing Director

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Mr. Ashank Desai, is an Information Technology (IT) Industrialist and has done B.E. from Mumbai University and had secured the second rank in the University. He holds a M. Tech Degree from the Indian Institute of Technology (IIT), Mumbai. He also holds Post Graduate Diploma in Business Management (PGDBM) from IIM Ahmedabad.

Mr. Desai is the Principal Founder and Former Chairman of Mastek and has more than 4 decades of rich and diverse experience in IT industry. Mr. Desai having held the position of Chairman & Managing Director of Mastek earlier and currently serving as the Vice - Chairman & Managing Director, brings with him valuable experience in managing the issues faced by large and complex organisations. The Company and the Board will immensely benefit by leveraging his demonstrated leadership capability, general business acumen and knowledge of complex financial and operational issues faced by the Company. Mr. Desai also brings rich experience in various areas of business, technology, operations, societal and governance matters.

Mr. Desai is widely recognised as an IT industry veteran and is one of the founder members & Past Chairman of NASSCOM. He has been felicitated by Prime Minister Shri Narendra Modi for his contribution to NASSCOM & IT Industry.

He also guides Mastek Foundation, whose mission is to enable "Informed Giving and Responsible Receiving". He has been conferred with the "Distinguished Alumnus" Award from IIT Mumbai and the Computer Society of India (CSI) "Fellow of the Society" honour. He has also been presented with the Honourable Contributors Award by ASOCIO - the only Indian to receive this recognition twice. He was conferred with the much-coveted Outstanding Entrepreneur Award at the Asia Pacific Entrepreneurship Awards (APEA) 2010 India.



Ketan Mehta

(DIN 00129188)

Non - Executive &
Non - Independent Director

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Mr. Ketan Mehta has Management Degree from the Indian Institute of Management (IIM), Ahmedabad and has significant experience nearly four decades in the Information Technology Industry.

Mr. Ketan Mehta co-founded Mastek in 1982 and served as a member of the Board of Directors of Mastek until June 1, 2015 after which he focused exclusively on Majesco business. During his long stint with Mastek, Majesco and its affiliates, he has handled multiple functions including sales, delivery, and general management. He was the driving force behind the conceptualization and execution of Majesco's insurance strategy, including acquisition and integration of seven insurance technology companies over the last thirteen years. Prior to that, he has also spearheaded Mastek's joint venture with Deloitte Consulting.

October 2018 to September 2020, Mr. Ketan has served as Chairman of the Board of Majesco (USA entity) when he played a pivotal role in selling Majesco business to private equity firm - Thoma Bravo. Prior to that, he served as President of Majesco (USA entity) from 2000 until March 2019, and Chief Executive Officer of Majesco (USA entity) from July 2011 to October 2018.



Priti Rao

(DIN:03352049)

Non-Executive &
Independent Director

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Ms. Priti Rao is M.S. (Mathematics) from IIT Bombay with specialization in Computer Science. She is a passionate advocate of amplifying business value, leveraging Technology, Human Resources and Process Automation. Ms. Priti has to her credit 24 Years of diverse experience in building and delivering range of IT services for customers located across all the five continents.

During her stint in various Companies including Companies like Infosys, L&T and Dell, she played a pivotal role in supporting IT teams and built large remote infrastructure service business, delivering software services and managing large scale recruitment, training and assimilating large employee base. Ms. Priti is inclined towards a leadership skill that requires both knowledge and vision of technology with the ability to envisage how technology might affect organizational dynamics to help organisations accelerate technology adoption.

Ms. Priti has been recently appointed on the Board of Union Bank of India and is also a director in few other Private Companies having business related to technology services and products.

Ms. Priti is also actively engaged in various CSR activities with a mission and objective to provide financial assistance, special coaching, counselling, other requisite support to deserving bright young girls from disadvantaged background to enable them to grow into empowered, confident professionals with strong values.



Atul Kanagat

(DIN:06452489)

Non-Executive &
Independent Director

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Mr. Atul Kanagat is a B. Tech in Mechanical Engineering from Indian Institute of Technology (IIT), Mumbai and an MBA from Harvard Business School, Boston, Massachusetts. Mr. Kanagat has nearly 3.7 decades of experience in Consulting and Multinational Companies.

Mr. Kanagat initially joined Hindustan Lever, the Indian Subsidiary of Unilever. He spent 2 years as Management Trainee doing assignments in multiple functions of the Company. He then spent a year as Materials Manager for Hindustan Lever's Calcutta Manufacturing complex.

After completing his MBA at Harvard in 1982, Mr. Kanagat joined Mc Kinsey & Company in Chicago. He was elected as Partner in 1988, Director in 1994 and thereafter Managing Director of their Seattle office in the period 1995 to 2003. Mr. Kanagat has been a Member of the Boards of Seattle Symphony, Fred Hutch Cancer Research Centre and Greater Seattle Chamber of Commerce, Liberty Science Centre in Jersey City. Mr. Kanagat has also worked for Harman International as Vice President - Strategy & Mergers & Acquisition.



Rajeev Grover

(DIN:00058165)

Non-Executive &
Independent Director

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Mr. Grover is a B. Com (Hons.) graduate from Shri Ram College of Commerce, University of Delhi. He is a member of The Institute of Chartered Accountants of India and The Institute of Company Secretaries of India and has over 3 decades of rich and diverse experience across Finance, Operations, General Management & Business Transformation across Professional Services and Financial Services organisations like Mercer Consulting, Hewitt Associates (now Aon Hewitt), eFunds Corp. (now part of FIS), GE Capital International Services (now Genpact) and American Express.

He has been one of the pioneers of the Business Process Outsourcing industry in India and has led the setup for three organisations in the country. In his last role at Mercer Consulting, he served as the Global Head of Operations wherein he was responsible for driving Operational excellence across multiple lines of business represented by over 9,000 employees across 25 countries including shared service centers spread across India, Poland, Portugal, China & Ireland.

He is a Founder Director of ExempServ Professional Services Private Limited, which provides value-added financial reporting, compliance and allied services to social sector organisations. He is also a Non-Executive Treasurer of SOS Children's Villages of India, which is one of the largest self-implementing independent non-governmental social development organisation focused on Children's development.

Stakeholder's trust and confidence in our Company is a direct reflection on the Company's financial and operational strength. Their interest is key part of corporate governance at Mastek.

Driven by these principles is the framework that Mastek's Board and Committee's follow to ensure Company is ethical, follows highest level of corporate governance, is transparent and is responsible to its shareholders.



CORPORATE INFORMATION

Board of Directors

S. Sandilya

Chairman (Non-Executive) &
Independent Director

Sudhakar Ram (Late)

Vice - Chairman & Managing Director
(up to November 08, 2020)

Ashank Desai

Vice - Chairman & Managing Director
(w.e.f. November 08, 2020)

Ketan Mehta

Non - Executive &
Non - Independent Director
(Additional Director w.e.f.
December 29, 2020)

Priti Rao

Non-Executive &
Independent Director

Atul Kanagat

Non-Executive &
Independent Director

Rajeev Grover

Non-Executive &
Independent Director

Audit Committee

S. Sandilya Chairman

Ashank Desai Member

Ketan Mehta* Member

Priti Rao Member

Atul Kanagat Member

Rajeev Grover Member

**Appointed as a Member w.e.f.
February 01, 2021*

Nomination and Remuneration Committee

Atul Kanagat Chairman

S. Sandilya Member

Ketan Mehta* Member

Rajeev Grover Member

**Appointed as a Member w.e.f.
February 01, 2021*

Stakeholders

Relationship Committee

S. Sandilya Chairman

Ashank Desai Member

Atul Kanagat Member

Corporate Social Responsibility Committee

Priti Rao Chairperson

Ashank Desai Member

Rajeev Grover* Member

**Appointed as a Member w.e.f.
February 01, 2021*

Risk Management & Governance Committee

(Renamed w.e.f. April 2021)

Ashank Desai Chairman

Priti Rao Member

Rajeev Grover Member

Global Chief Financial Officer

Arun Agarwal (w.e.f. May 31, 2021)

Company Secretary

Dinesh Kalani

Statutory Auditors

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

Bankers

Citibank N.A.

ICICI Bank Limited

Standard Chartered Bank

HDFC Bank Limited

Registered Office

804 / 805, President House, Opp.
C N Vidyalaya, Near Ambawadi Circle,
Ahmedabad - 380 006 Gujarat, India
Phone: +91-79-2656-4337
E-mail: investor_grievances@mastek.com
Website: www.mastek.com

Corporate Office

#106, SDF IV,
Seepz, Andheri (East),
Mumbai - 400 096, India
Tel: +91-22-6722-4200

Registrar and Share Transfer Agent

KFin Technologies Private Limited
Selenium Tower B, Plot 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500 032, Telangana.
Email Id : einward.ris@kfintech.com
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Toll free number : 1-800-309-4001

Corporate Identification Number (CIN)

L74140GJ1982PLC005215

39TH ANNUAL GENERAL MEETING

Day and Date: Tuesday,
September 28, 2021

Time: 5.00 P.M. IST

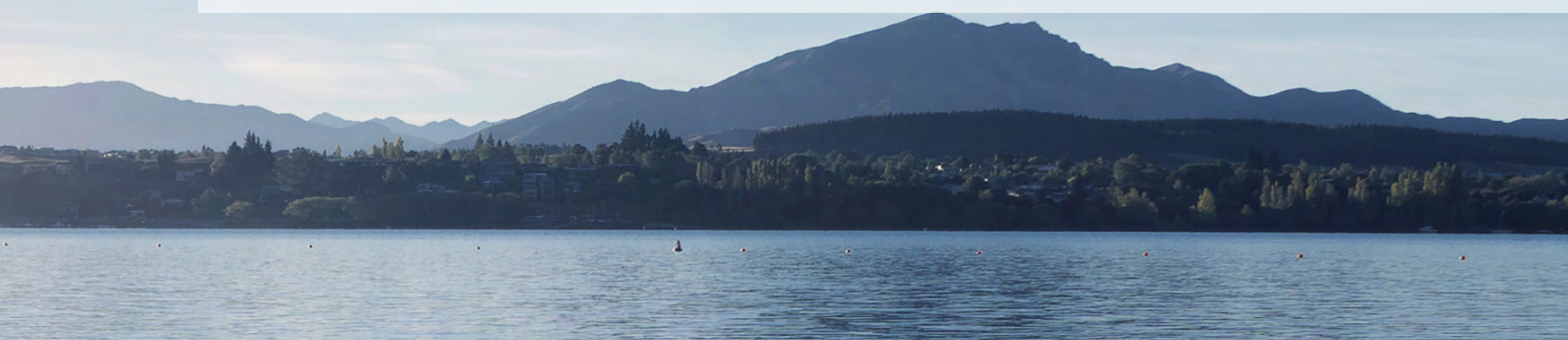
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Means Facility



A Resilient Future: Driven by
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Management Discussion & Analysis

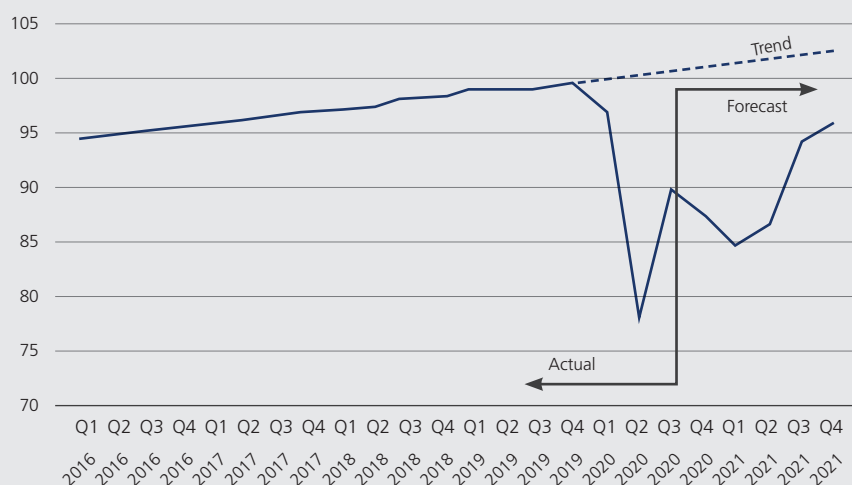


Management Discussion & Analysis

According to OECD Economic Outlook March 2021 report, the global economy contracted by (-)3.4% in 2020 and is forecasted to expand by 5.6% in 2021 and moderate at 4.0% in 2022.

A summer Bounce back should result in a W- shaped recovery

UK GDP Actual Forecast and Trend (Index Q4 2019=100)



Source : Office for National Statistics Deloitte forecast



Global Economic Overview

The Financial Year 2020-21 will be remembered as a year of challenges in human history. The COVID-19 pandemic impacted the economy, governments, and societies in which we live, resulting in an ongoing global public health crisis. With vaccine rollouts and additional fiscal stimulus support, the prospects for an eventual path out of the crisis have strengthened but still uncertain.

According to OECD Economic Outlook March 2021 report, the global economy contracted by (-)3.4% in 2020 and is forecasted to expand by 5.6% in 2021 and moderate at 4.0% in 2022. In advanced economies, the initial contraction was less severe than expected, but a significant resurgence of COVID-19 cases has stifled the ensuing recovery. The given projections assume that economies will benefit from effective public health policies, faster vaccine rollouts and strong policy support.

Speedier vaccine rollout in all countries is expected to allow restrictions to be lifted sooner, boosting confidence and spending. In contrast, slow vaccine rollout and a surge of new virus mutations resistant to existing vaccines will result in a weaker recovery, further job losses, and more business failures. With the current situation, the topmost policy priority is to ensure that all resources necessary are used to rapidly develop and distribute vaccines worldwide, saving lives, preserving incomes, and limiting the adverse impact of containment measures on well-being.

Experts opine that fiscal policy support should depend on the state of the economy and the pace of vaccinations, with new policy measures implemented quickly and fully, if necessary. The current accommodative monetary policy stance should be retained, with macroprudential policies deployed, where appropriate, to ensure financial stability and allow temporary overshooting of headline inflation provided underlying price pressures remain well contained. Enhanced structural reforms are needed worldwide to increase opportunities, enhance economic dynamism, and promote a strong, long-term, and inclusive recovery.

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United Kingdom Economic Overview

The United Kingdom (UK) economy had a topsy-turvy year in 2020. After the deepest economic downturn on record, a strong rebound was cut short by a surge in COVID-19 cases.

The UK economy was struck by two consecutive waves of the pandemic in 2020. The second wave with a more contagious strain of virus resulted in rapid increase in new cases and hospitalisations, prompting the government to implement nationwide lockdowns in November 2020. While the lockdown prevented the spread of new cases, it is expected that travel restrictions would stay in place until early spring, by when the government intends to have vaccinated the most vulnerable and eased pressure on the National Health Service (NHS).

As per OECD Economic Outlook March 2021 report, the United Kingdom (UK) economy contracted by (-)9.9% in 2020 and is projected to rebound at 5.1% in 2021 and 4.7% in 2022. The growth is expected to bounce back in the summer months backed by rapid vaccination while continued policy support would provide a path out of the crisis and sustainable recovery. The government has made swift progress in its mass vaccination program, with 6% of the population receiving their first doses by mid of January 2021, faster than in the United States or any other European region.

Companies are confident about the prospect of mass vaccinations delivering a sustained pickup in activity this year. Corporates are also relieved from the risk of a no-deal Brexit, which had been a foremost and longstanding source of uncertainty.



United States Economic Overview

According to the Federal Reserve's release of March 2021, the US economy in 2020 contracted by (-)3.5% and is projected to rebound by 6.5% in 2021, 3.3% in 2022, and 2.2% in 2023.

A remarkable upturn is expected for 2021 compared to the forecasts made in December 2020, driven by rapid vaccination rollouts and a strong fiscal stimulus of US\$ 1.9 trillion announced in the month of March 2021. The projected 6.5% economic growth is the largest annual jump since 1984. The economic growth outlook highly depends on the course of the virus and the measures undertaken to control its spread. The decline in the number of new cases, hospitalisations, and ongoing vaccinations provides hope of returning to more normal conditions later this year.

As per the Federal Reserve release, the retail inflation is projected to be at 2.4% for 2021 from 1.8% in December 2020, 2% for 2022 and 2.1% in 2023. The rise in inflation in the coming months will be temporary and backed by a statistical base effect. The US unemployment rate is estimated to fall substantially to 4.5% in 2021, 3.9% in 2022, and 3.5% in 2023. The rate peaked at 14.7% in April 2020 as employees lost their jobs in response to the pandemic.

On the federal fund rate, the central bank has been guided to remain at the level of 0%-0.25% through 2023, with the stance remaining highly accommodative as part of an effort to ensure the economic wounds from the pandemic are fully healed.



Indian Economic Overview

According to the World Bank's South Asia Economic Focus report of March 2021, the Indian economy contracted at (-)8.5% in FY2021 and is estimated to strengthen by 10.1% in FY2022 and 5.8% in FY2023. When the pandemic struck, the Indian economy was already weakening. Growth slowed to 4.0% in FY2020 after hitting 8.3% in FY2017. The slowdown was triggered by a decline in private consumption growth which was followed by subsequent financial sector shocks, exacerbated pre-existing weakness in investment.

The government imposed a national lockdown in response to the COVID-19 outbreak, bringing economic activity to a halt between April and June 2020. Aviation and tourism, hospitality, trade, and construction were the most affected sub-sectors. Mobility restrictions also severely disrupted industrial activities. Agriculture, on the other hand, was largely unchanged.

The Reserve Bank of India (RBI) provided liquidity and other regulatory support (including forbearance measures) to mitigate the social and economic effects of the pandemic crisis. The government also increased spending on health and social security through expenditure reprioritisation and fiscal expansion. Nonetheless, the sharp drop in productivity from April to September 2020 is estimated to have had major economic and social consequences. In the future, the key risks to the outlook include a slowdown in the ongoing vaccination campaign, new waves of COVID-19 cases, and the materialisation of financial sector risks, which could compromise a recovery in private investment.



MENA Economic Overview

As per the World Bank's Global Economic Prospects report of January 2021, the Middle East and North Africa (MENA) economy shrank by (-)5.0% in 2020. The sharp drop in oil prices and oil demand has added to the significant disruptions caused by the pandemic in the region. This contraction added to the region's already declining growth and exacerbates pre-pandemic per capita income losses. As the pandemic is brought under control and lockdown constraints are relaxed, global oil demand increases and policy support continues. Growth is projected to increase to a modest 2.1% in 2021 and 3.1% in 2023. A resurgence of COVID-19, further disruptions related to geopolitical tensions and political instability, renewed downward pressure on oil prices, and additional balance of payments stress are key downside risks to the outlook.

APAC Economic Overview

The Asia-Pacific (APAC) region witnessed a severe recession in 2020 due to pandemic. According to the S&P Global release of March 2021, the APAC economy contracted by (-)1.6% in 2020 and is expected to see a strong recovery at 7.3% in 2021 and 4.9% in 2022. Some of the key factors underpinning the strong economic rebound are a faster-than-expected global vaccination rollout and upside surprises in trade and manufacturing, which offset recent weakness in household spending. Consumers are expected to drive the recovery later in 2021, as gradual vaccination coverage boosts confidence and supports higher spending on services, creating jobs and increasing incomes. However, the risk for outlook continues with

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massive new waves of COVID-19 cases sweeping several countries in the first half of 2021.

Governments across the APAC region are attempting to mitigate the economic effects of the pandemic by providing significant stimulus. These packages, which differ in size and scope, have the potential to create opportunities for companies in the short-term while putting pressure on government budgets in the long run.

Australian Economic Overview

The Australian economy entered 2021 in a much better shape as compared to most of the other countries. According to the Fitch rating release of February 2021, the Australian economy contracted by (-)2.8% in 2020, reflecting successful virus containment as well as an effective fiscal and monetary response in line with a policy framework that has underpinned the economy's medium-term resilience to shocks. Fitch has projected the economy to grow by 3.8% in 2021 and 2.7% in 2022 on the back of rapid vaccine rollout, strong consumption as households draw down large, accumulated savings as a result of government relief initiatives. The likelihood of additional and broader lockdown measures to contain any resurgence of the virus keeps the outlook risks tilted to the downside.

Since March 2020, the government has implemented a large fiscal stimulus, with about AUD 251 billion (12.5% of GDP) in direct pandemic-related economic support over five years. Approximately AUD 175 billion of this has already been dispersed over to December 2020, with the majority of the spending coming from the government's JobKeeper wage subsidy programme, which has been tapered since October 2020. The JobKeeper programme and the economic revival seem to be supporting Australia's labour market on its way to recovery. The unemployment rate fell to 6.4% in January 2021, from a peak of 7.5% in July 2020, and the participation rate has returned to pre-pandemic

levels. The expiration of JobKeeper in March 2021 could put a temporary halt to the ongoing labour-market recovery, but the positive momentum is expected to persist, with unemployment averaging to 6.2% in 2021 and 5.6% in 2022.

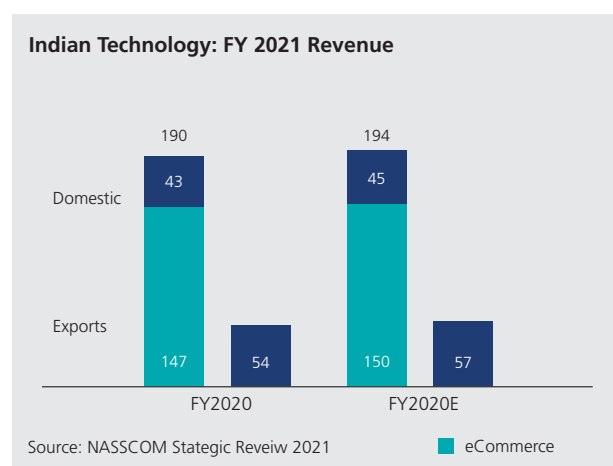
Global IT Outlook

Already doing well, the growth of the Global IT industry further improved dramatically due to disruption caused by COVID-19. One of the most important consequence of the pandemic has been a rapid acceleration in technology adoption at work and home. The needs of people in lockdown, as well as the shift by many businesses to operate virtually, accelerated this adoption. As a result, the IT industry got a significant lift driven by digital transformation and experts believe those benefits to continue into 2021 and beyond.

The rapid increase in the need for digitalisation and contactless activities across the globe is the leading reason why technology-driven businesses are now leading the way to a faster global recovery. The push to go digital has been enormous in traditionally low-tech sectors during the year. To gain a competitive advantage in the new hybrid world, to enhance customer engagement and experience, enterprises are fast-tracking their transition to digital platforms, so that they are prepared for a never-normal world. Digitalisation and cloud migration has now become a CEOs priority, instead of just CIOs led initiative. Every aspect of daily life has moved online, and more than 90% of enterprises are revisiting their strategy plans and increasing their digital investments. Thus, creating huge opportunities for Digital Transformation companies such as Mastek.

The IT industry witnessed a strong recovery in the latter half of 2020, with the industry growth returning to pre-COVID-19 levels, coupled with good deal pipelines and healthy margins. Performance is backed by perception, with 67% of CEOs polled in a NASSCOM 2021 CEO

Survey expecting India's technology sector to rise significantly faster in 2021 than in 2020. The world is recovering faster than predicted, with people-centric innovation, trust-based alliances, rapid go-to-market strategies, unwavering talent orientation and adaptability to hybrid work models, the next decade will emerge as an accelerated 'techade', ushering in a new realm and a virtual future.



According to NASSCOM's Strategic Review 2021 report, India's technology industry is projected to expand by 2.3% to US\$ 194 billion in FY2021 (excl. eCommerce) and can touch US\$ 300-US\$ 350 billion in revenues by FY2025 on the back of growing demand for emerging technologies such as Cloud, AI/ML, CX, IoT and many others. The IT Exports are projected to expand by 1.9% to US\$ 150 billion, while the domestic technology sector is expected to do better, with year-over-year growth of 3.4% (US\$ 45 billion). E-commerce is expected to reach US\$57 billion, with e-Tail accounting for nearly entire growth.

IT Service Industry

Every year, technology-enabled innovations seem to appear at a faster and faster rate. However, the pandemic has speeded up the technology in unprecedented ways this year. In particular, the IT services industry is witnessing robust demand for shifting from on-premises setups to cloud platforms. Such platforms are helping enterprises

to use technology to be more agile in the face of disruption and to develop new digitally-powered business models more suited to a post-pandemic new normal. Longstanding and traditional industry structures and business models are being challenged determinedly, and the economy's digitalisation is accelerating at a breakneck rate.

According to NASSCOM, the global IT services spend declined by 4% in 2020 to US\$ 692 billion in 2020 as the demand across all sub-segments was badly impacted due to the pandemic. India's IT services revenue for FY2021 is projected to expand by 2.7% to US\$ 99 billion; IT services export is expected to mark US\$ 80 billion. The main factor driving growth is increased demand for digital transformation and infrastructure modernisation, both across global and domestic markets. Acquisitions and partnerships will continue to remain key strategies for expanding digital and domain capabilities and expansion across markets and customers.

As per Gartner's release in April 2021, global IT spending is projected to grow by 8.4% to US\$ 4.1 trillion in 2021 and increase by 5.5% in 2022. The IT services spending is estimated to expand by 9.0% in 2021. The maximum growth is projected to come from Devices at 14% and Enterprise Software at 10.8% as organisations shift their attention to offer a more secure, innovative, and productive environment for their workforce. Though cost optimisation efforts will not disappear simply because there is more economic certainty in 2021, the focus for CIOs over the remaining year will be finishing the digital business plans that are intended at enhancing, expanding, and transforming the Company's value proposition.

In 2020, IT spending took the form of a knee-jerk reaction to enable a remote workforce in a matter of weeks. However, now with the hybrid work model, CIOs will focus on spending that enables innovation, not just task completion. Revival across regions, verticals and segments will differ substantially, triggering a K-shape economic

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recovery. In terms of industry, Banking, Securities and Insurance spending will nearly resemble pre-pandemic levels during the first half of 2021, but Retail and Travel will not see the same recovery at least till the time things return to normalcy. In terms of geography, Latin America is expected to recover by 2024, while China has already surpassed 2019 IT spending levels. North America and Western Europe, are likely to recover by the end of 2021.

In short, the IT industry was one of those industries which did not slow down due to the pandemic. In fact, it shifted into elevated gear to contain the abrupt demand for remote working and collaboration solutions as most of the enterprises wanted to move on digital channels at the earliest to reduce shocks. The pandemic acted as a litmus test for the IT industry with the willingness to maintain corporate stability, assist remote staff and deliver high-quality service experience to customers.

Digital Transformation

The world is moving rapidly towards a digital economy in today's post-pandemic world. Shifting from traditional to modern digitalised business models allows more technologically advanced products and services to be introduced. Digital transformation and cloud migration assists enterprises in enhancing their brand's reputation, customer experience and customer retention ratios.

For the last ten years, digital transformation has moved at a moderate pace, with an emphasis on improving products, processes, employee experience and reap cost efficiencies. Then COVID-19 arrived, which forced IT decision-makers to refocus their IT initiatives and increase digital investments. The demand for digitalisation has changed radically, with every industry being impacted by significant changes in customer behaviour.

According to the International Data Corporation (IDC) release of December 2020, the global

\$6.8 trillion

global spending on digital transformation (DX) is projected to touch by 2023

spending on digital transformation (DX) is projected to touch US\$ 6.8 trillion by 2023. Enterprises that had already adopted digital transformations and software-defined networking (SDN) were better able to pivot their resources during the pandemic. The direct investment in digital transformation is expected to grow at a CAGR of 15.5% globally between 2020 and 2023, while non-DX IT investment is forecasted to shrink at a CAGR of (-)1.4% over the same period. The increased momentum of digital transformations by enterprises is a windfall creating huge opportunities for service providers, system integrators and vendors.

Amid digital transformation, the cloud has emerged as an enticing option in recent years. It offers many advantages that legacy systems struggle to match with, ranging from limited or no on-prem server maintenance to faster deployment times and reduced infrastructure complexity. This ongoing migration to the cloud is led by digitally transforming enterprises, with almost 70% of organisations aiming to digitally transform their organisation if they haven't already.

Despite all the challenges COVID-19 had created to professional, personal, and community life, it also created business opportunities. Since technology improves efficiency and productivity when used properly, the outbreak also provided opportunities for companies to operate on their Digital Experience Platforms (DXP). Thus, digital transformation solutions will assist teams in learning to collaborate, and enterprises can understand that they can operate efficiently without having people in the workplace. This situation is expected to propel the growth of the digital transformation market in the coming years. Mastek is in a great position to take advantage of this opportunity and be one of the leading providers of agile digital transformation solutions.



Company Overview

Mastek is an enterprise digital transformation specialist that engineers excellence for customers in UK & Europe, US, Middle East, Asia Pacific and India. It enables large-scale business change programmes through its service offerings, which include Application Development, Oracle ERP implementation & Cloud Migration, Digital Commerce, Application Support & Maintenance, BI & Analytics, Assurance & Testing and Agile Consulting. Whether its creating new applications, modernising existing ones or recovering failing projects, Mastek helps enterprises to navigate the digital landscape and stay competitive. With digital solutions constituting major part of the business offerings, Mastek is emerging as one of the leaders in the Enterprise Digital Transformation journey.

Through the acquisition of Evosys, Mastek has expanded its reach and technology offerings to cover wide spectrum of services. Today, it has also become a leading Oracle Cloud implementation and consultancy company, serving 1,000+ Oracle Cloud customers across 30+ countries. An Oracle Platinum partner, Mastek is in the position to provide solution offerings such as Oracle HCM Cloud, Oracle ERP Cloud, Oracle SCM Cloud, Oracle CX, Oracle EPM Cloud, PaaS solutions (including custom-built solutions), AI, IoT and machine learning. The Company's diverse customer portfolio consisting of Government, Healthcare, Finance, Logistics, Manufacturing & Distribution organisations, is a testimony to the expertise and leadership in Oracle Cloud implementation. The

Company was recognised for winning three 'Oracle Partner of the Year' Awards at Oracle OpenWorld 2019 and the 'Dream Employer of the Year' award from World HRD in 2019.

Today, Mastek is well poised to be among the top providers of agile digital transformation solutions and a significant player within the digital transformation space in multiple verticals. The Company is also well positioned to extend its peer position as a leading Oracle Cloud implementation and consultancy company.

Our Key Strengths

1. Flexible Delivery Model: The Company has multiple development centers in India and overseas. This allows us to offer our clients flexible delivery models including a combination of offshore based, onsite-offshore and near onshore models. This approach can optimize our offerings to be more economical, have faster turnaround time, benefit from having a wider set of skills, and be appropriate for optimal long-term arrangements for our clients.

2. A leading Oracle Solution Provider: Market data suggests that circa US\$20+ Billion in services revenue is generated around Oracle licenses annually. This is concentrated with larger players who offer integrated service and outcome to the customers. Armed with the Oracle platform implementation and digital transformation capabilities, Mastek can reposition itself as a New-Gen company to tap into this huge market.

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3. Strong End-To-End Business Solutions:

To deliver digital change to our customers, our services span across end-to-end technology change process from inception to going live. The Company offers an ideal opportunity for customers to accelerate their digital advantage and extract more value from all their digital assets: current, legacy and future. To reach this outcome, Mastek offers a wide range of consultancy services and provides comprehensive end-to-end business services in IT services, software-based services and business consulting. This allows the Company to offer clients outcome based strategic solutions for business transformation and take up wider gamut of responsibilities that sizeable mandates require. Mastek's wider range of capabilities allows it to effectively win against competitors much larger in size, giving it much greater latitude to win larger mandates.

4. Strong Cloud and SaaS model: With the acquisition of Evosys, Mastek is now an Oracle Platinum with more than 1,000 Oracle Cloud customers across over 30 countries. With an exclusive focus on Oracle Cloud implementation and consultancy, the Company can provide a gamut of solution offerings such as Oracle HCM Cloud, Oracle ERP Cloud, Oracle SCM Cloud, Oracle CX, Oracle EPM Cloud, PaaS solutions (including custom-built solutions), AI, IoT and machine learning.

5. Business-First Approach: Value doesn't come from surveying the market to find the right solution. It comes from adopting the solution properly and boosting productivity as a result. Our in-house highly skilled specialists take a "business-first approach" to enable our strong sense of digital transformation knowledge and provide transformational software solutions to solve key business operations efficiency problems.

6. Wide Geographical Presence: Over three decades, Mastek has built a strong presence in the UK, Europe, US, APAC, Middle East, and India. This provides the Company access to a large global addressable market to grow from.

7. Top Quality Assurance Philosophy:

At Mastek, our goal is to always provide the highest quality to the customers and to create a product or service that is flawlessly compatible with requirements and expectations. Our strong and matured practices around Quality Assurance have processes and checkpoints in place to ensure that the software delivered is of high quality.

8. Strategic Associations: Technology transforms the way business is done, from strategy through to delivery. Organizations are using new and emerging technologies to maintain competitive advantage and succeed in their digital transformation journeys. To help them navigate this continued disruption, Mastek has partnered with a strong network of alliances including some of the world's leading technology, software, and services companies. Mastek, along with our alliances, offer global reach and combined abilities to help solve the most pressing technology-based challenges for our clients.

9. Technology research and innovation:

Research and Development is very vital to Mastek and its future sustainability. The more we do research before developing the future services, tools and methodology, it marks our outcome based commitment far more credible and profitable. At Mastek, we have a dedicated practice focused on helping our clients to achieve exponential innovation to shape disruption for strategic advantage.

COVID-19 Impact

In 2020, the worldwide economy was impacted by the unprecedented crisis caused by the COVID-19 pandemic. Beginning as a minor public health issue in a single location, it soon escalated into a global health emergency, followed by a social and economic disaster. Although the full impact of this historic event may take many years to manifest, it is unavoidable that its repercussions will be felt for decades to come.

Although some sectors such as Retail, Travel, and Hospitality have been adversely affected, cloud migration and digital services witnessed



increased demand and acceleration. Sectors are recalibrating their technology budgets to better serve their customers. One such example is the retail sector's investments in BOPIS (Buy Online, Pick-up In-Store) technologies, which enable consumers to shop more conveniently. Similarly, in the financial services industry, more focus is being placed on app-based disbursement and, as a result, the technology supporting it is being strengthened. The Government and Healthcare sectors are continuing their demand curve to drive efficiency and do-more-with-same-\$\$ approach. Intelligent Automation and RPA investments, cloud transformation, and legacy system remediation are some of the themes actively seen in conversations and strategies. Mastek group of companies have had an influence across geographies and verticals, although to varying degrees. Further, with the second wave seen in starting 2021, the pandemic is continuing to have its impact on people's lives and economies.

Fast forward to April 2021, the vaccination programme within the UK continues at pace. Lockdown restrictions are easing and the economy has proven to be more resilient than ever expected. Fiscal policy stayed orientated in the near term to supporting the economy, with the Chancellor announcing a fiscal loosening of £65b over the next two fiscal years in March's Budget. This included extending the job furlough scheme to the end of September and a tax incentive scheme for companies investing in 2021/22 and 2022/23. Following an estimated contraction of just over 1% in Q1 2021, one can expect decent recovery

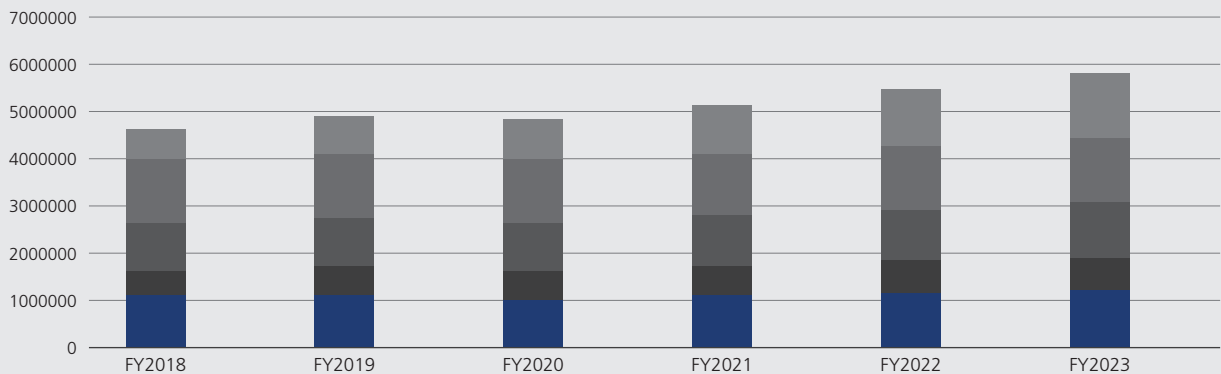
to develop from Q2 as restrictions on activities are progressively eased in line with the Government's road map, supported by the ongoing roll-out of COVID-19 vaccines. Consumers are expected to play a leading role in the recovery as their purchasing power is buoyed by recent remarkably high household saving ratios. After an extended period of weakness, business investment is expected to gain momentum over the course of the year as companies grow more confident in the economy. Business investment in both 2021 and 2022 should be supported by the tax incentive to invest. The Office for Budget Responsibility (OBR) latest forecast predicted that the UK's economy will return to pre-COVID-19 levels by the middle of 2022, significantly faster their previous forecast from November 2020.

Meanwhile, in the USA, consumers are shaking off the pandemic blues as 2021 began, putting stimulus checks to buying cars and other goods and therefore, helping set the stage for what could be the fastest economic growth in decades. As more vaccinations are delivered and Covid-19 related business restrictions are eased, better weather together with savings accumulated during a long year of lockdowns, and a desire to make up for forced inactivity, are making Americans eager to go out and spend. It is anticipated that total economic output should return to pre-pandemic levels by Q3 of CY2021. Experts widely estimate that the economy will expand by around 3 percent in the second quarter, or about 13 percent on an annual basis. For the year 2021, they expect growth of 7.5 percent.



Worldwide ICT Spending 2018-2023 (Million Constant Currency)

■ Hardware ■ Software ■ Services ■ Telecom ■ New Technologies



ICT Spending Forecast

According to IDC, following a year of flat growth in 2020 due to the pandemic, ICT spending will be catapulted back to growth in 2021 as new technologies begin to account for a larger share of the market. This acceleration is in part due to the catalytic role that the pandemic has had. The emergence of IoT is already contributing to significant market growth, and within 5-10 years new technologies such as robotics, artificial intelligence, and AR/VR will also expand to represent over 25% of ICT spending.

There is an acceleration in the digital transformation projects taken up by the UK public sector to bring in efficiency and productivity whilst servicing its customers. Moving away from the traditional legacy projects, there is increasing implementation of digital projects, platform-based services and cybersecurity-related software and services.

The key drivers of the IT spend are on the service quality, user experience and cost-efficiency. As innovations appear in one sector, the customer expectations drive the adoption of these in other sectors. Digital transformation of the business is imperative for sectors such as retail, while for Financial Services and Public sector, improved user experience also leads to increased customer satisfaction. It also leads to cost efficiency as customers are willing to self-serve provided the user experience is effective.

Digital Transformation & Cloud Migration Services

Rising competitive pressures in the tech industry are placing a premium on speed, agility, and flexibility, with an emphasis on boosting automation, enabling real-time operations, and reimagining business models. This can be accomplished through digital transformation, embracing critical capabilities in the areas of data and analytics, artificial intelligence, and edge computing while cloud plays a differentiator. Interestingly, digital transformation and the cloud are synergistic: The cloud enables digital transformation, and digital transformation fuels the importance of moving to the cloud.

The ongoing outbreak of COVID-19 across the world has created massive restrictions on businesses operating with on-premise IT systems. Hence, many of these organization has rapidly chosen to migrate to the cloud. According to Mordor Intelligence , the global cloud migration services market was valued at USD 119.13 billion in 2020 and is expected to reach USD 448.34 billion by 2026, at a CAGR of 28.89% over the forecast period 2021 - 2026. Over the past decade, cloud computing adoption has been rising owing to increasing investments from small and medium enterprises. In recent years, cloud adoption stands to be a significant consideration for IT cost reduction strategies and capex commitments. The significant reasons for migrating to the cloud are scalability, increased effectiveness, faster implementation, mobility, and disaster recovery.

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Cloud migration is also gaining traction for its real-time experience, business elements, and accessibility of data. This technology also aids in setting up several business units in minimal time.

Our Approach to Combat COVID-19 Pandemic

In 2020, the outbreak of COVID-19 impacted significantly across the globe and industries, having huge implications on businesses and people lives. To mitigate the impact, it was time to adopt an integrated and sustainable approach that serves all our stakeholders. We consciously implemented strategic measures to safeguard our people, business, stakeholders' interest and to participate in social welfare initiatives.

We have adopted a flexible approach, devised our action plans centred on the identified factors and aligned them to our immediate goals. This has enabled the rapid transition of our workforce, allowing Masketeers to successfully deliver complex technology solutions from home.

Mastek unequivocally supports the world community in its efforts to contain the COVID-19 pandemic and has adopted COVID-19 national/local advisories in its global day-to-day operations. At Mastek, we are navigating all possible solutions to ensure a safe and efficient working environment for our people and our clients. In particular, Mastek has played an important role at the Department of Health and Social Care, for whom we are delivering and running the Halo Platform which provides advanced cloud services for all of the COVID-19 Test & Trace technology services.

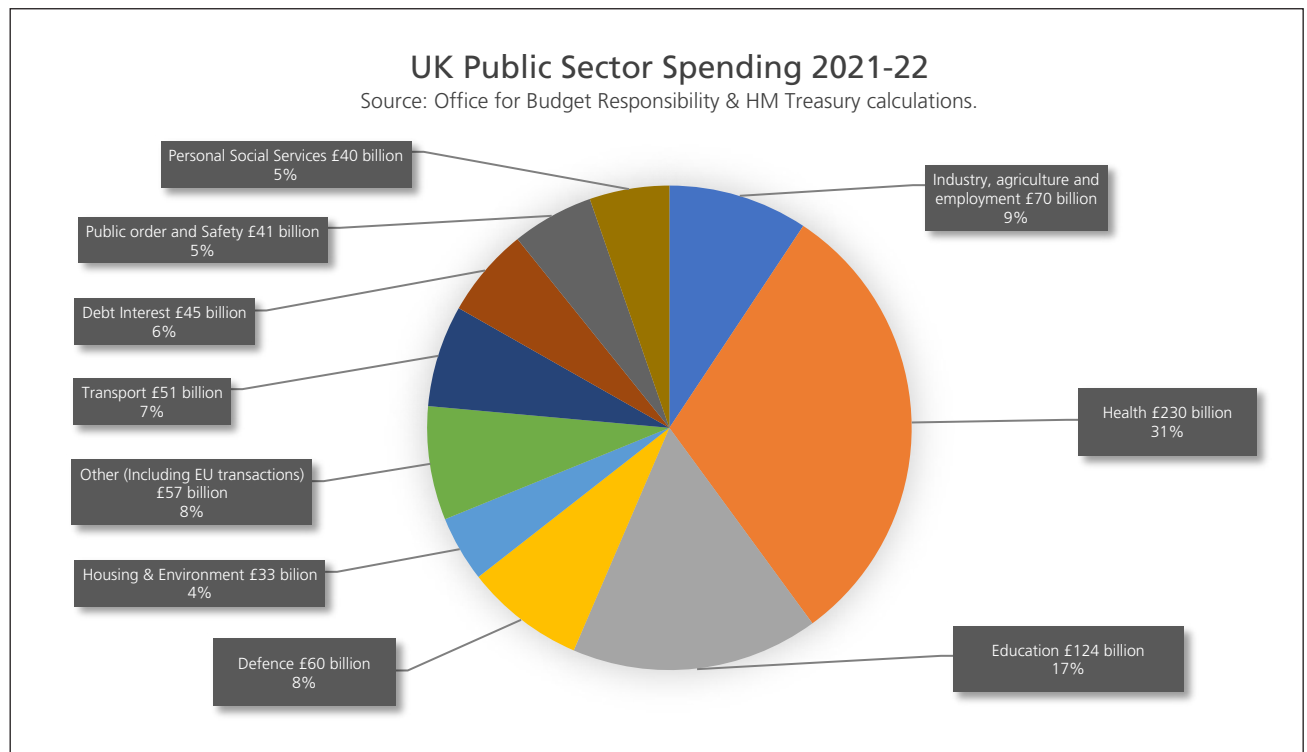
Over the years, we have accumulated vast experience helping enterprises with their digital services journey and building efficient business operation platforms. This experience, added with Mastek's digital infrastructure, extremely agile workforce and flexible culture, ensures that we continue to achieve positive outcomes even in the current global scenario and cater to our customers with the same efficiency as before.

Mastek in the United Kingdom

As per UK's Spring Budget 2021, the government expects to spend £1.05 trillion on the public sector, including £407 billion to assist the country to tackle the pandemic crisis. The budget proposes a number of initiatives aimed at the tech industry, including efforts to help small businesses with digital transformation; investments in green technology and other climate change initiatives; and visa changes aimed at boosting the tech sector, especially fintech in 2022. With digital strategies at the forefront of business plans, the need for employees with digital skills is growing and is shifting the face of the labour market.

According to Tech Nation's Unlocking Global Tech report, the UK contributed £23.3 billion in digital technology exports in 2019 and is estimated to grow to £31.5 billion, an increase of ~£8 billion by 2025, as high-growth tech start-ups flourish post-pandemic and post-Brexit. The country is now the world's fifth-largest digital exporter after India, the United States, China and Germany. It also has the third-highest number of UK tech unicorns and the most in Europe. UK digital tech services include software services, telecoms, online retail, tech consultancy, e-commerce sales and cybersecurity. In 2020, the UK tech companies witnessed a record level of VC investment, despite the backdrop of the global pandemic. Investment touched US\$15 billion, US\$ 200 Million more than in 2019. This places the UK third highest globally, behind the US (\$144.3bn) and China (\$44.6bn). The UK IT sector continues to remain dynamic in adopting technology to impact business, public services and society and is at the forefront of many innovations.

The UK's technology sector remained resilient to the pandemic effects. Brexit has now taken place and the fact that the UK will continue to participate in Europe's flagship €85 billion scientific/medical research programme as a part of the deal is a huge advantage for the digital technology sector.



Key growth drivers

Last year, to adjust to the increased demand and a new way of operating due to pandemic, the public sector had to rapidly implement the newer technologies. During this unprecedented time, remote working technology, upgraded IT infrastructures and cybersecurity solutions all contributed to the successful delivery of public sector services. Now as companies look forward to 2021, they will focus on improving their technology strategies to ensure optimal, long-term success. Following are some of the key growth drivers in 2021 -

- Cloud Platforms - In 2021, updating legacy IT systems and implementing cloud services would be at the forefront of any digital transformation agenda. This is because, according to the UK government's Cloud First Policy, organisations should evaluate cloud solutions first before considering any other alternatives across IaaS, PaaS and SaaS. Cloud-based digital infrastructure enables an organisation's applications and data to be hosted in a public, private, community or hybrid cloud platform. It enables companies to digitise their processes and making it easier for employees to access the Company's server and internal records from anywhere.
- SD-WAN capabilities - An SD-WAN (Software-Defined Wide Area Network) solution is the next generation of WAN technology. It is an overlay to an existing network providing full control and visibility irrespective of where the traffic originates. To support cloud capabilities and the rising demand in-service requirements, the UK public sector is increasingly implementing SD-WAN as a connectivity solution. Increased data use and cloud-based applications can all overwhelm a WAN, resulting in substantial downtime if the solution is not properly implemented.
- Digital Citizen - Any digital transformation in the UK public sector in 2021 is expected to be done with the digital citizen in mind. People have become accustomed to using technology devices such as cell phones, tablets, and computers to access information as a result of the convergence of new technology and the tech-savvy consumer. Due to the COVID-19 lockdown, this became even more apparent in 2020, with appointments and meetings being scheduled virtually.
- Cybersecurity - Cybersecurity will remain a top priority for many IT executives in 2021. Threat actors will continue to target business systems, adapting their tactics to take advantage of disruption and transition. For instance, since the start of COVID-19, 92% of UK organisations have said they have seen a rise in cyberattacks. Cyber criminals' targeting tactics are becoming more sophisticated, and employees who work from home are more vulnerable to security threats.



As Europe's most mature tech ecosystem, the UK is an extremely vital hub of talent, innovation and capital for the entire continent. The UK is well-positioned to capitalise on the wave from the next generation of technology which will be characterised by deep technologies such as AI, Cloud and Blockchain.

Risks faced by UK IT sector

The coming year could be a challenging one for the UK IT sector as a bundle of new regulations is set to take effect, as they adjust to post-Brexit rules on data protection. Additionally, for businesses across the industry, the pandemic has created innumerable challenges. Focusing on the IT sector, cash flow disruption and abrupt spikes in demand have been among the most prevalent difficulties. Organisations are finding new ways to effectively reshape the industry and tackle the challenges precisely.

The pandemic has accelerated digitisation, e-commerce adoption, and a transition to remote working, however, it is unclear to what extent these shifts will be lasting or how profoundly they will affect various sectors of the economy. The recovery will not be linear or consistent, and the paths of various economic sectors and businesses could diverge dramatically. While companies in every country are dealing with the challenges of the pandemic, those in the UK are also adjusting to the nation's new trade partnership with the EU.

The UK has always been a strong defender of the importance of reducing trade impediments, and as one of the largest digital economies, it has a great opportunity to shape the rules of the economy in the digital tech market.

Business update

Mastek is registered on the UK public sector frameworks such as G-Cloud and Digital Outcomes and Specialist (DOS). These are new and easier routes to market, adopted by the government for all digital transformation programmes. Through these frameworks, we continue to serve major departments in delivering critical national infrastructure projects such as Home Office Biometrics, Immigration Platform and the National Health Service's 24x7x365 Care Identity System. Services including Application Development, DevOps, and Data Services continues our long heritage of implementing successful transformational IT. In particular, we continued to serve our key existing customers such as the Ministry of Defence, multiple NHS departments and further added new customers to this prestigious list. At the Department of Health and Social Care, we are delivering and running the Halo Platform which provides advanced cloud services for all of the COVID-19 Test & Trace technology services. For HMRC, we were commissioned to deliver service management and support for their Customs Declaration Service at UK Borders, a complex programme supporting the Brexit change.

In the retail sector, we continue to serve our marquee customers across service lines encompassing Application Development, BI & Consulting to Testing and Maintenance. Repeat business continues to be a strong pillar supporting annual growth. We will continue to build on a strong foundation bringing new services to this sector in the coming year.

Our private sector customers across Retail and Financial services, witnessed business challenges as Covid hit the geography and consequently, our work went through early compression driven by knee jerk reaction to cut discretionary spend, as every organization started revisiting their business model. As Covid normalizes, we have already started seeing reversal of those ramp downs, driven by digital technologies and IT modernizations.

Our public sector business in the UK for FY2021 posed some interesting operational challenges, given the fact that much of the work that we do is with the public sector and in which data security is paramount. We were successfully able to convince these clients to agree to have the mandate implemented for a work-from-home environment.

With Brexit concluded, and Boris Johnson in with a majority, the British bureaucrats began getting down to serious business and making decisions. For FY2021, our public sector business grew by 38% year on year. We landed new logos, and expanded our scope of work into existing customers. The twin pillars of our strategy for deepening our relationships, as well as expanding the customer base, bode well for the company. We signed our first £25 million deal with one of our existing customers. This is a three-year deal with an option to move it to 5+ years under an extension clause. Our order booking from the UK region in FY2021 grew by almost 88% year-on-year.

In Health, our 15 year journey in implementing national services was recognised by our place as one of the preferred vendor in the Digital Capability for Health framework (£800m over 4

years), enabling access to digital services across NHS England. Our innovation was at its most fast paced here, using Process Automation to reduce days of manual work to minutes in the delivery and ordering of PPE (Personal Protection Equipment), and by using advanced analytics delivered as self-service views on the mobile device, to manage Accident & Emergency (A&E) frontline utilisation, during peak pandemic impact periods.

Our go to market strategy also entails our pursuit to acquire new non-retail-based logos that feature in the fortune 500; cross-sell into existing Mastek and Evosys clients; and co-sell jointly to acquire new logos. Through this approach, we expect our average deal size to get bigger, with even longer tenures. Today, with increasing scope of winning combinatorial development, Mastek can offer strong managed services propositions, in which we can offer full spectrum of managed services encompassing digital commerce, digital transformation services, and cloud solutions and services.

On October 20, 2020, Mastek (UK) Limited, a wholly-owned subsidiary of the Company, which was holding 20,18,192 stocks in Majesco (USA) tendered its entire stake with the Acquirer of Majesco (USA) for cash and received the consideration aggregating to US\$32.30 Million. Mastek (UK) Limited will utilise the amount to drive its growth strategy and reduce its borrowings.

Mastek derives 67.4% of its group operating revenue from the UK. The clarity on Brexit led to good traction in public sector deals. The private sector continues to witness traction in emerging technologies and digital transformation. Lockdowns and continued work from home model due to pandemic have opened up huge opportunities for transformational deals and more offshore work for Mastek.

The UK operations contributed ₹ 116,089 lakhs in total operating revenue for the year FY 2020-21 reflecting growth of 50.3% Year on year.



Mastek in the United States

The US remains the world's largest technology market, providing enormous growth opportunities for IT companies with solution capabilities.

While slowing economic activity, COVID-19 led to a surge in e-commerce and accelerated digital transformation. The crisis has changed the face of customer experiences while provoking intense shifts in consumer spending patterns, economic confidence and trust. Even when pandemic subsidies, 80% of customers are expected to adopt permanent behavioural swings to digital-first engagement. According to 451 Research's Global Unified Commerce Forecast, the pandemic's effect on consumer spending behaviour helped push global e-commerce transaction volume over \$4 trillion in 2020 and is on track to surpass \$5 trillion in 2021, which is a 22% improvement over the previous year. Cloud computing, application architecture, Artificial Intelligence (AI), Machine Learning (ML), Automation, Internet of things (IoT) and Blockchain are expected to act as catalysts for these digital transformations, resulting in new experiences based on convenience, context and control. As we transition to a digital-first era in

light of COVID-19, data will continue to play an important role in this endeavour.

The self-imposed social distancing to prevent contagion, combined with stringent confinement measures implemented across the globe, has effectively placed a significant share of brick-and-mortar retail on hold, at least temporarily. In the US, retail and food services sales in the first half of 2020 dropped by 7.7% as compared to the same period in 2019. However, grocery stores and non-store retailers (mostly e-commerce providers) saw sales rise by 16% and 14.8%, respectively, as per the OECD report. With last year's rapid shifts, 2021 will be all about finding new ways to fulfil changing behaviour/ preferences of customers and sustain growth with innovative strategies to stand out.

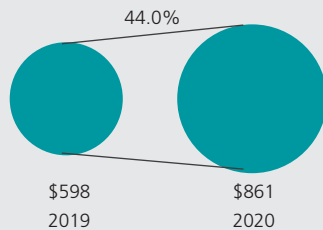
Digital transformation in the retail sector of the US

In 2020, the pandemic has highlighted the need to transform traditional retail industry approaches of doing business. It has forced retailers to reconsider and turn their models digitally. Those who already migrated to digital and omnichannel platforms or are in the process of doing so could meet the

US Retail Landscape in 2020

Year over Year comparison 2019 2020 in \$Billions

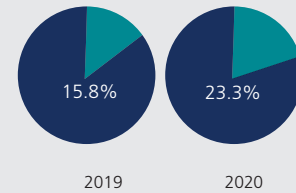
Ecommerce Sales



Total Retail sales



Web Penetration



Source Digital Commerce 360. US Commerce Department

increasing demand for services such as online ordering, delivery, pickup, curbside, and more. Organisations that had not yet embarked on a digital transformation journey either need to act quickly or risk failing.

Historical change in retail sales



The US retail sales witnessed a historic shift in 2020. According to the National Retail Federation (NRF) report on March 2021, the US retail sales grew by 6.7% in 2020 over 2019 to US\$ 4.06 trillion and is expected to increase in the range of 6.5% to 8.2% to reach US\$ 4.33 trillion in 2021 as more individuals get vaccinated and the economy reopens. Online and other non-store sales grew to 21.9% at US\$ 969.4 billion and are projected to grow in the range of 18% to 23% in 2021 as consumers shifted to e-commerce. The US's recent

fiscal stimulus package of US\$ 1.9 trillion would provide an additional lift to consumer spending in 2021.

Despite the ongoing health and economic challenges posed by the pandemic, NRF is confident that healthy consumer fundamentals, pent-up demand and widespread distribution of the vaccine will generate increased economic growth, retail sales and consumer spending.

As per Statista.com, US transaction value in the Digital Commerce segment is expected to touch US\$ 804,664 million in 2021 and witness a CAGR growth of 7.9% from 2021 to 2025, resulting in a total amount of US\$ 1,092,295 million by 2025.

Additionally, in the Digital Commerce segment, the number of users is projected to expand to 291.2 million users by 2025. The average transaction value per user in the Digital Commerce segment is estimated to be at US\$ 3,059.5 in 2021.

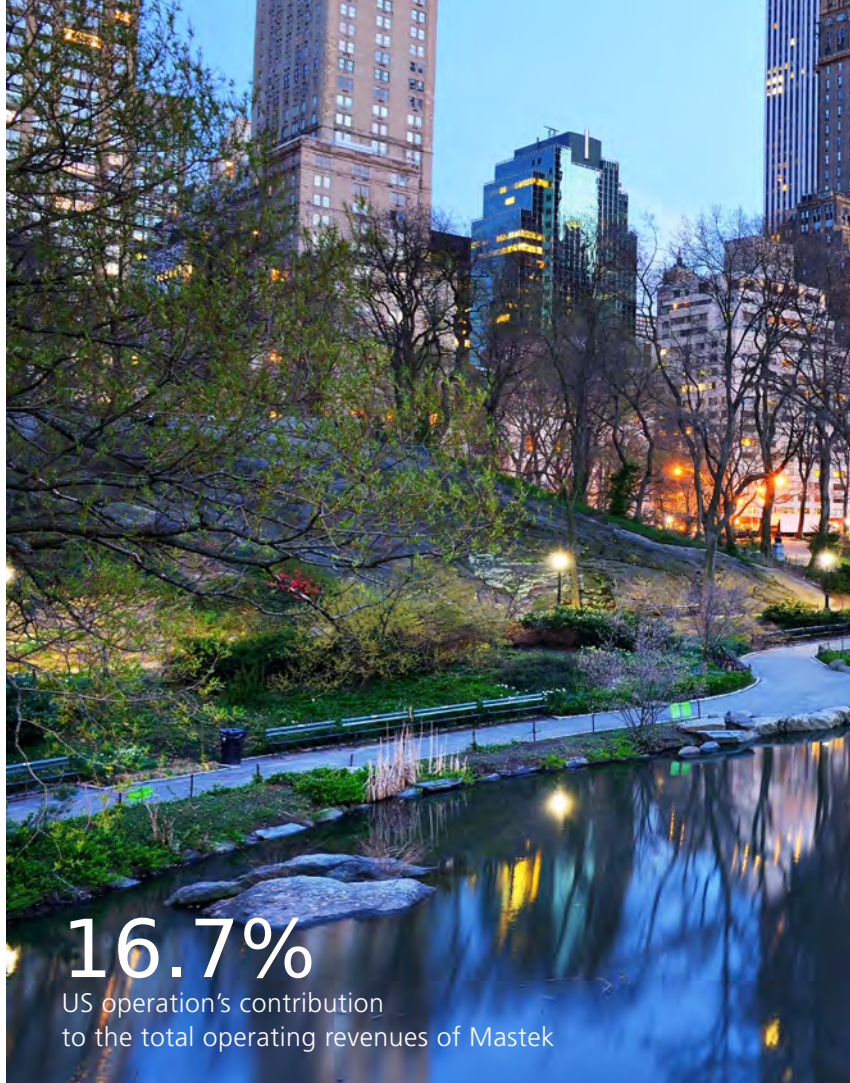
The retail industry is still undergoing a digital transformation, as demonstrated by the fact that in 2019 nearly 9,832 US physical stores closed, and there were 8,741 closures in 2020. Last year, 17 national retailers filed for bankruptcy, including well-known chains such as Lord & Taylor, J. Crew, JCPenney Neiman Marcus and Guitar Center, as per Coresight research. In 2020, retailers faced tougher challenges, as the COVID-19 outbreak triggered most US retail to shut temporarily,

Management Discussion & Analysis

keeping customers away and pushing retailers to negotiate with landlords and suppliers to tackle unanticipated inventory and liquidity problems. The pandemic year has brought a procession of headline-making Chapter 11 filings, with historic department stores at the front. Although bankruptcy does not inherently mean the closure of business, it is more a financial restructuring, it does indicate signs of changes to come in the near future. More stores are expected to close as online shopping continues to replace purchases at physical stores.

Pandemic has sped up the transition to digital shopping by 5 years. The year 2020 saw an increase in a variety of fulfilment options, and that trend is expected to continue in 2021 and beyond. From the growth of Buy Online, Pickup In-Store (BOPIS), to the rapid adoption of curbside pickup, consumers demanded new, easy and safe ways to receive their products. From contactless services to cost optimisation strategies, retailers are building adaptable business models in response to the pandemic. To lift visual search engine capabilities, retailers are increasingly investing in faster and more innovative fulfilment options, talents and tools. They are rapidly embracing emerging technologies such as Augmented Reality (AR), Artificial Intelligence (AI), Internet of Things (IoT) and Cloud computing.

As per Digital Commerce 360 analysis, the e-commerce sales were at US\$ 861.1 billion online with US retailers in 2020, an increase of 44.0% from US\$598.0 billion in 2019. Online spending represented 21.3% of total retail sales last year as compared to 15.8% the year prior. An increase was fuelled by a shift in consumer shopping habits as a result of the pandemic, which held shoppers out of physical stores due to state-wide lockdowns and fears of contracting the virus. COVID-19 related increases in online shopping resulted in an additional US\$174.9 billion in e-commerce sales in 2020. The US\$ 861.1 billion in e-commerce sales would not have been surpassed until 2022 if it had not been for the pandemic's lift in online sales. This was the highest e-commerce sales growth in the US over the last two decades.



16.7%
US operation's contribution
to the total operating revenues of Mastek

2021 is expected to be the second year of savings, rising house prices, increased government support, and record low interest rates, all of which will contribute towards the economy and consumer spending behaviour.

Business update

The rapid acceleration of digital e-commerce in the US, combined with retailer consolidation, creates a massive opportunity for companies such as Mastek. We can assist retailers in their digital transformation journey by helping them in delivering a more user-friendly customer experience, upgrading their traditional IT systems and assisting in the deployment of next-generation technology for improved supply chain, inventory management and customer loyalty.

Last year in early 2020, TAISTech LLC was rebranded to Mastek Americas. This rebrand represents the expansion of the Company's digital commerce services to create transformative customer experiences and the systems to support



Our Oracle Cloud Business

For our Oracle implementation, our North America business is where our real focus will be in terms of growth. As a specialist in Oracle and with deep domain expertise in certain verticals including Healthcare & Lifesciences and manufacturing, we hope to build a significant brand for ourselves in this market. Cloud capability and cloud space is at the forefront of digital transformation. We are continuously investing in expanding our sales coverage; focusing on carefully chosen verticals; and narrowing on enterprise customers.

The acquisition of Evosys provides a larger customer base to the Company. Combined service offerings is enabling the geography to grow on the back of larger wallet share with existing customers through cross-selling, and unfolds significant opportunities to co-sell.

In FY2020-21, US operations contributed ₹ 28,755 lakhs in total operating revenue, i.e.

16.7% of the total operating revenues of Mastek, reflecting growth of 15.5 % year on year. During the year, the US business continued to gain traction both in the retail and non-retail sectors. Mastek added multiple non-retail customers to support them in their digital transformation journey. We see increased offshoring opportunities across regions. Our new sales team is now fully operational, driving commerce and Mastek cross-sell opportunities in tandem.

During the year, we entered into alliances and partnerships, which has opened up opportunities for Mastek. We also expanded our base to Canada, enabling us to serve our Canadian customers while expanding the talent work force in the geography.

As the retail industry transitions from a brick-and-mortar model to a click-and-shop model, the Company sees substantial momentum in the retail and e-commerce vertical in coming years.

those experiences across the enterprise. Beyond the Commerce Transformation services, the Company has expanded its offerings to imagine, create, and deliver the transformative customer experiences that B2C or B2B business needs to compete and win in the experience economy. Powered by the global brand of Mastek Ltd, TAISTech services now include Digital Strategy, Platform Development, Data & Analytics, and Automation. The rebrand represents the organisation's unified, global vision and continuing legacy of building innovative, collaborative and engaging digital transformation solutions. Commerce transformation is the Company's legacy and Mastek Americas will continue to create innovative and powerful brand experiences powered by journey mapping and Mastek America's Surround Commerce™ framework.

In the Company's co-selling approach of its joint value propositions from both Mastek and Evosys, the Company has earned the rights of passage for competing more credibly and effectively against

larger, more diversified GSIs. Being a smaller more focused and nimbler player, and with a much wider IT framework capability under its belt, the Company has the ability and desire to win bigger mandates. In the USA, its go to market strategy also entails our pursuit to acquire new non-retail based logos that feature in the fortune 500; take the Company's digital commerce value proposition to one that integrates commerce with services; cross-sell into existing Mastek and Evosys clients; and co-sell jointly to acquire new logos. Through these approaches, the Company expects its average deal size to get bigger, with even longer tenures. Today, with increasing scope of winning combinatorial development, Mastek has the ability to offer strong managed services propositions, in which it can offer turnkey managed responsibility for digital commerce, digital transformation services, and cloud solutions and services.



Mastek in APAC & MENA

According to NTT's 2021 Global Managed Services Study report, only 22.7% of digital transformation efforts in APAC are optimised. Changes in operating procedures, together with the pace of digital transformation, have presented companies with an opportunity to reimagine their technological strategies and how they integrate with the business. As per the report, 92.4% of technology teams globally agree their overall technology strategy is associated, either fully or partially, with the organisations business strategy needs. Further, the report elaborates that 89.7% of CIOs and IT leaders in APAC agree that pandemic has caused enormous changes to their operating processes, while 91.8% say it has accelerated their digital transformation strategy. 93.9% of CIOs and IT leaders agree that emerging technologies are critical to their technology strategy, less than half believe they have the technology available to meet the organisation's immediate goals. With technology and agility at the forefront of the business conversation, prioritisation is no longer optional; it is critical for the business's long-term viability and resilience.

After the dual shocks of pandemic and the oil price crash, the MENA economy is expected to

stabilise in 2021. Although, the recovery rate will differ across industries and regions, and demand improvement will not be steady, particularly in the first half of 2021. The digital economy of MENA, which includes online shopping, online education, and online healthcare, has grown significantly during the pandemic and has become a highlight of regional economic development. The experts believe that it has bright prospects due to many young consumers in the region and the growing popularity of internet infrastructure. The new normal has had the beneficial impact of accelerating digitalisation and emphasising its significance. According to a recent PwC survey, half of the Middle East's CFOs intend to accelerate automation and new ways of working. As the importance of progressing to digital capabilities becomes a shared goal, the industry is set to encounter roadblocks along the way inevitably.

The pandemic and its economic ramifications have accelerated digital transformation across the region, resulting in an unprecedented demand for contactless services, cloud solutions, and collaboration applications. Most economists predict that economic growth will resume this year as vaccines become more widely available, and anticipate that by 2022, 70% of organisations across the globe will have increased their use



of digital technologies, transforming existing business processes to drive new levels of customer engagement, employee productivity and business resiliency.

15.9%

Middle East, APAC including Australia and India's share of the total operating revenue

Business Update

Our operations from the Middle East, APAC including Australia and India contributed ₹ 27,342 lakhs, representing 15.9% of the total operating revenue in FY2021. The pandemic has caused a massive shift to the remote work model, increasing uptake of digitalisation, highlighting the vital role that the IT industry can play in business continuity strategy. As per a recent IDC's report, the spending on digital transformation would accelerate in the post-pandemic era, rising from 25% of total IT spending in 2020 to 37% in 2024. Mastek is well-positioned to take advantage of this phase with its Digital Transformation offerings that have been well established in the mature markets of the UK and USA.

Mastek's acquisition of Evosys provides deep roots and strong customer relationship in the MENA markets while opening up the APAC and ANZ markets. They have successfully implemented and supported Oracle ERP, HCM, SCM, EPM, CX, PAAS, both on-prem and cloud migrations, to the customers in Government, Public and Private organisations encompassing varied sectors including professional services, healthcare, financial services, engineering & construction, manufacturing and many more.

With a strategy to strengthen our Oracle services capabilities in this region, Mastek is planning to open an Oracle Data Centre in the Middle East to capitalise on the growing Oracle ERP market in the region. In the Middle East, our go to market strategy also entails our pursuit to acquire new non-retail based logos that feature in the Fortune 500; take our digital commerce value proposition to one that integrates commerce with services; cross-sell into existing Mastek and Evosys clients; and co-sell jointly to acquire new logos.

Mastek's Segment Performance Overview

Company's Service Line and Performance

| Service Lines | Year Ended March 31, 2021 | | Year Ended March 31, 2020 | |
|-------------------------------------|---------------------------|---------------|---------------------------|--------------|
| | ₹ In Lakhs | % of Revenue | ₹ In Lakhs | % of Revenue |
| Application Development | 67,792 | 39.4% | 47,306 | 44.2% |
| ERP And Cloud Migration | 60,132 | 34.9% | 8,694 | 8.1% |
| Digital Commerce | 17,357 | 10.0% | 22,453 | 22.0% |
| Application Support and Maintenance | 17,561 | 10.2% | 17,495 | 16.3% |
| BI & Analytics | 6,635 | 3.9% | 8,230 | 7.6% |
| Assurance & Testing | 2,709 | 1.6% | 2,970 | 2.8% |
| Total | 172,186 | 100.0% | 107,148 | 100% |

Company Business Geographies and Performance

| Geographies | Year Ended March 31, 2021 | | Year Ended March 31, 2020 | |
|-------------------|---------------------------|---------------|---------------------------|---------------|
| | ₹ In Lakhs | % of Revenue | ₹ In Lakhs | % of Revenue |
| UK & Europe | 116,089 | 67.4% | 77,240 | 72.1% |
| USA | 28,755 | 16.7% | 24,886 | 23.2% |
| Middle East | 18,948 | 11.0% | 2,354 | 2.2% |
| Rest of the World | 8,394 | 4.9% | 2,668 | 2.5% |
| Total | 172,186 | 100.0% | 107,148 | 100.0% |

The UK & Europe operations contributed ₹ 116,089 lakhs in total operating revenue for FY 2020-21 as compared to ₹ 77,240 lakhs for FY 2019-20, resulting in an increase of 50.3% including full year impact of the Evosys acquisition.

USA operations contributed ₹ 28,755 lakhs in total operating revenue for FY 2020-21 as compared to ₹ 24,886 lakhs for FY 2019-20, resulting in an increase of 15.5%.

Middle East operations contributed ₹ 18,948 lakhs in total operating revenue for FY 2020-21 as compared to ₹ 2,354 lakhs for FY2019-20, resulting in an increase of 704.9%. It is a new sector added through the acquisition of Evosys.

Revenue from the Rest of the World (ANZ, APAC among others) is ₹ 8,394 lakhs for FY2020-21 as compared to ₹ 2,668 lakhs for FY 2019-20, an increase of 214.6%. Major contribution attributable to Evosys acquisition and growth in these markets.

Financial and Operational Performance Overview

Financial Performance Review

For the year ended 31 March 2021, the financial and operational performance in terms of revenue and profits saw good growth.

Financials

On a consolidated basis, the Group registered total operating revenue of ₹ 172,186 lakhs for the year ended 31 March 2021 as compared to ₹ 107,148 lakhs in the year ended 31 March 2020, an increase of 60.7%. The Group registered a net profit of ₹ 25,175 lakhs in the year ended 31 March 2021 as compared to ₹ 11,381 lakhs in the year ended 31 March 2020, thereby registering an increase of 121.2%.

Profitability

During the year ended March 31, 2021, the Group earned a profit of ₹ 25,175 lakhs as compared to ₹ 11,381 lakhs for the year ended March 31, 2020. The profits for the financial year ended 2020-21 witnessed growth on account of the following:

- Full year impact of Evosys acquisition
- Savings driven by travel, marketing and other associated cost due to pandemic related restrictions
- Productivity and other operational improvements
- Profitable growth across geographies and accounts
- Better management of variable cost structure and profitability levers

Balance Sheet Assets

1) Property plant and equipment

Tangible assets including investment property as of March 31, 2021, were ₹ 6,355 lakhs as compared to ₹ 7,618 lakhs in the previous year. Variance is explained as below:

- Gross additions ₹ 1,073 lakhs and deletions of ₹ 214 lakhs towards Computer, furniture and fixtures and office equipment
- Depreciation charge of ₹ 2,182 lakhs
- Foreign Exchange translation adjustment (net) of ₹ 60 lakhs

2) Other intangible assets and Goodwill

Intangible assets and Goodwill as of March 31, 2021, were ₹ 74,325 lakhs as compared to ₹ 78,056 lakhs in the previous year. Variance is explained as below:

- Gross additions of ₹ 396 lakhs towards computer software
- Impairment of Goodwill of Nil lakhs
- Depreciation charge of ₹ 2,313 lakhs
- Foreign exchange translation including other adjustments (net) of ₹ 1,814 lakhs

3) Non-current financial assets

A) Investments

Non-Current investment comprises of Investment in Mutual Funds and Investment in Bonds. Investment in Majesco USA as at March 31, 2021 were Nil lakhs as compared to ₹ 8,338 lakhs in the previous year. It was majorly decreased on account of sale of investments. Investment in Mutual funds as at March 31, 2021 were ₹ 4,010 lakhs. Investment in Bonds as at March 31, 2021 were ₹ 109 lakhs.

Under Ind AS 109, financial assets designated at fair value through other comprehensive income (FVTOCI) are fair valued at each reporting date with changes in fair value reported through Other Comprehensive Income (OCI).

B) Loans and Other Non-current financial assets

The loan and other current financial assets as of March 31, 2021, were ₹ 2,143 lakhs as compared to ₹ 649 lakhs in the previous year. Increase is on account of Security deposits and margin money deposits with banks against performance bank guarantee for certain contracts.

4) Other non-current assets

The other non-current assets as of March 31, 2021, stood at ₹ 131 lakhs as compared to ₹ 119 lakhs as of March 31, 2020. The increase is primarily on account of capital advances and prepaid expenses.

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5) Income Tax Assets/Liabilities

The current Income tax assets balance as of March 31, 2021, was ₹ NIL lakhs as compared to ₹ 1,221 lakhs in the previous year. The income tax assets represent domestic corporate tax. The current Income Tax liabilities balance as of March 31, 2021, was ₹ 4,278 lakhs as compared to ₹ 1,266 lakhs in the previous year. Current income tax liabilities represent estimated income tax liabilities relating to domestic and overseas geography.

6) Deferred Tax Assets/Liabilities

Deferred tax assets as of March 31, 2021, were ₹ 5,320 lakhs as compared to ₹ 3,776 lakhs in the previous year. Deferred taxes assets primarily include deferred tax on property plant and machinery, compensated absences, compensation to employees and provision against doubtful debts. Deferred tax liabilities were ₹ 1,831 lakhs as compared to ₹ 1,473 lakhs in the previous year. Deferred tax liability primarily includes undistributed profit of subsidiaries, the fair value of investments and cash flow hedge.

7) Current financial assets

A) Investments

Investments comprised unquoted mutual fund units and fixed deposits. The Investments balance was ₹ 21,454 lakhs as of March 31, 2021, as compared to ₹ 15,376 in the previous year. Under Ind AS, financial assets and financial liabilities designated at fair value through profit and loss (FVTPL) are fair valued at each reporting date with changes in fair value recognised in the statement of profit and loss.

B) Trade receivable

Trade receivables as of March 31, 2021, stood at ₹ 37,488 lakhs as compared to ₹ 31,572 lakhs in the previous year. Days sales outstanding was 75 compared to 81 days in the previous year.

C) Cash and cash equivalents

The cash and Bank balance as of March 31, 2021, was ₹ 59,140 lakhs as compared to ₹ 22,097 lakhs in the previous year. The increase was primarily on account of net cash generated from operations and proceeds from sale of investments in Majesco (USA).

D) Loans and other current financial assets

The loan as of March 31, 2021, was ₹ 307 lakhs as compared to ₹ 218 lakhs in the previous year.

The other current financial assets were ₹ 607 lakhs as compared to ₹ 900 lakhs in the previous year. The decrease is mainly on account of settlement of advances to employee and lower margin money deposits with banks against performance bank guarantee for certain contracts.

8) Other current assets

Other current assets were at ₹ 18,032 lakhs as of March 31, 2021, as compared to ₹ 16,289 lakhs in the previous year. The increase was driven by R&D credit receivable, input tax credit and prepaid expense.

Equity and Liabilities

9) Total Equity

We have one class of share- equity share capital of par value ₹ 5 each. The issued, subscribed and paid-up capital stood at ₹ 1,262 lakhs as of March 31, 2021, which was ₹ 1,214 lakhs in the previous year. The Company has allocated 943,417 shares under employee's stock options plans during the financial year.

10) Non- current financial liabilities

A) Borrowings

The non-Current borrowing as of March 31, 2021, was ₹ 19,024 lakhs as compared to ₹ 24,085 lakhs in the previous year. The decrease is on account of term loan repaid during the year.



B) Other financial liabilities

The other financial liabilities as of March 31, 2021, was ₹ 29,118 lakhs as compared to ₹ 22,546 lakhs in the previous year. The increase is on account of increase in fair value of put option written on minority shareholding.

11) Provisions

The Long-term provision balance as of March 31, 2021, was ₹ 2,367 lakhs as compared to ₹ 1,588 lakhs in the previous year. The increase is attributable to employee benefits liability.

12) Current financial liabilities

A) Borrowings

The current borrowings as of March 31, 2021, was Nil as compared to ₹ 7,480 in the previous year. The decrease was attributable to repayment of working capital and other line of credit during the year.

B) Trade payables

The trade payables as of March 31, 2021, were ₹ 3,069 lakhs as compared to ₹ 10,539 lakhs in the previous year. The decrease is mainly attributable to back to back payment arrangements with vendors on collection.

C) Other current financial liabilities

The other current financial liabilities as of March 31, 2021, were ₹ 50,289 lakhs as compared to ₹ 17,052 lakhs in the previous year. The increase is attributable to current portion of Put option liabilities- Derivative, current maturity of long-term loan, accrued expense and employee benefits payable.

13) Other current liabilities

The current liabilities as of March 31, 2021, were ₹ 13,219 lakhs as compared to ₹ 9,428 lakhs in the previous year. The increase is attributable to customer advances, contract liabilities and higher statutory dues payable.

14) Provisions

The short-term provision balance as of March 31, 2021, is ₹ 2,323 lakhs as compared to ₹ 2,032 lakhs in the previous year. The increase is mainly due to employee benefits provisions.

Management Discussion & Analysis

Key Financial Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more) as compared to the immediately previous financial year) in key sector-specific financial ratios.

The Company has identified the following ratios as key financial ratios:

| Particulars | Consolidated | |
|--------------------------------|--------------|------------|
| | FY 2020-21 | FY 2019-20 |
| Revenue Growth (%) | 60.7 | 3.7 |
| Net Profit Margin (%) | 14.4 | 10.2 |
| Operating Profit Margin (%) | 21.2 | 14.5 |
| Debtors Turnover (No. of days) | 75 | 81 |
| EPS Basic (₹) | 84.9 | 45.2 |
| Return on Equity (%) | 25.6 | 14.6 |

Details of ratios where there has been a significant change from FY 2019-20 to FY 2020-21:

On a consolidated basis, operating revenue increased by 60.7% to ₹ 172,186 lakhs for the year ended 31 March 2021 from ₹ 107,148 lakhs in the previous year. This increase is driven by steady performance across verticals and geographies during the year, aided by the full period impact of Evosys acquisition.

Group net profit increased by 121.2% to ₹ 25,175 lakhs for the year ended 31 March 2021 from ₹ 11,381 lakhs in the previous year. This represents 14.4% and 10.2% of total income for the years ended 31 March 2021 and 31 March 2020, respectively. This also resulted in an increase in basic EPS to ₹ 84.9 for the year ended 31 March 2021 from ₹ 45.2 in the previous year. The improved performance is also reflected in a higher Return on equity (RoE) ratio which is computed as net profit by average net worth.

During the year, on a consolidated basis, the group earned operating EBITDA of ₹ 36,447 lakhs representing 21.2% of operating revenue, compared to ₹ 15,536 lakhs representing 14.5%

of operating revenue, during the previous year. Improvement in operating margins were driven by operational efficiency, savings driven by Covid-19 led restrictions on travel, marketing and other spends, and better utilization of fixed investments on higher revenue base.

Operational Review

Mastek has always prided itself on providing high-quality operational support. The Company aligned the backend delivery organisations of both Mastek and Evosys to focus on improving the overall productivity and efficiency levels within projects. Despite an uncertain macro-economic environment due to the pandemic crisis, the Company witnessed significant growth across geographies it operates in demonstrating a resilience business model. The Company continued to invest in people to strengthen its bandwidth with the induction of the Group Chief Delivery Officer and Group Chief Information officer during the year.

Update on Board of Directors:

The Mastek Board currently has 6 members, of which 4 are Independent Directors and the remaining 2 are Promoter Directors.

Update on Management:

On March 23, 2021, Mastek appointed Mr. Narottam Sharma as Group Chief Information Officer (Group CIO), Mastek Group. He has joined the Mastek Executive Leadership Team and will be accountable for IT infrastructure, digital systems, strategic performance and overall management of Mastek's information technology department. Mr. Narottam has more than 20 years of high impact leadership & strategic experience in the digital business transformation domain. Over the years, he has been recognised as a highly acclaimed Transformation Leader and turnaround architect, with significant experience in leveraging emerging technologies across industries, i.e., Banking, Insurance, IT/ ITES, Manufacturing, and Services. Prior to joining Mastek, Mr. Narottam has worked in organisations such as Sterlite Technologies Ltd., Samsung R&D Institute Ltd., Aviva Life Insurance Ltd., RBS, and Bank of America & IBM.

On January 18, 2021, Mr. John Owen relinquished his role as Group Chief Executive Officer (Group CEO) to pursue opportunities outside the group. Mr. Ashank Desai, Vice Chairman & Managing Director, assumed the responsibilities of the group as an Interim Chief Executive Officer until a new Group Chief Executive Officer is appointed.

On January 12, 2021, Mastek appointed Mr. Narasimha Murthy L as Group Chief Delivery Officer (Group CDO), Mastek Group. He has joined the Mastek Executive Leadership Team and will be accountable for the operational, financial and strategic performance of Mastek's Delivery Operations. He will streamline the Delivery function and drive sustainable growth in the portfolio along with building competitive value propositions and supporting innovation for Mastek's GTM strategies. He will also be responsible for improving and managing quality, productivity, operational excellence and gross margins for the business. Prior to joining Mastek, Mr. Narasimha has worked in organisations such as IBM, SUPERVALU, Wipro, Zensar & BCT Consulting. He has around 25 years

of industry experience in Products, Technology, Delivery and Operations in large and mid-sized organisations. Over the years, he has successfully led and scaled multiple client relationships, helped deliver enterprise-wide transformations and created high performing teams. He was an active member of the management council in Wipro, Zensar & BCT Consulting. Mr. Narasimha has worked in diverse regions such as the US, UK, EMEA & LATAM.

On December 29, 2020, the Board of the Company appointed Mr. Ketan Mehta as an Additional Director (Non-Executive and Non-Independent) of Mastek.

On December 1, 2020, Mr. Abhishek Singh, Group Chief Financial Officer of the Company, moved to support Mastek UK business. He was appointed as President, UK Business of Mastek to drive growth in both Public and Private sectors across UK & Europe and institutionalize cross sell and co sell initiatives with Evosys customers as Go-To-Market strategy. He ceased to be a Key Managerial Personnel as defined in the Companies Act, 2013 and SEBI Listing Regulations with effect from December 1, 2020.

On November 08, 2020, due to the sudden sad demise of Mr. Sudhakar Ram, Co-founder Director, Vice Chairman & Managing Director, the Board of the Company appointed Mr. Ashank Desai, presently a promoter director and also former Chairman and Managing Director of the Company, as Vice Chairman & Managing Director with immediate effect for a period of 5 years.

Given the vacancies created in various committees of the Board as a result of the sad demise of Mr. Sudhakar Ram, the appointment of Mr. Ashank Desai as Vice- Chairman & Managing Director and appointment of Mr. Ketan Mehta as an Additional Director (Non-Executive & Non-Independent), the Board reconstituted the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee with effect from February 1, 2021.



People Strength:

As on March 31, 2021, the Group had a total headcount of 3,792 as compared to 3,404 employees at the end of March 31, 2020. Of this, 2,674 employees were based offshore in India while the rest were at various onsite locations.

Dividend:

The Board of Directors had proposed a final dividend of ₹ 9 per share during the year ended March 2021. Once approved by shareholders at Annual General Meeting, this final dividend, together with the first interim dividend of ₹ 5.50 per share results in a total dividend for the year at ₹ 14.5 per share (290%).

Industry Recognition

Mastek, either directly or through its clients received multiple awards and accolades during the year including:

- Mastek ranked 3rd in Tech MarketView's "Monthly Digital Marketplace Dashboards" for its work with NHS Digital. This evidences the strong presence and recognition of Mastek in the UK Public Sector.
- Mastek awarded the distinction of UiPath "elite" partner. Only 3 partners ranked such in UK Market.
- Evosys received Partner of the Year Awards 2020/2021 by UKOUG
- Army Digital Services Web Team won the Exemplary Practice in Digital Transformation Award at the UK Ministry of Defence

Business Outlook

Mastek delivered another solid year of financial performance. We crossed revenue of US\$230 mn in FY2021. Despite an uncertain environment due to pandemic, the Company maintained its overall Group growth momentum. Growth in Digital Transformation and Cloud implementation will play a significant role in Mastek's future growth. The management continues to remain focused on the Company's core areas of business, viz. Government, Retail, Health and Financial Services.

Evosys expertise in Oracle cloud migration combined with Mastek's capability to cross-sell digital commerce and transformation services helped to win integrated and larger deals during the year. With the ongoing integration of Evosys, we are well on our way to achieving both financial and strategic benefit from the deal.

During the year, the Company continued to invest in its people and strengthen its capability. Mastek is gearing up for the next phase of its strategic growth. The Company's goals are to streamline internal operations, implement relevant technologies, and develop digital systems so that it continues to delight its customers with breakthrough solutions even when business is expanding.



The COVID-19 crisis has created a profound shift in how people interact, and economies operate. In today's virtual era, the IT industry is playing a crucial role in reshaping workplace productivity. From the growth of e-commerce to the increased usage of online platforms to intelligent automation, a global digital transformation has been ongoing for several years. However, with the outbreak of COVID-19 in 2020, the need to socially isolate oneself and seek shelter at houses has accelerated this process. In just a few months, the pandemic has brought several years of change across sectors. The increased demand for digital transformation and cloud migration services to be agile in the face of disruption and to create the new digitally enabled business models for a new normal has created huge opportunities for the service providers such as Mastek.

It was one of the best performing years for the Company, demonstrating a resilient business model, deep relationship with customers and improved diversified geographical reach. It also reveals the outstanding commitment of Mastekers' during these unprecedented times.

The key fundamentals remain positive for Mastek to position the Company as a leader in Enterprise Digital Transformation. The management continues to see significant traction in agile and digital transformation solutions. Mastek is well poised with the strong leadership and disciplined strategy of Cut & grow to navigate near term challenges and make the most of future growth opportunities.

Management Discussion & Analysis

Risks and Mitigation Strategies

Risk Management

Risk Management framework at Mastek is a global and systematic process designed for identifying risks that pose threat to Mastek and its business and evaluating and addressing the impact of such risks in an efficient manner. Given the complexities brought in by Mastek's diversified operations, this pro-active framework, driven by a strong risk management culture plays a vital role in the achievement of its strategic and business objectives. It focuses on risk identification, risk assessment and monitoring, mitigating actions, governance and reporting structure at corporate, business, functional and regional levels. Mastek recognizes that risk is not only about adverse events but about loss of opportunities too.

Risk Governance

The success of a Company is dependent on how it manages the risk inherent in the business. The Company operates in a highly competitive segment, which is widely affected by various external and internal risks. Thus, to minimise the effect of such risks, the Company has put in place a risk governance model to ensure risk management. The Risk Management framework is approved by the Board's Risk Management & Governance Committee and is executed through the business, functional, and geographical teams.

- Identification and management of risk at micro, macro, functional, geographic, strategic and operational levels;
- Setting strategy and process for managing the identified risk;
- Implementing risk management process with the proper understanding of the risk and monitoring mechanism;
- Driving risk awareness within the organisation including appropriate training; and

- Periodic updates and reviews by local entity Boards and Mastek Board.

Driving risk management

Accountability is a key aspect of the Risk Management framework. Each risk owner including the Business unit heads are responsible for:

- Providing support and guidance to line managers who manage risk on a day-to-day basis;
- Promoting risk awareness within their operations;
- Ensuring that risk management is incorporated right from the beginning when the projects are conceptualised and /or commissioned;
- Ensuring compliance with the risk management procedures; and
- Periodically review risk register at geography and unit/ functional level followed by an update to the board's Governance Committee.

Key Business Risks

Mastek provides a diverse array of services, and there are multiple factors that could affect its future performance. Following are some of the key risks:

Macro-economic risks:

COVID-19 pandemic continues to impact various industries across the globe and Company's business may be adversely affected owing to the direct impact on few clients and indirect effect on others due to the sharp slowing down of major economies. Political tensions with worsening economic conditions may continue to impact the business of the Company. Threat to global mobility owing to visa or travel restrictions in key markets could lead to project delays and increased costs. Considering the nature of the business, the volatility in foreign currency exchange rates could harm the Company's performance. However, on the back of the continuous improvement of business efficiencies and sharpening focus on key client industries, the Company expects to continually improve its competitiveness and delivery.

Growth risks:

We are living in an era of disruption. The Company is prone to a significant and unfavourable shift in returns on capability investments due to change in industry or customer preferences. Risk of innovation or change in its customers' business or product portfolio mix may impact Company directly or indirectly.

Company has revenue concentration on few sectors in UK geography and any sector specific event or risk may affect business of the Company. Mastek continues to diversify its business and service portfolio along with building deep relationships with its customers at multiple levels which enables it to understand various factors and create value add supporting the business life cycle of its customers.

M&A related risk:

A merger or acquisition involves multiple moving parts. New stakeholders, cross country regulations, different cultures, and the need to work seamlessly add to the complexity and associated risk of limited integration or value extraction. Mastek pursue such deals comprehensively, addressing the identification, agreement, and closing through stringent diligence and valuation criteria and managing the post-closing integration through effective planning, execution, and high standards of corporate governance practices.

Post-acquisition integration of acquired entities and business is as critical as the acquisition itself. A failed integration may devalue not just the acquired business but impact the Company overall. Mastek recognizes this fact and addresses integration in a comprehensive and methodological manner with highest focus on the integration of culture and manpower processes.

Country risks:

Company has its operations in APAC, UK, Europe, MENA, India, and Americas. Such vast operations across geographies exposes the Company to various political and regulatory risks. Company has

Given the complexities brought in by Mastek's diversified operations, the Company's pro-active framework, driven by a strong risk management culture plays a vital role in the achievement of its strategic and business objectives.

a healthy mix of centralized and local processes and resources that enables appropriate responses to any risk event.

Competition-led risks:

The Company operates in a multi-vendor environment. Its business faces the risk of 'consolidation' with other vendors if customers are looking for single sourcing or vendor consolidation. Business is further at risk due to innovation and disruption brought in by the competition. These risks are partially offset by strong domain expertise, robust delivery capabilities, and significant project experience.

Dependence on key personnel:

Information Technology industry is facing acute shortage of talent. With the accelerated adoption of technology owing to the pandemic, the demand for talent has gone up disproportionately that may not match with the talent availability. The Company believes that human capital is the key to its success and has initiated multiple steps to develop and retain its employees.

The company encourages an entrepreneurship culture within the organisation and offer new challenges and opportunities for employees. Significant investments have been made in recruitment and training procedures to enable self-learning and certification tool to increase employability. Mastek continuously endeavours to have an effective succession plan in place to mitigate these risks.



Client and account risks:

The Company's strategy is to engage with a strategic customer and build long-term relationships with them. Any shift in customer preferences, priorities, and internal strategies can have an adverse impact on the Company's operations and outlook. Mastek does have the benefit of being very well entrenched with its customers. In most cases, it is involved with the customers planning initiatives, thereby addressing any risks arising out of client concentration.

Contractual, execution and delivery related risks:

The Company faces delivery and execution risk arising out of changing customer requirement, comprehension of those requirements and timeliness of the response. Any inability to adhere to delivery timelines or requisite quality can adversely affect our relationship with the customer. Any termination or modification of contracts and non-fulfilment of contractual obligations by clients due to their financial difficulties or changed priorities or other reasons can expose the Company to operational risk. Mastek has strong operational review and quality check mechanisms in place to mitigate such risks. In addition, independent

Customer Satisfaction Surveys covering all the aspects of customer interaction.

Cyber Security risk:

Risk of cyber-attacks is looming forever. It can cause reputational damage, significant business loss to customers, penalties and legal and financial liabilities to Mastek in addition to the impact on business operations. At Mastek, we make a continuous investment to upgrade our security infrastructure. This includes endpoints solution (on desktops/ laptops and servers) with enhanced threat monitoring and controls including Live Malware Protection, Deep Learning malware detection, Exploit Prevention, Potentially Unwanted Application (PUA) Blocking, Automated Malware Removal, Malicious Traffic Detection, Ransomware File Protection (CryptoGuard), Download Reputation and Peripheral Control. We also carry out periodic testing to ensure effectiveness through vulnerability assessment and penetration testing, data backup, strict access control, enterprise-wide training and awareness programme on information security, data leak prevention tools, review and implementation of stringent security policies and procedures, among others.

Litigation risk:

Considering the scale and geographic spread of the operations, litigation risks can arise from commercial disputes, employment-related matters, a perceived violation of intellectual property rights, among others. It poses a reputational risk in addition to incurring the legal cost and distracting management from business focus. At Mastek, we have in-house legal counsels and a network of reputed global law firms in countries of operations to assist the Management team with any potential and real litigations. We also have a mechanism to track and respond to notices and defend ourselves in all claims and litigation. We continuously strengthen our internal processes and controls to ensure compliance with Contractual obligations, information security, and protection of intellectual property to avoid litigation. property to avoid litigation.

Data protection risk:

Protection of personal data continues to attract greater scrutiny by the regulators on the back of extra-terrestrial laws such as GDPR in Europe, Data Protection Act in the UK, and CCPA in the state of California in the US. These legislations carry severe consequences for non-compliance or breach

and violation of data protection laws or security breaches can result in substantive liabilities, fines or penalties, and reputational impact. The Company has various controls in place governed by data privacy policies covering applicable laws and geographies. Policy framework ensures technology controls, training and awareness of staff when working with privacy data to foster a responsible culture, review and negotiations of vendor contracts to support compliances, implementation and maintenance of data transfer agreements, and periodic reviews and audits to assure compliance.

Reputational risk::

Company has rich history and is well known in the industry for its governance practices. Clients of the Company are large and reputed organizations. Because of its business and exposure across various sectors and geographies, Company may get exposed to scrutiny by government authorities and even Media. Company has strong internal procedures build on ethical principles. Each representative of the Company, whether an employee or a third party ensures they adhere with these principles when managing Company and its client's business.





Human Resource Management

Human Capital is the most important asset of the Company. At Mastek, we take great care in continuously nurturing and growing our talent pool. Some key initiatives which we take to help Mastekers learn and grow are as follows:

Graduate programmes

Fresh trainee recruits joining Mastek are put through an exhaustive 3 months of induction programme before they are allocated to projects. This programme structure is constantly reviewed in an urge to do better and better with an objective of making our trainees productive in the projects faster than before. The curriculum is a well-defined structure with various learnings on technologies, soft skills and processes built in with assessment and case studies. The participants get an opportunity to witness an entire application life cycle from the conceptualisation & design phase right to the delivery & deployment giving them crucial exposure to SDLC. They get an exposure on working in teams, collaborating and enhancing their personality because of the methodologies being adopted.

Continuous upskilling

Continuous upskilling: Learn anytime-anywhere technology is continuously changing with new trends rapidly reshaping how we work, offering creative opportunities for us to pivot and adopt new skills. Future offerings for IT professionals are evolving from a confluence of cutting-edge technologies such as Machine Learning, AI, IoT, and Cloud Technologies and so on. It is therefore becoming utmost important that we prepare ourselves for Next-Gen Opportunities by continuously upskilling Mastekers. Through our digital learning platform, we have made 100+ learning paths available to Mastekers across the globe and several enthusiastic learners are joining our digital platform every month. This approach is helping Mastek managers to track, gauge and assess the readiness of team members to take up lateral roles and higher responsibilities in the account. In addition, various virtual classrooms sessions are organized to help Mastekers retain a brighter outlook with enhanced skillset. To combat the impact of the ongoing pandemic, we enabled a 100% virtual learning experience for Mastekers to ensure they have uninterrupted access to all the learning content, and programmes to upskill and grow their career.

Full stack Foundation programme: To address an increasing demand of all engineers to be able to work across the full stack of development layers, from user interface right down to data storage as well as the ability to work across different areas of the software lifecycle. We already have a first cohort of 56 Mastekers that successfully completed the full-stack foundation programme.

Focused Capability Building Drives:

Focused Capability Building Drives at Mastek are dedicated drives to upgrade Mastekers on cutting-edge technologies like Cloud, DevOps, Machine Learning, Data Science to name a few. The goal of these drives is to make Future Ready Engineers who can engage with our customers on digital transformation programmes. These drives are co-owned by L&D and Business stakeholders which makes it impactful. We share a very comprehensive week-wise plan with set aims and test assessments for the enrolled participants. The drive gives a sense of accomplishment to Mastekers as they get industry recognised certifications and get to work on use-cases and acquire hands-on experiences on cutting edge technologies.

Encouragement to Certifications:

Acquiring professional certifications is one of the key needs for IT professionals. It gives a sense of accomplishment and motivates learners. Mastek is into human capital business and it's important that we have employees who are industry recognised which helps in winning new business. We encourage Certifications in the areas such as App development, Quality engineering, Service management and Project management. 69 Mastekers successfully gained certifications last year.

Compassionate Communication Programme:

Compassionate Communication Programme was rolled out for Mastekers to help them have more meaningful interactions, communicate honestly with thoughtful word choices and empathetic listening. This programme is a combination of ILT which would include Interactive PPT Presentations, Participants Guide, Guided Reflections, Inquiry & Dialogues, Audio-Visuals and Case-based Role Plays. We have 1,000 plus Mastekers already on the learning journey.

Mpower:

Mpower is a dedicated theme-based soft skill programme to address the requirement of behavioural aspects and support Mastekers enhance their soft skills and achieve better professional and business outcomes. In FY2021 we had 250+ learners across the globe attending Business Etiquette theme. This programme is a combination of virtual sessions, quizzes, weekly tips and community discussions.

Compliance Aspects

At Mastek, we believe in conducting business with the highest standards of ethics and integrity and provide a safe and secure working environment to all. Mastek accepts and incorporates POSH, Information Security, GDPR and Anti-Bribery as mandatory trainings for workplace. We have a ZERO tolerance approach to non-compliance

Management Discussion & Analysis

and therefore, education is critical to ensure that every Mastekeer understands what is acceptable. To inhibit the adverse impact related to non-compliance on the organisation, all Mastekeers must take these trainings and assessments every year.

Business Outcomes

All these learning initiatives garnered Mastekeers' interest and we have recorded 2 times increase in the learning hours of Mastekeers in comparison to last fiscal year. At the same time, we have received some particularly good feedback from the programme managers for the impact we were able to create on their accounts as a result of some focused learning initiatives. To state some of the examples as shared by them:

- React JS training was an enabler to create positive credibility in front of our customers. Outstanding feedback from customer on Web-UI which was the pain area earlier.
- Training on UFT and VB scripting was useful in terms of creating larger automation team and increasing confidence of the customer.
- RPA and automation testing training enabled to deliver value and innovation beyond customer expectations.
- A number of our resources have undertaken courses to help them attain AWS certification and mastering DevOps. This has helped us in implementing improved engineering practices in account leading to very good health check scores
- The behavioural trainings of Mpower comprising of email & meeting etiquette has improved quality of work while working from Home.
- Soft skills training has played a vital role in making our customer interactions effective and fruitful. It has also prepared our team members well for their onshore roles wherein they are expected to communicate directly with the business and manage stakeholder expectations.

Ensuring individual and team development

Mastek is committed to individuals and institutions being the best they can be. Our Mastek 4.0 philosophy is centered around creating an

effective culture that aims to boost empowerment, accountability, morale, and engagement. The Company is committed to formulating and implementing distinct policies that empowers every Mastekeer to take charge of their own growth and establish a culture of increased accountability and agility at the workplace.

All our policies are designed around the principles of 4.0 culture, and they strongly talk about our underlying theme of empowerment. As an organisation, we facilitate an environment which helps Mastekeers to choose what is relevant to them and makes them totally accountable for their development. There are some people-empowering policies worth noting:

Self-nomination for promotion: The promotion process has been designed for Mastekeers to sense opportunities for growth and development. A unique idea which further aligns with the Mastek 4.0 programme is the provision to self-nominate for promotion. Mastekeers who feel that they deserve to be promoted, can self-nominate themselves for promotion. They need not depend on their managers or team leaders to do so. Once they submit their nomination, they simply have to explain why they feel they deserve the promotion. The panel comprises an HR manager, a senior member from the tech department and one member from the business development department. To ensure there is no gender bias, Mastek ensures there is at least one - woman member in the decision-making panel for every woman applicant.

Peer-review process: Another feature of Mastek 4.0 is the peer-review process. The members of the team rate each other on performance, delivery and work within the team. Mastek 4.0 has also helped Mastekeers perform their best by enhancing their productivity. When it comes to performance appraisal, we believe in team and individual empowerment. Hence as part of Peer Review, peers are the ones who decide on the rating of an individual and not the manager. Also, for Mastekeers who participate in the manager



reviews we believe in transparency as a value and hence goals are cascaded with top down approach and one-to-one developmental conversation is a mandatory part of the process

Freedom to learn: At Mastek, we believe that it is better to develop people in what they want to do, rather than making them do what we want. Hence, we as an organization facilitate an environment which helps Mastekeepers to choose what is relevant to them and make them totally accountable for their development. We start learning programmes at Mastek and ask Mastekeepers to volunteer. We promote the idea that Mastekeepers are the decision-makers and hence there are no approvals to attend trainings. There are advisory committees available to seek guidance as needed.

Fair Opportunities to Mastekeepers: Aligned to Mastek values, transparency is core to our DNA, and we regularly promote open positions via Internal Job Board (IJB) to ensure we provide relevant opportunities to Mastekeepers. The IJB is

iteratively updated to highlight open demands across the organisation.

Trust equation: Trust is essential to developing relationships with individuals. In line with our 4.0 philosophy and to build a culture of trust all our reimbursements up to a defined limit are auto-approved and do not need manager approval

Pay for performance: Our Variable Pay process drives a pay for performance culture with the organisation performance and the account performance being a significant factor for the pay-outs, thus, reinforcing our focus towards team goals and not just individual goals

Exit Policy: At Mastek, we believe Exit interviews demonstrate a commitment to an organization's core values and Exit interviews provide valuable data and insight into what's working and not working, thereby, leading to opportunities to develop and improve. Conducting exit interviews is essential to building better teams and boosting culture, which play an important role in the overall success of the business.

Management Discussion & Analysis

Information Technology

Information technology (IT) involves the study and application of computers and any type of telecommunications that store, retrieve, study, transmit, manipulate data and send information. Information technology involves a combination of hardware and software that is used to perform the essential tasks that people need and use on the everyday basis. At Mastek, we adopt a combination of policies and processes to run the IT systems smoothly and hand in hand with the needs of the organization. The operations of IT at Mastek can be seen in the daily work of an IT department. It provides tech support, security testing, network maintenance, and performs device management among other services. The management of physical components of Information Technology also comes under the hardware of IT. It includes setting up and maintaining the equipment such as phone systems, routers, servers, and laptops.

Breakthrough technology such as AI, automation and the Internet of Things (IoT) will soon disrupt every industry. Innovation cycles will accelerate, quality and efficiency will improve, and competition and customer expectations will only intensify. To stay relevant in this new world, organisations need to improve their speed to market, gain new insights into the way their customers live and want to access their services and products, and manage the pace of change. Most of all, they'll need to take their people with them. And that means equipping them for the evolution ahead. At Mastek, we constantly question what our employees need now, and in the future? How can automation and AI remove manual, laborious activities from workloads, and focus people on more challenging, more rewarding projects? And how best to build a distinctive, engaging workplace culture, where everyone wants to work, and everyone wants to contribute.

Responding to the Pandemic

Because of the Covid-19 pandemic, technological change on how people work and the nature of

the workplace itself has accelerated. Digitally-native workers are led by workplace freedom and the applications and devices they'll use. With location now less of a barrier to work, and more choice of employers, organisations face more competition for the best candidates. Leaders must think carefully about how they can attract, develop and retain the people that will ensure high performance for the years ahead.

To make our workplace more engaging and appropriate for the 'new normal' that we have all accepted, Mastek is continuously improving IT Infrastructure to cope up with pandemic scenario and reduce the pandemic risk to its employees. Some of the key initiatives include:

- **Laptop Direct:** Mastek has established a process and technology to ensure Mastek OS built laptops are delivered directly from factory to Mastek associates. This has improved Laptop delivery efficiency by 100% and reduced laptop courier cost.
- **AOVPN:** VPN always on has helped us maintain and sustain security compliance to our laptops. Due to the pandemic, many of Mastekers are working from home and AO VPN helped us to mitigate this risk.
- **Automation:** During the Pandemic situation, we quickly implemented new technologies and agility in handling increase in number of support calls was vital. We increased our IT Infrastructure automation from 12% to 32% to manage the peak and handle this surge without increasing number of IT infrastructure staff.
- **Adoption of communication channel:** Both the pandemic and the need for having common communication platform between Mastek and our acquired organization (Evosys) was an urgent need of the hour. This was required to facilitate execution and synergize our development environment between organizations. Mastek has implemented Microsoft based communication platform to facilitate this.

- **Upgradation of Global Network:** All Mastek onsite office networks were upgraded to convert them from sales office to development center networks with IPS, APT and AV.

- **IT Integration and upgradation of Evosys IT Infrastructure:** The Company completed 82% of IT Infrastructure and Information security integration in a record time of 6 months. This has ensured a common IT Infrastructure between the organizations, while also upgrading the acquired organisation's network and information security to be in line with requirements of Tier 1 customers. Further integration was implemented in our People, Processes and Technologies.

Most of Mastek's home grown intranet applications are deployed on-premises along with Mastek's ERP. While, the Company's CRM-Sales, SharePoint, Power BI are hosted on cloud, integrations were configured between these systems via online and batch processing. Data-mart was deployed to compile integrated dashboards and reports on our power BI platform.

Research & Development

Research and Development is important function to the Company's business and technology assimilation is an important determinant of the Company's success. It is also an essential part of our business intelligence process. We consistently invest into various research areas, including markets, financial backgrounds, brands, services, various risks, competitors, demand drivers and distribution networks. This helps us gain competitive advantage by tracking competition, effectively plan financial outcomes and investments, understand our customers better, co-innovate with them and solve their business problems by deploying leading technologies. Mastek has a complete research ecosystem which consists of dedicated in-house practice for research, external agencies, and business networking platforms.

As a participant within the IT services industry, understanding technology is a growing necessity in Mastek. As the entire business world is becoming more technological, innovation nurtures our business, and the adoption and assimilation of technology paves the way for it. We have a dedicated technology research and innovation practice within Mastek which keeps a pace with the latest technological trends by running programmes such as TechSense and TechGalaxy. They ensure early adoption of technologies both within Mastek to increase efficiency, improve productivity and to solve the business problems of our customers to drive growth.

Enhancing Operation Efficiency

As the digital transformation partner for many of our strategic customers, Mastek has already onboarded many of customers on the journey of hybrid cloud. Around 90% of our customers already have their workloads migrated into the cloud with the help of Mastek. We are also encouraging our customers and conducting discovery workshops wherein we review their existing business processes and inducing automation into it by the means of various tools, such as iBPMN and RPA. We have also delivered AI/ML based solutions to many of our customers for advanced analytics use cases such as fraud detection. We have also delivered several IOT based solutions for proactive maintenance use cases to our customers within the manufacturing domain.

Over the years, we have increased our investment into various in-house frameworks and accelerators as well as external platforms that will increase the productivity and help us achieve operational excellence. A key example is the adoption of Automatix, our automated functional testing framework. We are in the process of making this platform intelligent by adding AI/ML capabilities into it to further improve the testing speed, reduce manual intervention and hence increase productivity in the SDLC and achieve operational excellence. We have also invested into low code

Management Discussion & Analysis

platform and on-boarded it as a part of our strategic hybrid application platform portfolio. Building reusable building blocks, automation and the use of modern technologies have helped control our operational costs in FY2021. We will continue to invest into our digital vault, the repository of reusable building blocks, accelerators, and new technologies in the coming years to help us improve productivity and achieve operational excellence.

FY2021 Achievements

Some of the key achievements of FY2021 in our technology research and innovation practice are the adoption of Intelligent Document Processor, Low Code Digital Factory, Digital Vault and Automatix Framework upgrade. Within our technology research and innovation practice, the Company is also focusing on understanding innovations in the technologies such as Blockchain, IOT, AI/ML, Hyper Automation and Cloud. With increased investments into the technology research and innovation practice, we are focusing on incremental innovation in addition to the disruptive innovation, and in increasing intrapreneurship in the organization.

As a practice, we roll out the innovations by our technology research and innovation internally before we take them to our customers. It has not only helped us to improve such innovations through internal feedback, but also improve our operations and increase our productivity. Some of the areas to name are Hybrid Cloud, Hyper Automation and Low Code.

Almost 80% of our workload is in the multi cloud environment, giving us not only scalability, resilience, and flexibility, but also helping us to continue our business smoothly during the pandemic in FY2021. We have also implemented many of our Hyper Automation innovations specifically for our finance business unit, which has helped us in improving our productivity by 70%. As an example, the use of BOTS has helped our finance resources to be free from their repetitive tasks and focusing more time on doing more constructive work.

Future Plans

Looking at the future strategic direction of the company's technology research and innovation practice, we intend to continue our focus on:

- Investments - Increasing our investment into disruptive and new technologies within our existing verticals
- Incremental Innovation – building a dedicated team within our research and innovation practice who will focus cross-selling our existing innovations across Mastek and Evosys
- Increase intrapreneurship in the organization – encouraging every Masteker to become an intrapreneur by launching various programmes such as Blogathon and Tech Talk
- Innovation Lab – adding new innovations into our innovation lab, continuing our themes of “Idea Execution @Speed”, and “Continuous Innovation @ Precision”
- Co-innovate with the customer and partners through various programs like Hackathon, Tech Galaxy and Customer innovation day
- Innovation Management Tools – bringing in innovation management tools to augment our people and processes
- Navigate innovation through business networking platforms – increasing our partner ecosystem and launch our innovations on global business networking platforms

Internal Control System

The Company believes that internal control is a necessary pre-requisite of governance and that freedom should be exercised within a framework of checks and balances. The Company has a well-established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls. The management is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets.

As a group, we have presence across multiple geographies and a large number of employees, suppliers and other partners collaborate to provide solutions to our customer needs. Robust internal controls and scalable processes are imperative to manage the global scale of operations. The Management has laid down internal financial controls to be followed by the Company. We have adopted policies and procedures for ensuring the orderly and efficient conduct of the business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

In response to the COVID-19 pandemic, we initiated our remote working model as a part of our business continuity plans. This has facilitated our employees to work remotely/work from home wherever customer-location deliveries are not contractually required or waived by customers during these tough times. The design of our processes allow for such remote execution with accessibility to secure data and ensure there are no events that have materially affected or are reasonably likely to materially affect our internal control over financial reporting during the period.

Internal Audit

An independent and empowered Internal Audit Firm at the corporate level carries out risk-focused audits across all businesses (both in India and overseas), to ensure that business process controls are adequate and are functioning effectively. These audits include reviewing finance, operations, safeguarding of assets and compliance related controls.

Areas requiring specialised knowledge are reviewed in partnership with external subject matter experts.

The Internal Audit's functioning is governed by the Audit Charter, duly approved by the Audit

Committee of the Board, which stipulates matters contributing to the proper and effective conduct of audit. As the business expanded with new acquisitions, the Audit scope has been widened to include the Internal control framework of the new entities. The corporate level process controls including the ERP framework and operating processes are constantly monitored for effectiveness during such Audits.

The Company's senior management closely monitors the internal control environment and ensures that the recommendations of the Internal Auditors are effectively implemented. The Audit Committee periodically reviews key findings and provides strategic guidance. Internal Auditors report directly to the Audit Committee.

Cautionary Statement

Statements made in the Management Discussion and Analysis Report describing the Company's objective, projections, estimates, expectations may be forward-looking statements within the meaning of applicable laws and regulations, based on beliefs of the management of the Company. Such statements reflect the Company's current views with respect to future events and are subject to risks and uncertainties. Many factors could cause the actual result to be materially different from those projected in this report, including among others, changes in the general economic and business conditions affecting the segment in which the Company operates, changes in business strategy, changes in interest rates, inflation, deflation, foreign exchange rates, competition in the industry, changes in Governmental regulations, tax laws and other Statutes & other incidental factors. The Company does not undertake any obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



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Financial Highlights at a Glance Directors' Report



FINANCIAL HIGHLIGHTS - AT A GLANCE

(₹ in Lakhs, except EPS and Ratios)

| Particulars / Financial Year | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|--|----------------|---------|---------|---------|
| Total Income | 174,977 | 111,278 | 105,799 | 83,820 |
| Operational Revenue | 172,186 | 107,148 | 103,321 | 81,721 |
| EBITDA (Including other income) | 39,238 | 19,666 | 15,632 | 12,065 |
| EBIT | 34,743 | 17,177 | 13,897 | 10,189 |
| Net Profit | 25,175 | 11,381 | 10,147 | 6,996 |
| EPS- Basic (₹) | 84.9 | 45.2 | 42.6 | 29.7 |
| EPS- Diluted (₹) | 81.9 | 42.9 | 40.3 | 28.1 |
| Dividend Per Share (₹) | * 14.5 | 8.0 | 8.5 | 6.0 |
| Revenue Growth (%) | 60.7 | 3.7 | 26.4 | 45.9 |
| Net Profit Margin (%) | 14.4 | 10.2 | 9.6 | 8.3 |
| EBITDA Margin (%) | 22.4 | 17.7 | 14.8 | 14.4 |
| Return on Equity (%) | 25.6 | 14.6 | 16.0 | 13.7 |
| Debt / Equity Ratio | 0.3 | 0.4 | 0.1 | 0.1 |
| Current Ratio | 1.9 | 1.8 | 2.9 | 2.3 |
| Debtors Turnover (No. of days) | 75 | 81 | 72 | 67 |
| Operating Cashflows | 28,715 | 18,447 | 7,507 | 6,488 |
| Current Investments and Cash and bank balances | 80,543 | 37,473 | 20,735 | 20,572 |
| Price Earning Multiple | 14 | 4 | 10 | 18 |
| Group Employees as at the year end (No.) | 3,792 | 3,404 | 2,069 | 2,058 |
| Offshore (No.) | 2,674 | 2,229 | 1,264 | 1,327 |
| Onsite (No.) | 1,118 | 1,175 | 805 | 731 |

*Subject to approval of Members at the ensuing Annual General Meeting.

DIRECTORS' REPORT

Dear Members,

Your Company's Board of Directors ("**Board**") is pleased to present the 39th Annual Report of Mastek Limited ("**Mastek**" or "**the Company**" or "**Your Company**") on the business and operations together with the Audited Financial Statements (Consolidated and Standalone) for the Financial Year ended March 31, 2021.

In compliance with the applicable provisions of Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for time being in force) ("**the Act**") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), this Report covers the financial results and other developments during the Financial Year ended March 31, 2021 and up to the date of the Board Meeting held on April 28, 2021 to approve this Report.

1. HIGHLIGHT OF COMPANY'S FINANCIAL RESULTS

Highlight of Company's Financial Results (Consolidated and Standalone) for the Financial Year ended March 31, 2021, compared to the previous Financial Year are summarised below:

(₹ in Lakhs)

| Summarised Profit and Loss | Consolidated | | Standalone | |
|--|----------------|---------|---------------|---------|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Revenue from operations | 172,186 | 107,148 | 18,714 | 16,344 |
| Other income | 2,791 | 4,130 | 3,487 | 4,886 |
| Total Income | 174,977 | 111,278 | 22,201 | 21,230 |
| Expenses | 135,739 | 91,612 | 16,968 | 16,006 |
| Depreciation and amortisation expenses | 4,495 | 2,489 | 1,079 | 1,113 |
| Finance costs | 810 | 362 | 58 | 45 |
| Exceptional items - (loss) / gain | - | (2,407) | (700) | (683) |
| Profit Before Tax | 33,933 | 14,408 | 3,396 | 3,383 |
| Tax expense | 8,758 | 3,027 | 1,750 | 638 |
| Profit After Tax | 25,175 | 11,381 | 1,646 | 2,745 |
| Other comprehensive income | 13,709 | 767 | (313) | 152 |
| Total Comprehensive Income | 38,884 | 12,148 | 1,333 | 2,897 |
| Attributable to Equity Holders | 38,884 | 12,148 | 1,333 | 2,897 |
| Dividend | (1,362) | (3,139) | (1,362) | (3,139) |
| Dividend Distribution Tax | - | (10) | - | (10) |
| EPS (in ₹) | | | | |
| - Basic | 84.92 | 45.21 | 6.67 | 11.40 |
| - Diluted | 81.88 | 42.93 | 6.44 | 10.82 |

Note: The above figures are extracted from the Consolidated and Standalone Financial Statements which have been prepared in compliance with the Indian Accounting Standards (Ind AS) and it complies with all aspects of the Ind AS notified under Section 133 of the Act read with [Companies (Indian Accounting Standards) Rules, 2015 (amended)] and other relevant provisions thereof. There are no material departures from the prescribed norms stipulated by the Accounting Standards in preparation of the Annual Accounts. Accounting policies have been consistently applied, except where a newly issued Accounting Standard, if initially adopted or a revision to an existing Accounting Standard required a change in the Accounting Policy hitherto in use. Management evaluates all recently issued or revised Accounting Standards on an ongoing basis. The Company discloses Consolidated and Standalone Financial Results on a quarterly basis, which are subject to limited review and publishes Consolidated and Standalone Audited Financial Results on an annual basis.

DIRECTORS' REPORT

2. OVERVIEW OF COMPANY'S OVERALL FINANCIAL PERFORMANCE

- Mastek Operations**

On a Consolidated basis, the Group registered revenue from operations of ₹ 172,186 lakhs for the year ended March 31, 2021 (as compared to ₹ 107,148 lakhs in the previous year ended March 31, 2020), which is an increase of 60.7%. The Group registered a Net Profit of ₹ 25,175 lakhs for the year ended March 31, 2021 (as compared to ₹ 11,381 lakhs in the previous year ended March 31, 2020), thereby registering an increase of 121.2%. Further details are included in notes to the Accounts of Consolidated Financial Statement, which forms part of this Annual report.

On a Standalone basis, Mastek registered revenue from operations of ₹ 18,714 lakhs for the year ended March 31, 2021 (as compared to ₹ 16,344 lakhs in the previous year ended March 31, 2020). Mastek also made a Net profit of ₹ 1,646 lakhs for the year ended March 31, 2021 (as compared to Net Profit of ₹ 2,745 lakhs in the previous year ended March 31, 2020). Further details are included in notes to the Accounts of Standalone Financial Statement, which forms part of this Annual report.

The Financial Statements of the Company have been prepared based on the Audited Financial Statements of the Company and Audited Financial Statements of its Subsidiaries, which have been reviewed by the Statutory Auditors of the Company. The Company discloses Consolidated and Standalone Financial Results on a quarterly basis, which are subject to limited review, and publishes Audited Financial Results (both Consolidated and Standalone) on an annual basis. In accordance with the provisions contained in Section 136 of the Act, the Annual Report of the Company, containing therein its Consolidated and Standalone Financial Statements are made available on the website of the Company at web link <https://www.mastek.com/financial-information>.

Further, a detailed analysis of Company's performance is included in the Management Discussion and Analysis Section, which forms part of this Annual Report.

- Break-up of the Operating Revenue by Geographies**

| Geographies | Year ended March 31, 2021 | | Year ended March 31, 2020 | |
|-------------------|---------------------------|---------------|---------------------------|---------------|
| | ₹ in Lakhs | % of Revenue | ₹ in Lakhs | % of Revenue |
| UK & Europe | 116,089 | 67.4% | 77,240 | 72.1% |
| North America | 28,755 | 16.7% | 24,886 | 23.2% |
| Middle East | 18,948 | 11.0% | 2,354 | 2.2% |
| Rest of the World | 8,394 | 4.9% | 2,668 | 2.5% |
| Total | 172,186 | 100.0% | 107,148 | 100.0% |

The operations by UK & Europe geographies contributed ₹ 116,089 lakhs in total operating revenue for the year ended March 31, 2021 (as compared to ₹ 77,240 lakhs in the previous year ended March 31, 2020), resulting in a growth of 50.30%.

The operations by North America geography contributed ₹ 28,755 lakhs in revenue for the year ended March 31, 2021 (as compared to ₹ 24,886 lakhs in the previous year ended March 31, 2020), resulting in an increase of 15.55%.

The operations by Middle East geography contributed ₹ 18,948 lakhs in total operating revenue for the year ended March 31, 2021 (as compared to ₹ 2,354 lakhs in the previous year ended March 31, 2020), resulting in an increase of 704.93%.

Revenue of Rest of the World geographies i.e., India & Asia Pacific are ₹ 8,394 lakhs for the year ended March 31, 2021 (as compared to ₹ 2,668 lakhs in the previous year ended March 31, 2020), resulting in a growth of 214.62%.

DIRECTORS' REPORT

- Break-up of the Revenue by Service Lines**

| Service Lines | Year ended March 31, 2021 | | Year ended March 31, 2020 | |
|-----------------------------------|---------------------------|--------------|---------------------------|--------------|
| | ₹ in Lakhs | % of Revenue | ₹ in Lakhs | % of Revenue |
| Application Development | 67,792 | 39.4 | 47,306 | 44.2 |
| ERP & Cloud Migration | 60,132 | 34.9 | 8,694 | 8.1 |
| Application Support & Maintenance | 17,561 | 10.2 | 17,495 | 16.3 |
| Digital Commerce | 17,357 | 10.0 | 22,453 | 21.0 |
| BI & Analytics | 6,635 | 3.9 | 8,230 | 7.6 |
| Assurance & Testing | 2,709 | 1.6 | 2,970 | 2.8 |
| Total | 172,186 | 100.0 | 107,148 | 100.0 |

- Break-up of the Revenue by Customer Segments**

| Customer Segments | Year ended March 31, 2021 | | Year ended March 31, 2020 | |
|--------------------|---------------------------|--------------|---------------------------|--------------|
| | ₹ in Lakhs | % of Revenue | ₹ in Lakhs | % of Revenue |
| Government | 57,435 | 33.3 | 33,918 | 31.6 |
| Healthcare | 38,354 | 22.3 | 13,038 | 12.2 |
| Retail Services | 29,314 | 17.0 | 33,935 | 31.7 |
| Financial Services | 20,089 | 11.7 | 17,344 | 16.2 |
| Others | 26,994 | 15.7 | 8,913 | 8.3 |
| Total | 172,186 | 100.0 | 107,148 | 100.0 |

PROFITABILITY

For the year ended March 31, 2021, the Group earned a profit of ₹ 25,175 lakhs (as compared to ₹ 11,381 lakhs in the previous year ended March 31, 2020). The profits for the year ended March 31, 2021 witnessed growth mainly on account of the following:

- Full year impact of Evosys acquisition;
- Savings driven by travel, marketing and other associated cost due to pandemic related restrictions;
- Productivity and other operational improvements;
- Profitable growth across geographies and accounts and;
- Better management of variable cost structure and profitability levers.

3. MATERIAL CHANGES AND COMMITMENTS AND CHANGE IN NATURE OF BUSINESS

There have been no material changes and commitments, affecting the financial position of

the Company, which have occurred from the end of the Financial Year of the Company to which the Financial Statements relate till the date of this Report.

There has been no change in the nature of business of your Company.

4. DIVIDEND (RETURNS TO INVESTORS)

The Company has a robust track record of rewarding its Members with a generous dividend pay-out (both Interim and Final). Based on Company's financial performance, the Board of Directors, at its Meeting held on April 28, 2021 has recommended payment of a Final Dividend of ₹ 9 per Equity Share (face value of ₹ 5 each) i.e. @ 180% subject to approval of the Members at the ensuing 39th Annual General Meeting. The Final Dividend recommended, if approved by the Members, will be paid to Members within the period stipulated by the Act.

DIRECTORS' REPORT

| Dividend | Financial Year 2020-21 | Financial Year 2019-20 |
|---|---------------------------|--|
| a. Interim Dividend | | |
| Month and Year of Declaration | October 2020 | October 2019 March 2020 |
| Amount of Dividend Per Equity Share of ₹ 5 each | ₹ 5.50 | ₹ 3.00 ₹ 5.00 |
| % of Dividend | 110% | 60% 100% |
| Total Dividend (Amt. in ₹ lakhs) | ₹ 1,361.72 | ₹ 731.12 ₹ 1,214.47 |
| b. Final Dividend | | |
| Month and Year of Declaration | April 2021 | The Interim Dividend paid were together declared as Final Dividend |
| Amount of Dividend Per Equity Share of ₹ 5 each | ₹ 9.00 | ₹ 8.00 |
| % of Dividend | 180% | 160% |

Dividend Distribution Policy

The Board of Directors at its Meeting held on April 28, 2021 approved and adopted the Dividend Distribution Policy to determine the distribution of dividends in accordance with the provisions of the applicable laws. The policy is separately provided as "Annexure 1" forming an integral part of this Report and is also uploaded on the website of the Company at www.mastek.com

5. TRANSFER OF UNCLAIMED DIVIDEND AMOUNT AND CONCERNED SHARES TO INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY

As required under the provisions of Section 125 and other applicable provisions of the Act, dividends that remain unpaid / unclaimed for a period of consecutive 7 years, are required to be transferred to the account administered by the Central Government viz. Investor Education and Protection Fund ("IEPF"). Further, according to the said Rules, the shares on which dividend has not been encashed or claimed by the Members for 7 consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

During the year under review, pursuant to the provisions of Section 124 (5) of the Act, Final Dividend for the Financial Year 2012-13 amounting to ₹ 560,175 and Interim Dividend for the Financial Year 2013-14 amounting to ₹ 308,695 which remained unclaimed for a period of 7 years, from the date it was lying in the unpaid dividend account, has been transferred by the Company to the IEPF Authority and the concerned shares for the Financial Year 2012-13 aggregating to 16,922 equity shares and for the Financial Year 2013-14 aggregating to 1,335 equity shares have also been transferred to IEPF Authority.

The web link to find out the detailed list of equity shares / dividends transferred to IEPF Authority is available on the website of the Company at <https://www.mastek.com/investor-information> as mandated by Ministry of Corporate Affairs.

Any person claiming to be entitled to the unpaid / unclaimed amount and concerned shares transferred to IEPF, may apply to the IEPF Authority by submitting an online application in Form No. IEPF - 5 available on the website www.iepf.gov.in, along with the fee specified by the IEPF Authority. The claimant can file only one consolidated claim in a Financial Year as per the IEPF rules. All corporate benefits accruing on such shares viz. bonus shares, etc. including dividend shall be credited to IEPF Authority.

The details of the unpaid / unclaimed dividend amount which will be transferred to IEPF Authority in the current year and subsequent years are given in the Corporate Governance Report, which forms part of this Annual Report.

The Company sends specific advance communication to the concerned Members at their registered addresses available with the Company and also publishes notice in the newspapers providing the general details of such unpaid / unclaimed dividend and concerned shares due for transfer, so as to enable them to take appropriate and timely action.

6. TRANSFER TO GENERAL RESERVES

There was no amount from profit, which was transferred to General Reserves during the year under review.

DIRECTORS' REPORT

7. MANAGEMENT DISCUSSION AND ANALYSIS

In terms of provisions of Regulation 34(2) of the SEBI Listing Regulations, a detailed review of the operations, performance and outlook of the Company and its business is given in the Management Discussion and Analysis, which is presented in a separate section forming part of this Annual Report.

8. CREDIT RATING

The Company's financial discipline is reflected in the strong credit rating ascribed to it by ICRA Limited, Reputed Credit Rating Agency. During the year under review the following ratings ascribed by ICRA Limited reflects that the Company has serviced its financial obligations on time.

| Type of Facilities | [ICRA] Ratings | |
|------------------------------------|--------------------------------|--|
| | Rating / Outlook | Rating Action |
| Fund-based Limits | [ICRA]AA-(Stable) | Upgraded from [ICRA] A+ (Stable) |
| Non-Fund Based Limits | [ICRA]A1+ | Reaffirmed |
| Fund-based / Non-Fund based limits | [ICRA]AA-(Stable) / [ICRA] A1+ | Long-term rating Upgraded and Short-term rating Reaffirmed |

9. EMPLOYEE STOCK OPTION PLANS

The Company has 3 ongoing Employee Stock Option Plans (ESOPs) at present. The Members by way of Postal Ballot on March 20, 2009 approved ESOP Plan V, in the Annual General Meeting held on October 01, 2010 approved the ESOP Plan VI and in the Annual General Meeting held on July 17, 2013 approved the ESOP Plan VII for issuance of the Employee Stock Options ("**Options**") to the eligible employees of the Company. The First four plans I to IV, have been closed by the Company.

The Key Objectives of Company's ongoing ESOPs among other things are to:

- reward the key employees for their performance and to motivate them to contribute to the growth and profitability of the Company;
- retention of Senior Management, and key and niche skilled employees;
- Instilling Entrepreneurship (taking the right risks) and Ownership; and

- Gaining long term commitment towards value creation in the Company.

The Nomination and Remuneration Committee of the Company, *inter-alia*, administers and monitors ESOPs, implemented by the Company in accordance with the provisions of the Act and the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended. During the year under review, the Company had granted 267,160 Options to its selected employees. The Company has not introduced any new plan during the year under review.

During the year under review, there were no material changes in the ESOPs of the Company. The Plans are in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. The yearly disclosure requirement as per Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015, for the aforesaid ESOPs is annexed as "**Annexure 2**" to this report, in respect of the year ended March 31, 2021.

DIRECTORS' REPORT

Further, a certificate from M/s. Walker Chandiok & Co. LLP, Chartered Accountants, Statutory Auditors of the Company, with respect to implementation of ESOPs in compliance with the Act, SEBI (Share Based Employee Benefits) Regulations, 2014 and the Members' approvals, will be obtained and shall be available for inspection by the Members. The Members desiring inspection may write at investor_grievances@mastek.com.

10. INCREASE IN ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL

During the year, the Company had issued and allotted 943,417 number of Equity Shares of face value of ₹ 5 each for a total nominal value of ₹ 4,717,085 under various Employee Stock Option Plans to the eligible employees who exercised their vested Employee Stock Options. These Equity Shares rank pari passu in all respects with the existing Equity Shares of the Company.

The movement of Share Capital during the year was as under:

| Particulars | No. of shares issued and allotted | Cumulative outstanding No. of shares of face value ₹ 5 each | Cumulative outstanding Total share capital |
|---|-----------------------------------|---|--|
| Share Capital at the beginning of the year, i.e. as on April 1, 2020 | - | 24,289,472 | 121,447,360 |
| Allotment of shares to Employees pursuant to exercise of options granted under Employee Stock Option Plans on – | | | |
| 1. June 12, 2020 | 148,613 | 24,438,085 | 122,190,425 |
| 2. July 29, 2020 | 33,089 | 24,471,174 | 122,355,870 |
| 3. September 03, 2020 | 72,952 | 24,544,126 | 122,720,630 |
| 4. October 26, 2020 | 172,414 | 24,716,540 | 123,582,700 |
| 5. October 29, 2020 | 42,000 | 24,758,540 | 123,792,700 |
| 6. December 17, 2020 | 174,713 | 24,933,253 | 124,666,265 |
| 7. January 29, 2021 | 159,322 | 25,092,575 | 125,462,875 |
| 8. March 06, 2021 | 140,314 | 25,232,889 | 126,164,445 |
| Share Capital at the end of the year, i.e. as on March 31, 2021 | - | 25,232,889 | 126,164,445 |

Your Company is listed with the BSE Limited and National Stock Exchange of India Limited and the Company has not issued any Equity Shares with differential rights as to dividend, voting or otherwise and shares are actively traded on aforementioned Exchanges and have not been suspended from trading. Also, Share Capital Audit as per the SEBI Listing Regulations is conducted on a quarterly basis by Mr. Prashant Mehta, Proprietor of P. Mehta & Associates, Practising Company Secretaries. The Share Capital Audit Reports are duly forwarded to Exchanges where the Equity Shares of the Company are listed.

As per Section 129(3) of the Act, read with Rule 5 of the Companies (Accounts) Rules, 2014, the Company has prepared its consolidated financial statements covering all its Subsidiaries (including Evosys Group Companies acquired through Business Transfer Agreement and under ongoing Scheme of Arrangement), which contains a list of all the Subsidiaries of the Company as on March 31, 2021, and forms a part of this Annual Report and a statement containing salient features of the financial statements of the Subsidiaries and their contribution to overall performance of the Company in **Form AOC-1** is annexed as **"Annexure 3"** to this Report.

11. SUBSIDIARY COMPANIES

As on March 31, 2021, the Company has 21 Subsidiary Companies.

Further, pursuant to the provisions of Section 136(1) of the Act, the financial statements of the Company, consolidated financial statements along

DIRECTORS' REPORT

with relevant documents and separate audited financial statements in respect of Subsidiaries, are available on the website of the Company <https://www.mastek.com> and the same are also available for inspection by the Members. Due to COVID-19 pandemic, the Company shall not be printing the Annual Reports, the Members are therefore requested to download the same from the website of the Company, as mentioned above.

There has been no material change in the nature of the business of any of Company's Subsidiaries.

12. MATERIAL SUBSIDIARIES

Your Company has earlier approved a Policy for determining Material Subsidiaries and the same is uploaded on the Company's website which can be accessed using the link <https://www.mastek.com/corporate-governance>. In terms of this Policy, Mastek (UK) Limited and Trans American Information Systems Inc. were the two Material Subsidiaries of the Company during the year under review. However, Evolutionary Systems Company Limited, a UK entity has also become the Material Subsidiary during the Financial Year 2021-22. The Company has already appointed its Independent Director (ID) on the Board of two Companies and will be appointing ID on the Board of Evolutionary Systems Company Limited, UK entity during the year. Further, Company periodically reviews all the major decisions and Board minutes of all the Subsidiary Companies.

13. RELATED PARTY TRANSACTIONS

During the year under review, the Company has not entered into any material transactions with Related Parties (except with its Subsidiaries, which are exempt for the purpose of Section 188(1) of the Act). As defined under Section 2(76) of the Act, read with Companies (Specification and Definitions Details) Rules, 2014, all of the Related Party Transactions entered into were in Ordinary course of business and on an arm's length basis and in compliance with the applicable provisions of the Act and the SEBI Listing Regulations. There are no materially significant Related Party Transactions made by the Company with its Promoters, Directors or Key Managerial Personnel, etc., which may have potential conflict with the interest of the Company at large.

Omnibus approvals are given by the Audit Committee for the transactions, which are foreseen and are repetitive in nature on yearly basis. A statement of all Related Party Transactions is presented before the Audit Committee and the Board on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. The said transactions were unanimously approved by the Audit Committee as well as by the Board.

None of the transactions with the Related Parties fall under the scope of Section 188 (1) of the Act. The details of Related Party Transactions pursuant to Section 134(h) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, are given in **Form AOC-2** is annexed as "**Annexure 4**" to this Report.

In compliance with the requirements of the SEBI Listing Regulations, the Company has in place a Policy on Related Party Transactions and the same is uploaded on the Company's website which can be accessed using the link <https://www.mastek.com/corporate-governance>.

14. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans given, guarantees given and investments made by the Company during the year under review and as covered under the provisions of Section 186 of the Act, have been disclosed in the notes to the standalone financial statements forming part of the Annual Report. In compliance with the provisions of the Act, there were no loans given by the Company during the year. Further, the Company has provided a guarantee and also security / charge / mortgage over its properties as a Security for loan facilities availed by its Wholly Owned Subsidiary.

15. BOARD OF DIRECTORS

During the year there was sudden demise of one of the founder member and Vice - Chairman & Managing Director, Mr. Sudhakar Ram, following a brief illness on November 08, 2020. Mr. Ram was one of the Co-founders & Director and played crucial leadership roles through his 35 years of long career at Mastek and its Group entities. Mr. Ram was on the Board of the Company since 1985 and the Company has immensely benefitted from his vision and leadership during his tenure. Mr. Ram's

DIRECTORS' REPORT

sudden and unexpected passing away will be an irreparable loss to the Company. Board wishes to place on record its sincere appreciation for the services rendered by Mr. Ram during his 35 years of tenure.

Board's Composition and Independence

• Board's Composition

The Company has a diverse Board of Directors which believes in good Corporate Governance Practices. The Composition of the Board of Directors is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the SEBI Listing Regulations, with an optimum combination of Executive, Non - Executive and Independent Directors.

As on the date of this Annual Report, the Board of Directors of the Company consists of 6 (six) Members, out of which there are 4 (four) Independent Directors including 1 (one) Woman Director. There is 1 (one) Non - Executive Director and 1 (one) Executive Director who are also the Promoters of the Company. The Company has Non - Executive Independent Director as Chairman.

• Independent Directors and their Declarations

During the year under review, the Members at 37th Annual General Meeting held on July 23, 2019, approved the re-appointments of Mr. S. Sandilya (DIN: 00037542), Ms. Priti Rao (DIN: 03352049) and Mr. Atul Kanagat (DIN: 06452489) for their second term and approved appointment of Mr. Rajeev Grover (DIN: 00058165) at its 38th Annual General Meeting held on October 29, 2020 as an Independent Director of the Company for his first term, pursuant to the provisions of the Act and the SEBI Listing Regulations.

Definition of 'Independence' of Directors is derived from Regulation 16 of the SEBI Listing Regulations and Section 149(6) of the Act. The Company has received necessary declarations under Section 149(7) of the Act and Regulation 25(8) of the SEBI Listing Regulations, from the Independent Directors stating that they meet the prescribed criteria for independence. All Independent Directors have affirmed compliance to the Code of Conduct for Independent Directors as prescribed in Schedule IV to the Act. List of key skills, expertise and core competencies of the Board forms part of this Annual Report.

Based on the confirmations / declarations received from the Independent Directors, your Board of Directors confirms that they are independent of management, are persons of integrity, possesses relevant expertise and vast experience and brings an independent judgement on the Board's discussions (including the proficiency) of the Independent Directors of the Company. Accordingly, the following Non - Executive Directors are Independent of the Management:

- a. Mr. S. Sandilya
- b. Ms. Priti Rao
- c. Mr. Atul Kanagat and;
- d. Mr. Rajeev Grover

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014. As per regulatory requirements, all the Independent Directors have registered their names in the Independent Directors' Databank, pursuant to provisions of the Act and rules made thereunder and meet the criteria.

There has been no change in the circumstances affecting their status as Independent Directors of the Company.

• Non-Independent Director - Director Retiring By Rotation

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Act and pursuant to the Articles of Association of the Company, Mr. Ashank Desai (DIN: 00017767) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. In the opinion of your Directors, Mr. Desai possesses requisite qualifications and experience and therefore, your Directors recommend that the proposed resolutions relating to the re-appointment of Mr. Desai. Accordingly, the re-appointment of Mr. Ashank Desai is being placed for the approval of the Members at the ensuing Annual General Meeting. A brief profile of Mr. Ashank Desai along with other related information forms part of the Notice convening the ensuing Annual General Meeting.

DIRECTORS' REPORT

- **New Appointment of Director during the year under review**

The Members of the Board upon recommendation of the Nomination and Remuneration Committee, appointed Mr. Ketan Mehta (DIN: 00129188) as an Additional Director (Non - Executive and Non - Independent) on December 29, 2020 subject to approval of the Members at the ensuing 39th Annual General Meeting of the Company. In terms of Section 161 of the Act, Mr. Mehta holds office up to the date of ensuing Annual General Meeting. A brief profile of Mr. Mehta along with other related information forms part of the Notice convening the ensuing Annual General Meeting. Accordingly, the Board of Directors recommends his appointment to the Members of the Company. Mr. Ketan Mehta co-founded Mastek in 1982 and served as a member of the Board of Directors of Mastek until June 01, 2015 after which he focused exclusively on the business of Majesco Limited.

- **Appointment and Remuneration payable to Mr. Ashank Desai (DIN: 00017767) as Vice - Chairman & Managing Director**

Due to sudden demise of Mr. Sudhakar Ram, the Members of the Board upon recommendation of the Nomination and Remuneration Committee, appointed Mr. Ashank Desai as Vice - Chairman & Managing Director for a period of 5 (five) years i.e. from November 08, 2020 to November 07, 2025 and fixed the Remuneration subject to approval of the Members at the ensuing 39th Annual General Meeting of the Company.

Mr. Ashank Desai has been associated as a Co-founder and Director since inception of the Company. During his earlier stint with the Company he had occupied the position of Chairman & Managing Director of the Company. A brief profile of Mr. Ashank Desai along with other related information forms part of the Notice convening the ensuing Annual General Meeting. Accordingly, the Board of Directors recommends his Appointment and the Remuneration payable to the Members of the Company for their approval.

16. BOARD EFFECTIVENESS

- **Performance Evaluation**

In compliance with the relevant provisions of the Act, read with the Rules made thereunder and the SEBI Listing Regulations, the Performance Evaluation of the Board as a whole, its specified Statutory Committees, the Chairman of the Board and the individual Directors was carried out for the year under review. The manner in which the Performance Evaluation was carried out and the outcome of the evaluation are explained in the Corporate Governance Report, which forms part of this Annual report.

- **Annual evaluation by the Board**

During the year, the Board carried out an Annual Evaluation of its performance as well as of the working of its Committees and individual Directors, including the Chairman of the Board. This exercise was carried out through a structured questionnaire prepared separately for the Board, Committees, Chairman and individual Directors. The Chairman's Performance Evaluation was carried out by Independent Directors at a separate meeting. The parameters assessed included various aspects of the Board's functioning such as: effectiveness, meetings, quantum and timeliness of the information flow between Board members and management, Board member participation, quality and transparency of Board discussions, time devoted by the Board to strategy, performance and risk issues, Board composition and understanding of roles and responsibilities, succession and evaluation, and possession of required experience and expertise by Board members.

The performance of the Committees was evaluated on the basis of their effectiveness in carrying out their respective mandates.

Peer assessment of Directors, based on parameters such as participation and contribution to Board deliberations, ability to guide the Company in key matters, knowledge and understanding of relevant areas, team attitude and initiative was reviewed by the Board for individual feedback.

DIRECTORS' REPORT

During the year, Company actioned the feedback from the Board evaluation process conducted in Financial Year 2020-21. Agenda was reorganised to allow for longer time for discussion on strategy and business matters, streamlining of content and briefing on compliance submissions, sharper business presentations with executive summaries and focus on strategy reviews. Dedicated time was reserved for Board feedback on the agenda. Board interaction between meetings was stepped up through Board calls on various topics. Specific items were added in the Board planning for reviews, such as succession and review of long term investments / initiatives, which were covered during the year. Scheduling of meetings improved to allow sufficient discussion time for quarterly performance reviews during regular quarterly cycles.

- **Familiarisation Programme**

The Company has conducted Familiarisation Programme for the Directors / Independent Directors of the Company covering the matters as specified in Regulation 25(7) of the SEBI Listing Regulations. The details of the training and Familiarisation Programme conducted by the Company are hosted on the Company's website under the web link <https://www.mastek.com/corporate-governance>. The details of the induction and Familiarisation Programme for the Directors are given in the Corporate Governance Report, which forms part of this Annual Report.

- **Code of Conduct on Directors' Appointment and Remuneration**

The Nomination and Remuneration Committee of the Company formulates the criteria for determining the qualifications, positive attributes and independence of Directors in terms of its charter. In evaluating the suitability of individual Board members, the Committee takes into account factors such as educational and professional background, general understanding of the Company's business dynamics, standing in the profession, personal and professional ethics, integrity and values, willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively. The Committee also assesses the independence of Directors at the time of their appointment / re-appointment as

per the criteria prescribed under the provisions of the Act and the rules made thereunder and SEBI Listing Regulations.

The Company has formulated a "Code of Conduct for the Board of Directors". The confirmation of compliance of the same is obtained from all the Board members on an annual basis. All Board members have given their confirmation of compliance for the year under review. A declaration duly signed by Vice - Chairman & Managing Director is given under Corporate Governance Report, which forms part of this Annual Report. The Code of Conduct for Board of Directors is also posted on the website of the Company at web link <https://www.mastek.com/corporategovernance>.

17. MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met 7 (seven) times during the year ended March 31, 2021. The details of the Board Meetings and the attendance of the Directors there at, are provided in the Corporate Governance Report, which forms part of this Annual report. The maximum interval between any 2 (two) meetings did not exceed 120 (one hundred and twenty) days as prescribed in the Act.

As per Schedule IV of the Act, Secretarial Standards-1 on Board Meetings ('SS-1') and SEBI Listing Regulations, during the year under review, 1 (one) Meeting of the Independent Directors was held in the month of July 2020.

18. COMMITTEES OF THE BOARD

The Board of Directors have constituted the following Committees:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholders Relationship Committee
- d. Corporate Social Responsibility Committee, and
- e. Risk Management & Governance Committee (Name changed effective April 01, 2021)

The detailed information of the Committees along with their composition, charter, number of meetings held during the year under review and their attendance at the meetings held during the year under review are provided in the Corporate Governance Report.

DIRECTORS' REPORT

19. Key Managerial Personnel

Pursuant to the provisions of Sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended from time to time), the following persons are acting as the Key Managerial Personnel (KMP) of the Company:

- a. Vice - Chairman & Managing Director (& Interim Group CEO) – Mr. Ashank Desai
- b. Company Secretary - Mr. Dinesh Kalani

Pursuant to Rule 8(5)(iii) of the Companies (Accounts) Rules, 2014, the following changes occurred in KMP during the year under review:

Mr. Abhishek Singh, Group Chief Financial Officer of the Company, moved into a business role to take Mastek to newer heights. Consequently, he used to be a KMP as defined in the Act and SEBI Listing Regulations upto November 30, 2020. Further, upon sudden demise of Mr. Sudhakar Ram on November 08, 2020, Mr. Ashank Desai was appointed as a Vice Chairman & Managing Director on the Board of the Company w.e.f. November 08, 2020 subject to approval of Members at the ensuing Annual General Meeting. Except these, there were no other change in the composition of KMP during the year under review.

20. COMPANY'S POLICY ON NOMINATION AND REMUNERATION

Nomination and Remuneration Committee ('NRC') has formulated a Nomination and Remuneration Policy laying out role of NRC, Policy on Director's Appointment and Remuneration including recommendation of remuneration of the Key Managerial Personnel and Senior Managerial Personnel and the criteria for determining qualifications, positive attributes and independence of a Director. The Policy is available at the website of the Company at web link <https://www.mastek.com/corporate-governance>.

Some of the salient features of which are as follows:

- a. To regulate the appointment and remuneration of Directors, Key Managerial Personnel and the Senior Managerial Personnel;
- b. To identify persons who are qualified to become Directors as per the criteria / skill matrix identified by the Board;

- c. To ensure proper composition of Board of Directors and Board diversity;
- d. To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Key Managerial Personnel and Senior Managerial Personnel and their remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to Company's working and its goals.

Additionally, the Board has, on the recommendation of Nomination and Remuneration Committee, reviewed the list of core skills / expertise / competencies required from the Directors in the context of Company's business and sector for it to function effectively.

Please refer the Notes to Accounts and Corporate Governance Section for the details on Remuneration of Directors and Key Managerial Personnel.

21. STATUTORY AUDITORS AND THEIR REPORT

Statutory Auditors

Pursuant to the provisions of Section 139 of the Act, and rules made thereunder, M/s. Walker Chandiok & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 001076N / N500013) were appointed as the Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of the 35th Annual General Meeting (AGM) held on June 22, 2017 until the conclusion of the 40th AGM of the Company to be held in the year 2022.

M/s. Walker Chandiok & Co. LLP has confirmed their eligibility and given their consent under Sections 139 and 141 of the Act and the Companies (Audit and Auditors) Rules, 2014 for their continuance as the Statutory Auditors of the Company for the Financial Year 2021–2022. In terms of the SEBI Listing Regulations, the Auditors have also confirmed that they subject themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

Report of Statutory Auditors

M/s. Walker Chandiok & Co LLP, Chartered Accountants, have submitted their Report on the Financial Statements of the Company for

DIRECTORS' REPORT

the Financial Year 2020-21, which forms part of this Annual Report. There were no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in the Audit Reports issued by them which call for any explanation from the Board of Directors and they also did not report any incident of fraud to the Audit Committee of the Company during the year under review.

22. SECRETARIAL AUDITORS AND THEIR REPORT

Pursuant to Section 204 of the Act and Rules made thereunder, Mr. Prashant S. Mehta, Proprietor of P. Mehta & Associates, Practising Company Secretaries, were appointed as Secretarial Auditors of the Company for the Financial Year 2020-21 to conduct the Secretarial Audit and issue the Secretarial Audit Report in **Form MR-3**. The report of the Secretarial Auditors for the Financial Year under review is annexed as **"Annexure 5"** to this report.

There were no qualifications or observations, or adverse remarks or disclaimer of the Secretarial Auditors in the Report issued by them for the Financial Year 2020-21 which call for any explanation from the Board of Directors. Their report is self-explanatory and do not call for further comments.

Mr. Prashant S. Mehta, Proprietor of P. Mehta & Associates, Practising Company Secretaries have been re-appointed to conduct the Secretarial Audit of the Company for the Financial Year 2021-22. They have confirmed that they are eligible for the said re-appointment.

23. RISK MANAGEMENT

The Company has developed and implemented a comprehensive Risk Management Framework including Cyber security for identification, assessment and monitoring of key risks that could negatively impact the Company's goals and objectives. This framework is periodically reviewed and enhanced under the oversight of the Risk Management & Governance Committee of the Board as well as by the Board of Directors of the Company. Audit Committee of the Board has additional oversight in the area of financial risks and controls.

Mastek is committed to continually strengthen its Risk Management capabilities in order to protect interests of stakeholders and enhance shareholders

value. The detailed information pertaining to Risk Management is given under the Management Discussion and Analysis Section which forms part of this Annual Report.

24. INTERNAL CONTROL SYSTEMS

Internal Financial Controls over Financial Reporting

The Company believes that internal control is a necessary pre-requisite of governance and that freedom should be exercised within a framework of checks and balances. The Company has a well-established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls. The management is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets.

As a group, Company has presence across multiple geographies and a large number of employees, suppliers and other partners collaborate to provide solutions to customer needs. Robust internal controls and scalable processes are imperative to manage the global scale of operations. The Management has laid down internal financial controls to be followed by the Company. Company has adopted policies and procedures for ensuring the orderly and efficient conduct of the business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

In response to the COVID-19 pandemic, your Company initiated remote working model as a part of business continuity plans. This has facilitated employees to work remotely / work from home wherever customer - location deliveries are not contractually required or waived by customers during these tough times. The design of processes allow for such remote execution with accessibility to secure data and ensure there are no events that have materially affected or are reasonably likely to materially affect the internal controls over financial reporting during the period.

DIRECTORS' REPORT

Internal Audit

An independent and empowered Internal Audit Firm at the corporate level carries out risk-focused audits across all businesses (both in India and overseas), to ensure that business process controls are adequate and are functioning effectively. These audits include reviewing finance, operations, safeguarding of assets and compliance related controls. Areas requiring specialised knowledge are reviewed in partnership with external subject matter experts.

The Internal Audit's functioning is governed by the Audit Charter, duly approved by the Audit Committee of the Board, which stipulates matters contributing to the proper and effective conduct of audit. As the business expanded with new acquisitions, the Audit scope has been widened to include the internal control framework of the new entities. The corporate level process controls including the ERP framework and operating processes are constantly monitored for effectiveness during such Audits.

The Company's senior management closely monitor the internal control environment and ensure that the recommendations of the Internal Auditors are effectively implemented. The Audit Committee periodically reviews key findings and provides strategic guidance. Internal Auditors report directly to the Audit Committee.

25. HUMAN RESOURCES

Human Resources are vital and most valuable assets for the Company. Mastek Group deploys its intellectual capability to create and deliver Intellectual Property (IP)-led solutions that make a business impact for its global clients. For this, the key success enabler and most vital resource is the excellent talent.

The additional information pertaining to Human Resources initiatives taken by the Company is given under the Management Discussion and Analysis section, which forms part of this Annual Report.

As on March 31, 2021, Mastek Group had a total head count of 3,792. Mastek Group continues to focus on attracting new talent and help them to acquire new skills, explore new roles and realise their potential by providing training and retain high-quality talent.

26. MANAGEMENT OF EQUALITY, RISKS OF FRAUD, CORRUPTION AND UNETHICAL BUSINESS PRACTICES

• Equal opportunity employer

The Company has always provided a congenial atmosphere for work that is free from discrimination and harassment, including but not limited to sexual harassment. It has also provided equal opportunities of employment to all irrespective of their caste, religion, colour, marital status and gender.

• Prevention of Insider Trading

The Company has adopted the Code of Internal Procedures and Conduct for regulating, monitoring and reporting of trading by Insiders in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 to regulate, monitor and report trading by its Designated Person(s) / and other connected person(s). Further, for effective implementation of the Code, the Company has put in place the penalty framework and the internal guidelines on violation of the said Code.

The Company's Code of practices and procedures for fair disclosure of unpublished price sensitive information is available on the Company's web link <https://www.mastek.com/corporate-governance>

• Vigil Mechanism (Whistle Blower Policy)

The Vigil Mechanism as envisaged in the Act, the Rules prescribed thereunder and the SEBI Listing Regulations is implemented through the Company's Whistle Blower Policy.

The Company has adopted a Whistle Blower Policy establishing a formal vigil mechanism for the Directors, Employees and Stakeholders to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and provides direct access to the Chairperson of the Audit Committee in exceptional cases. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. To

DIRECTORS' REPORT

create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behaviour in all its operations, the Company in compliance with the requirements of the Act and the SEBI Listing Regulations, has established a Whistle Blower Policy / Vigil Mechanism and the same is placed on the web site of the Company at web link <https://www.mastek.com/corporate-governance>.

The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.

There was 1 (one) complaint received during the year, which was duly investigated and found to be non material in nature and was disposed off without any action as none of the allegations were found to be true.

- **Anti - Corruption and Bribery Policy**

In furtherance of the Company's Philosophy of conducting business in an honest, transparent and ethical manner, the Board has laid down 'Anti-Corruption and Bribery Policy' as part of the Company's Code of Business Conduct and Ethics. As a Company, Mastek has zero-tolerance to bribery and corruption and is committed to act professionally and fairly in all its business dealings. To spread awareness about the Company's commitment to conduct business professionally, fairly and free from bribery and corruption and as part of continuous education to the employees an 'Anti- Bribery', mandatory online training and testing through a web-based application tool was conducted for relevant employees. The above policy and its implementation are closely monitored.

The employees of the Company are made aware of the said policy at the time of joining the Company and are also provided periodic online training.

27. DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at work place in line with the

provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company has complied with provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, no complaint with allegations of sexual harassment was filed and there was no complaint pending for investigation at the end of the year.

28. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Mastek Foundation is the CSR wing of the Company. Founded in 2002, the mission of Mastek Foundation evolves as **Informed Giving, Responsible Receiving**. The institution seeks to inspire Company employees by creating awareness among them to give back to the community in ways which would meet the needs and challenges faced by the community members. One such medium could be through volunteering and giving opportunities. The Foundation also supports Non - Governmental Organisation (NGOs) to scale and build their capabilities through core skill of IT. Hence, the Foundation has 3 clearly defined pillars: **GIVE, ENGAGE and BUILD**.

The disclosures required to be given under Section 135 of the Act, read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as "**Annexure 6**" to this report. The revised CSR Policy of the Company is available on the Company's website which can be accessed using the link <https://www.mastek.com/corporate-governance>.

29. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The ratio of remuneration of each Director to the median employee's remuneration as per Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2016 is annexed as "**Annexure 7**" to this report.

DIRECTORS' REPORT

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, perquisites and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committees of the Company. The Managing Director of the Company has not received any remuneration or commission from any of Company's Subsidiaries.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules and the disclosures pertaining to ratio of remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the said Rules are part of this report. Having regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company and others entitled thereto. Details of employee remuneration as required under aforesaid provisions are available with the Company and shall be sent to Members electronically who request for the same by sending e-mail to Company at investor_grievances@mastek.com from their registered e-mail address.

30. BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34 of the SEBI Listing Regulations, 'Business Responsibility Report' forms part of this Annual Report, which describes the initiatives taken by the Company from an environmental, social and governance perspective.

31. CORPORATE GOVERNANCE

The Company has a rich legacy of ethical governance practices and follows sound Corporate Governance practices with a view to bring transparency in its operations and maximize shareholder value. Company continues to maintain high standards of Corporate Governance which has been fundamental to and is an integral principle of the business of your Company since its inception. Your Directors reaffirm their continued commitment to good corporate governance practices. A Report on Corporate Governance along with a Certificate from the Secretarial Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Schedule V of the SEBI Listing Regulations forms part of the Annual Report.

32. ANNUAL RETURN

As required under the provisions of Sections 134(3) (a) and 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the draft Annual Return in Form No. MGT-7 (of Financial Year 20-21) has been placed and is available on Company Website: <https://www.mastek.com/in/investor.information>

33. COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable Secretarial Standards on meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India in terms of Section 118(10) of the Act.

34. INSURANCE

Company has sufficiently insured itself under various Insurance policies to mitigate risks arising from third party or customer claims, property, casualty, etc. The Company also has in place an insurance policy for its Directors & Officers with a quantum and coverage as approved by the Board. The policy complies with the requirements of Regulation 25(10) of SEBI Listing Regulations.

35. DETAILS OF CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy and Technology Absorption

Mastek understands the importance of being an environmentally sustainable business entity and that businesses can thrive in the long run by ensuring environmentally friendly practices.

As a responsible organization, Company makes a constant effort to reduce carbon emissions from own operations. Its sustainability strategy focuses on environmental responsibility, climate protection, and an optimal use of energy resources. The environment has a direct impact on the health and well-being of every stakeholder in value chain. It is therefore important that Company strives to mitigate impact, and where possible, influence positive environmental practices.

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Company is committed towards fulfilment of sustainability initiatives and ensuring actions for the benefit of People, Planet and Profit. These initiatives are mainly -

- Reduction of energy consumption through implementation of energy efficient systems.
- Optimum utilisation of natural resources like Water and Diesel.
- Consumption reduction for Paper, Food waste and Plastic.
- Adopting ecofriendly refrigerants for air-conditioning systems.
- Ensuring people centric approach in providing functional services especially in the Covid 19 pandemic situations.
- Adopting automation for operations like Procurement, Billing and Travel wherever possible to improve overall functional efficiency.

Foreign exchange earnings and outgo

Total Foreign Exchange used and earned by the Company are as follows:

| (₹ In lakhs) | | | |
|-------------------------|--|---------------------------------|---------------------------------|
| Particulars | | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
| Foreign Exchange Used | | 515 | 271 |
| Foreign Exchange Earned | | 15,877 | 18,450 |

36. OTHER DISCLOSURES

No disclosure or reporting is made with respect to the following items, as there were no transactions during the year under review:

- There was no revision in the Financial Statements.
- The Company does not have any scheme or provision of money for the purchase of its own shares by trustees for employee benefit.
- The Company is not required to maintain cost records as per Section 148 of the Act.
- There was no buy back of shares during the year under review.
- The Company has not accepted any deposits from public, under the provisions of the Act and the rules framed thereunder.

- No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations and legal compliances.

37. SIGNIFICANT DEVELOPMENTS

Scheme of Arrangement between Mastek Limited ('Mastek' or 'Company'), Trans American Information Systems Private Limited (TAISPL), Evolutionary Systems Private Limited (ESPL) and their respective Shareholders and Creditors.

In the matter of the Scheme of Arrangement between ESPL, TAISPL and Mastek and their respective Shareholders and Creditors, pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, the Company obtained Observation Letters from both the Stock Exchanges on February 26, 2021 from BSE Limited and March 01, 2021 from National Stock Exchange of India Limited, subject to fulfilment of certain conditions as mentioned in the Observation Letters and subject to approval of National Company Law Tribunal (NCLT), Ahmedabad Bench at Ahmedabad.

After which the Companies filed joint application to the Hon'ble NCLT at Ahmedabad, on March 05, 2021 and received an Order from the Hon'ble NCLT on April 12, 2021, which has directed Companies to hold the Meeting of Equity Shareholders of Mastek and the Meetings of Unsecured Creditors of the Companies.

Following the direction of NCLT, Companies has issued notices to hold the Equity shareholders and Unsecured Creditors Meetings on May 28, 2021 to obtain the approval from the Shareholders and Creditors respectively on the said Scheme of Arrangement.

38. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company, audit and reviews performed by the Internal, Statutory and Secretarial Auditors and the reviews undertaken by the Management and the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls have been adequate and effective during the year under review.

DIRECTORS' REPORT

Pursuant to the requirements under Section 134(5) read with Section 134(3)(c) of the Act, and to the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors confirm the following statements:

- a. that in the preparation of the Annual Financial Statements for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in the Notes to the financial statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profits of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Annual Financial Statements have been prepared on a going concern basis;
- e. that proper Internal Financial Controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and
- f. that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

39. APPRECIATION AND ACKNOWLEDGEMENT

Your Directors are grateful to the Investors for their continued patronage and confidence in the Company over the past several years. Your Directors also thank the Central and State Governments, Statutory and Regulatory Authorities, Stock Exchanges for their continued guidance, assistance, co-operation and support received and look forward to their continued support in the future.

Your Directors want to take an opportunity to thank all its esteemed clients, associates, vendors, banks, financial institutions and contractors within the country and overseas for their continued support, faith and trust reposed in the professional integrity of the Company. With continuous learning, skill upgradation and technology development, Company will continue to provide world class professionalism and services.

Your Directors would also take this opportunity to express their appreciation for hard work and dedicated efforts put in by the employees and for their untiring commitment; and the entire senior management for continuing success of the business in difficult times. Their enthusiasm and unstinting efforts have enabled the Company to emerge stronger than ever enabling it to maintain its position as a significant and leading player in Information Technology Industry. Company's resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

Your Directors appreciate your continued support, trust and confidence, and employees work each day to grow the value of your investments in the Company. Your Company looks forward to deliver another year of value adding growth.

For and on behalf of the Board of Directors

Ashank Desai
Vice - Chairman &
Managing Director
(DIN: 00017767)

S. Sandilya
Chairman (Non - Executive)
& Independent Director
(DIN: 00037542)

Date: April 28, 2021
Place: Mumbai

DIRECTORS' REPORT

"ANNEXURE 1" TO DIRECTORS' REPORT

DIVIDEND DISTRIBUTION POLICY

INTRODUCTION

Mastek Limited ("Mastek" or "Company"), is a dividend paying Company to its shareholders and thereby creating shareholder value. In order to provide shareholders a greater visibility and predictability in the dividend pay-outs, the Board of Directors of the Company ("Board") have adopted and hereby publish the Dividend Distribution Policy with respect to dividend to be distributed by the Company, in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

SCOPE AND OBJECTIVE

Mastek shall always strive to drive growth and thereby maximise shareholders' value. The Dividend Distribution Policy of the Company balances the objectives of rewarding the shareholders through capital return (dividends and/or buyback) and retaining capital to invest in the growth of the Company. The Board considers the net Profit after Tax (PAT) available for distribution as reported in the consolidated statutory financial statements prepared in accordance with the applicable Accounting Standards. The Board will decide on the pay-out for each year depending upon the quantum of excess cash for that year.

The Policy will be available on the website of the Company.

EFFECTIVE DATE

This Policy will become effective from April 1, 2021 i.e. from financial year 2021 -2022 onwards.

I. DEFINITIONS & INTERPRETATIONS

Unless repugnant to the context:

- a) 'Act' shall mean the Companies Act, 2013 as amended from time to time and shall include Rules, Regulations and Secretarial Standards made thereunder or pursuant thereto.
- b) 'Board' shall mean the Board of Directors of the Company, as constituted from time to time.
- c) 'Policy' shall mean this Dividend Distribution Policy as per the SEBI (Listing Obligations and Disclosure Requirements).
- d) 'Listing Regulations' shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

All words and expressions used but not defined in this Policy, but defined in the Act or the Listing Regulations shall have the same meaning as respectively assigned to them in such Act or Regulations, as the case may be.

II. DECLARATION

1. Dividend shall be declared or paid only out of:
 - i. Current period profit, after providing for depreciation in accordance with law; and/or
 - ii. The profit from any previous financial year(s):
 - a) after providing for depreciation in accordance with law; and
 - b) out of the amount available for dividend that remains undistributed after prescribed appropriations have been made;
2. Before declaring any dividend, the losses, if any, of any previous year(s) must be set off against the profit of the Company for the current year; and
3. The Board may approve/declare dividend out of free reserves, in accordance with the provisions of the Act, after due regard to the parameters laid down in this policy.

III. AMOUNT OF DIVIDEND

The company will take into consideration the following broad criteria while arriving at the quantum of dividend subject to periodic revision based on actual circumstances:

1. Dividend Pay-out ratio, that is, Dividend / Net Profit for the year;
2. Company's need for capital for its growth plan;
3. Cash flow availability; and
4. Assessment of ability to sustain the rate of dividend.

IV. KEY PARAMETERS TO BE CONSIDERED WHILE DECLARING THE DIVIDEND

The factors to be considered (in addition to past dividend trends), while arriving at the quantum of dividend(s) are:

1. Income and profitability parameters:
 - i. Net Income (NI);
 - ii. Return on Equity (RoE);

DIRECTORS' REPORT

- iii. Operating Cash Flows;
 - iv. Dividend Yield; and
 - v. Shareholders return.
2. Capitalisation level parameters:
- i. Net Owned Funds (NOF)
 - ii. Gross leverage and net leverage
 - iii. Contingencies for unforeseen events with financial implications
 - iv. Alternate usage of cash- Capital Expenditure, Acquisition, Debt Repayment etc.

V. INTERNAL AND EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND

1. Plough back of profits i. e. future capital expenditure programme including
 - i. New project;
 - ii. Business expansion and growth/ Long term strategic plans;
 - iii. Renovation/ Modernisation/ upgradation of technology and physical infrastructure;
 - iv. Major Repairs & Maintenance; and
 - v. Research & Development;
2. IT industry scenario, even if the Company has earned profits in the year;
3. Taxation and other Regulatory Restrictions;
4. Proposal to utilise the surplus cash for buy back of securities;
5. Likelihood of crystallization of contingent liabilities, if any;
6. Creation of contingency Fund; and
7. Acquisition of brands/ businesses.

Other Factors - Following are the external factors / circumstances on which Management has no control, inter-alia, that may affect dividend pay-out and the expectations of the Shareholders around Dividend:

8. Growth outlook for the IT sector and competition intensity may result in margin pressures and may result in a need to shore up equity capital levels;

9. Current liquidity scenario and outlook for the same. The Company is in the IT business and it relies on its ability to raise funds efficiently to undertake its IT activities. If the liquidity scenario is poor or if the outlook is adverse on market conditions and business uncertainty then the Company may choose to hold back dividend pay-outs to shore up equity capital levels;
10. Being in IT sector, the Company is subject to various risks including but not limited to Operations. Incidence of substantial loss from any risks may impact dividend pay-outs;
11. The various legal rules and constraints such as paying dividends that would impair capital and policy decisions that may be formulated by the government or in case of uncertain or recessionary economic and business conditions, the Company will endeavour to retain larger part of its profits to build up reserves to absorb future shocks;
12. Geo Political reason;
13. Dividend pay-out ratios of companies in IT industry; and
14. Any other factor that may not be in control of the Company but deemed relevant for dividend pay-out by the Board.

VI. POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILISED:

The retained earnings shall be utilized towards the main objective of the Company which is providing information technology Services to its customers, including upgradation and introduction of new age technologies to enable such services. To maintain adequate liquidity levels, Company may also invest a part of the retained earnings in liquid/Liquid Plus /debt fund schemes of mutual funds and Fixed Deposits of Banks and other financial institutions.

VII. TIMING

1. Interim Dividend
 - i. Board may decide to pay Interim Dividend, based on review of profits earned during the current financial year to date;
 - ii. The frequency may be up to four times during the financial year; and
 - iii. Special dividend may be paid at any time as may be considered appropriate.

DIRECTORS' REPORT

2. Final Dividend

- i. Board to recommend to members for their approval based on review of profits arrived at as per audited financial statements, for the financial year; and
- ii. Frequency shall be once in a year.

However, the Company reserves the right to carry out any change in the aforesaid parameters, in the best interest of the Company, shareholders and/or other stakeholders.

VIII. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

Company does not have different classes of shares at present and follows the 'one share, one vote' principle.

IX. GENERAL

This Policy is subject to revision / amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities & Exchange Board of India or such other regulatory authority, from time to time, on the subject matter.

The Company reserves its right to alter, modify, add, delete or amend any of the clauses of this Policy by taking into account the national and global economic conditions.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

DIRECTORS' REPORT

"ANNEXURE 2" TO DIRECTORS' REPORT

DISCLOSURE AS REQUIRED UNDER SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AS ON MARCH 31, 2021

A. Employee Stock Option Plans

| Sr. No. | Particulars | Plan IV | Plan V | Plan VI | Plan VII |
|---------|--|--|--|---|---|
| 1 | Date of Members Approval | August 09, 2007 | March 20, 2009 | October 01, 2010 | July 17, 2013 |
| 2 | Total number of Options / RSU's approved under the Schemes | 1,000,000 | 1,500,000 | 2,000,000 | 2,500,000 |
| 3 | Vesting Requirements | <p><u>Options:</u></p> <p>The first vesting of the Stock Options shall happen only on completion of 1 (one) year from the date of grant. Maximum vesting period is 4 (four) years from the date of Grant.</p> | <p><u>Options/ RSU's:</u></p> <p>The first vesting of the Stock Options / RSU's shall happen only on completion of 1 (one) year from the date of grant. Maximum vesting period is 4 (four) years from the date of Grant.</p> <p><u>RSU's:</u></p> <p>Applicable to all employees. Vesting period will be 3 (three) years and the vesting schedule would be 20% at the end of first year, 30% at the end of second year and 50% at the end of third year. The price of Options / RSU's would be ₹ 5/- per share (Face value).</p> | <p><u>Options/ RSU's:</u></p> <p>The first vesting of the Stock Options / RSU's shall happen only on completion of 1 (one) year from the date of grant. Maximum vesting period is 4 (four) years from the date of Grant.</p> | <p><u>Options/ RSU's:</u></p> <p>The first vesting of the Stock Options / RSU's shall happen only on completion of 1 (one) year from the date of grant. Maximum vesting period is 4 (four) years from the date of Grant.</p> |
| 4 | Exercise Price or Pricing Formula | Market Price | The exercise price as may be determined by the Nomination and Remuneration Committee and such price may be the face value of the share from time to time or may be the Market Price or any price as may be decided by the Committee | | |
| 5 | Variation in terms of Options/ RSU's | During the year ended June 30, 2011, the Company has extended the vesting period from 2 (two) years to 7 (seven) years. The Company had entered into the Scheme Of Arrangement in the Financial Year 2015-16. Mastek Limited got split into Mastek Limited & Majesco Limited. Subject to this arrangement, the exercise price had been revised for the Options outstanding on the date of arrangement. | | The Company had implemented the Scheme of Arrangement in the Financial Year 2015-16, effective April 01, 2014. Mastek Limited got split into Mastek Limited & Majesco Limited. Subsequent to this arrangement, the exercise price has been proportionately revised for the Options outstanding on the date of arrangement. Ratio of split up was 37:63. | |
| 6 | Source of Shares | Primary | | | |
| 7 | Maximum Term of Options/RSU's Granted | 11 years from the date of Grant | | | |

B. Options/RSU's Movement During the year

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 | Year ended March 31, 2021 | Year ended March 31, 2020 | Year ended March 31, 2021 | Year ended March 31, 2020 | Year ended March 31, 2021 | Year ended March 31, 2020 | Year ended March 31, 2021 | Year ended March 31, 2020 | | | | | | | | | | |
|---|----------------------------|--|----------------------------|--|----------------------------|--|----------------------------|--|----------------------------|--|----------------------------|--|----------------------------|--|-----------|-----|-----------|----|-----------|----|
| Plan | Plan IV | | | Plan V | | | Plan VI | | | Plan VII | | | | | | | | | | |
| | No. of share options/RSU's | Weighted average Exercise price (in ₹) | No. of share options/RSU's | Weighted average Exercise price (in ₹) | No. of share options/RSU's | Weighted average Exercise price (in ₹) | No. of share options/RSU's | Weighted average Exercise price (in ₹) | No. of share options/RSU's | Weighted average Exercise price (in ₹) | No. of share options/RSU's | Weighted average Exercise price (in ₹) | No. of share options/RSU's | Weighted average Exercise price (in ₹) | | | | | | |
| Outstanding options/ RSU's at the beginning of the year | - | - | 7,500 | 88 | 32,225 | 68 | 37,225 | 69 | 427,508 | 82 | 621,071 | 77 | 1,538,623 | 92 | 1,515,959 | 63 | (666,811) | 97 | (129,600) | 70 |
| No. of Options/ RSU's Granted during the year | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| No. of Options/ RSU's Exercised during the year and No. of shares arising as a result of exercise of options/ RSU's | - | - | - | - | (18,000) | 66 | (5,000) | 80 | (258,606) | 71 | (182,069) | 63 | (666,811) | 97 | (129,600) | 70 | | | | |
| No. of Options/ RSU's Lapsed/ Cancelled during the year | - | - | (7,500) | 128 | (3,750) | 91 | - | - | (50,811) | 98 | (11,494) | 134 | (97,662) | 63 | (63,814) | 126 | | | | |
| No. of Options/ RSU's Cancelled revoked during the year | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| No. of Options/ RSU's Vested during the year | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| No. of Options/ RSU's Outstanding at the end of the year | - | - | - | - | 10,475 | 63 | 32,225 | 68 | 118,091 | 114 | 427,508 | 82 | 1,018,646 | 69 | 1,515,959 | 92 | | | | |
| No. of Options/ RSU's Exercisable at the end of the year | - | - | - | - | 10,475 | 63 | 32,225 | 68 | 118,091 | 114 | 427,508 | 82 | 1,018,646 | 69 | 798,418 | 92 | | | | |
| Money realized by exercise of options/ RSU's during the year | - | - | - | - | 1,191,400 | - | 398,213 | - | 18,468,024 | - | 11,158,987 | - | 64,420,941 | - | 8,978,863 | - | | | | |

DIRECTORS' REPORT

C. Employee-wise details of Options / RSU's granted during the year to:

| (i) Senior Managerial Personnel of the Group | Plan IV | Plan V | Plan VI | Plan VII |
|--|---------|--------|---------|----------|
| Steve Barrie Latchem | - | - | - | 30,000 |
| John Timothy Owen | - | - | - | 25,000 |
| Abhishek Singh | - | - | - | 20,000 |
| Maninder Kapoor Puri | - | - | - | 18,600 |
| (ii) Employees who were granted, during any one year, Options / RSU's amounting to 5% or more of the Options / RSU's granted during the year | | | | |
| Steve Barrie Latchem | - | - | - | 30,000 |
| John Timothy Owen | - | - | - | 25,000 |
| Abhishek Singh | - | - | - | 20,000 |
| Maninder Kapoor Puri | - | - | - | 18,600 |
| Arun Agarwal | - | - | - | 13,800 |
| (iii) Identified employees who were granted Options / RSU's, during any one year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant | - | - | - | - |

| | |
|---|---|
| D. Diluted Earnings Per Share pursuant to issue of shares on exercise of Options / RSU's calculated in accordance with Accounting Standard (AS) | Consolidated: 84.9 Standalone: 6.7 |
| E. Method used to account for ESOS- | The Company has recognised compensation cost using fair value method of accounting. The Company has recognised Stock Option compensation cost of ₹ 836 lakhs in the statement of profit and loss. |
| F. Method and Assumptions used to estimate the fair value of Options / RSU's granted during the year: | The weighted average fair value of each unit under the plan, granted during the year ended was ₹ 441 using the Black-Scholes model with the following assumptions: |

| Particulars | As at March 31, 2021 |
|---|----------------------|
| Weighted average grant date share price (₹) | 505 |
| Weighted average exercise price (₹) | 5 |
| Dividend yield (%) | 0.78 |
| Expected life (years) | 3-7 |
| Risk free interest rate (%) | 5.40 |
| Volatility (%) | 52.04 |

Volatility: Volatility is a measure of the amount by which a price hedge fluctuated or is expected to fluctuate during the period. The measure of volatility is used in Black Scholes option-pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. Company considered the daily historical volatility of the Company's stock price on NSE over the expected life of each vest.

Risk free rate: The risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the Options / RSU's based on zero coupon yield curve for government securities.

Expected life the options/ RSU's: Expected life or the Options / RSU's is the period for which the Company expects the Options / RSU's to be live. The minimum life of Options / RSU's is the minimum period before which the Options / RSU's cannot be exercised and the maximum life of the Option is the maximum period after which the Options / RSU's cannot be exercised. The Company have calculated expected life as the average of the minimum and the maximum life of the Options / RSU's.

Dividend yield: Expected dividend yield has been calculated as a total of interim and final dividend declared in last year preceding date of grant.

DIRECTORS' REPORT

| G. | For Options / RSU's outstanding at the end of the year, the period, the range of exercise prices and weighted average remaining contractual life (vesting period + exercise period). If the range of the exercise prices is wide, the outstanding Options / RSU's should be divided into ranges that are meaningful for assessing the number and timing of additional shares that may be issued and cash that may be received upon exercise of those Options / RSU's: | <table><tr><th colspan="3">Details for ESOP Plans IV, V, VI and VII:</th></tr><tr><th>Price range (in ₹)</th><th>Number of options/RSU's</th><th>Weighted average remaining life (months)</th></tr><tr><td>5</td><td>694,225</td><td>7.5</td></tr><tr><td>5 and above</td><td>452,987</td><td>4.1</td></tr><tr><td>Total</td><td>1,147,212</td><td>6.2</td></tr></table> | Details for ESOP Plans IV, V, VI and VII: | | | Price range (in ₹) | Number of options/RSU's | Weighted average remaining life (months) | 5 | 694,225 | 7.5 | 5 and above | 452,987 | 4.1 | Total | 1,147,212 | 6.2 |
|---|--|---|---|--|--|--------------------|-------------------------|--|---|---------|-----|-------------|---------|-----|--------------|------------------|------------|
| Details for ESOP Plans IV, V, VI and VII: | | | | | | | | | | | | | | | | | |
| Price range (in ₹) | Number of options/RSU's | Weighted average remaining life (months) | | | | | | | | | | | | | | | |
| 5 | 694,225 | 7.5 | | | | | | | | | | | | | | | |
| 5 and above | 452,987 | 4.1 | | | | | | | | | | | | | | | |
| Total | 1,147,212 | 6.2 | | | | | | | | | | | | | | | |
| H. | <p>For other instruments granted during the year (i.e., other than stock options)</p> <ul style="list-style-type: none">- Number and weighted average fair value of those instruments at the grant date- Fair Value determination in case<ul style="list-style-type: none">(a) fair value not measured on the basis of an observable market price(b) whether and how expected dividends were incorporated(c) whether and how any other features were incorporated | No other instruments were granted during the year | | | | | | | | | | | | | | | |
| I. | <p>For employee share-based payment plans that were modified / varied during the period –</p> <ul style="list-style-type: none">- Explanation of those modifications / variations- Incremental fair value granted (as a result of those modifications / variations) - Information on how those incremental fair value granted was measured, consistently with the requirements set out in point 7 of SEBI (Share based employee benefits) Regulations, 2014. | Not Applicable | | | | | | | | | | | | | | | |
| J. | Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time. | Members may refer the relevant Notes in Audited Financials Statement of the Company prepared for Financial Year 2020-21. | | | | | | | | | | | | | | | |

For and on behalf of the Board

Ashank Desai

Vice - Chairman & Managing Director
(DIN: 00017767)

S. Sandilya

Non- Executive Chairman & Independent Director
(DIN: 00037542)

Date : April 28, 2021

Place : Mumbai

DIRECTORS' REPORT

"ANNEXURE 3" TO DIRECTORS' REPORT

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statements and the brief business of Subsidiaries Pursuant to sub-section (3) of Section 129 of the Companies Act, 2013.

Mastek

1. **Trans American Information Systems Private Limited** - is a Company with deep rooted capability in providing high skilled resources and end-to-end services including strategy, creative design, implementation and managed services for Digital commerce and Enterprise applications. Having presence in India and supporting US, ME and India based Customers.
2. **Mastek (UK) Limited** - is a niche digital transformation services provider, which uses agile methodologies to service customers across sectors through the App Development, Managed services, Data Warehouse, Business Intelligence and Testing Services. Company is a provider of Software Solutions, which enable customers to solve their complex, mission critical business problems with innovative solutions that sustain and grow their business in the UK market.
3. **Mastek Inc.** - is a niche digital transformation services provider, which uses agile methodologies to service customers across sectors through the App Development, Managed services, Data Warehouse, Business Intelligence and Testing Services. Company is a provider of Software Solutions, which enable customers to solve their complex, mission critical business problems with innovative solutions that sustain and grow their business in the US market.
4. **Trans American Information Systems Inc.** - is a global digital services firm focused on implementing the Digital Commerce applications including manages services, as well as integrating them with the full suite of Oracle Customer Experience Products.
5. **IndigoBlue Consulting Limited** - is specializing in Agile Programme and project management. It had entered into Business Transfer Agreement in June, 2018 with its parent Company to merge itself (transfer of its business, assets and liabilities) to enable greater synergies between them and also achieve higher operational efficiencies.
6. **Mastek Arabia - FZ LLC** - is a niche digital transformation services provider, which uses agile methodologies to service customers across sectors through the App Development, Managed services, Data Warehouse, Business Intelligence and Testing Services.
7. **Mastek Digital Inc.** - is a niche digital transformation services provider, which uses agile methodologies to service customers across sectors through the App Development, Managed services, Data Warehouse, Business Intelligence and Testing Services in the Canada market.

Evosys

8. **Evolutionary Systems Egypt LLC** - is in the business of IT consulting, Implementation and Managed services for Enterprise applications using best in class automation and methodologies to drive business outcome.
9. **Evolutionary Systems Consultancy LLC** - is in the business of IT consulting, Implementation and Managed services for Enterprise applications using best in class automation and methodologies to drive business outcome.
10. **Evolutionary Systems Bahrain WILL** - is in the business of IT consulting, Implementation and Managed services for Enterprise applications using best in class automation and methodologies to drive business outcome.
11. **Evosys Kuwait Company for designing and equipping Computer Centers LLC** - is in the business of IT consulting, Implementation and Managed services for Enterprise applications using best in class automation and methodologies to drive business outcome.
12. **Evolutionary Systems Saudi LLC** - is in the business of IT consulting, Implementation and Managed services for Enterprise applications using best in class automation and methodologies to drive business outcome.
13. **Evolutionary Systems Private Limited** - is in the business of IT consulting, Implementation and Managed services for Enterprise applications using best in class automation and methodologies to drive business outcome.
14. **Evolutionary Systems Pty. Ltd.** - is in the business of IT consulting, Implementation and Managed services for Enterprise applications using best in class automation and methodologies to drive business outcome.

DIRECTORS' REPORT

15. **Evolutionary Consultancy Services (Malaysia) SDN BHD** - is in the business of IT consulting, Implementation and Managed services for Enterprise applications using best in class automation and methodologies to drive business outcome.
16. **Newbury Cloud INC** - is in the business of IT consulting, Implementation and Managed services for Enterprise applications using best in class automation and methodologies to drive business outcome.
17. **Evolutionary Systems B.V.** - is in the business of IT consulting, Implementation and Managed services for Enterprise applications using best in class automation and methodologies to drive business outcome.
18. **Evolutionary Systems Qatar WLL** - is in the business of IT consulting, Implementation and Managed services for Enterprise applications using best in class automation and methodologies to drive business outcome.
19. **Evolutionary Systems (Singapore) Pte. Ltd.** - is in the business of IT consulting, Implementation and Managed services for Enterprise applications using best in class automation and methodologies to drive business outcome.
20. **Evolutionary Systems Company Limited** - is in the business of IT consulting, Implementation and Managed services for Enterprise applications using best in class automation and methodologies to drive business outcome.
21. **Evolutionary Systems, Corp.** - is in the business of IT consulting, Implementation and Managed services for Enterprise applications using best in class automation and methodologies to drive business outcome.

DIRECTORS' REPORT

PART "A": Subsidiaries

| Sr. No. | Name of Subsidiary Company | The Date since when subsidiary was acquired | Reporting Currency | Exchange Rate on the last date of the Financial Year in case of foreign subsidiaries | Share Capital | Reserve & Surplus | Total Assets | Total Liabilities | Investments | Turnover | Profit/(Loss) before tax | Provision for tax | Profit/(Loss) after tax | (₹ in Lakhs) | |
|---------|--|---|--------------------|--|---------------|-------------------|--------------|-------------------|-------------|----------|--------------------------|-------------------|-------------------------|-------------------|--------------------|
| | | | | | | | | | | | | | | Proposed Dividend | % of Share holding |
| 1 | Trans American Information Systems Private Limited | 23-12-2016 | INR | 1.00 | 3 | 2,576 | 3,323 | 744 | 1,402 | 3,537 | 585 | 151 | 434 | | 100% |
| 2 | Mastek (UK) Limited | 01-10-2001 | GBP | 100.75 | 202 | 84,236 | 1,32,419 | 47,982 | - | 97,354 | 12,305 | 2,378 | 9,927 | | 100% |
| 3 | IndigoBlue Consulting Limited | 01-05-2015 | GBP | 100.75 | - | - | - | - | - | - | - | - | - | | Note3 |
| 4 | Mastek Inc. | 17-11-2015 | USD | 73.11 | 15,609 | (5,761) | 14,812 | 4,964 | 12,077 | 1,069 | 1,512 | 0 | 1,512 | | 100% |
| 5 | Trans American Information Systems Inc | 23-12-2016 | USD | 73.11 | - | 8,591 | 8,969 | 377 | - | 16,997 | 1,725 | 201 | 1,524 | | 100% |
| 6 | Mastek Digility Inc. | 30-04-2020 | CAD | 58.03 | - | 5 | 237 | 233 | - | 101 | 7 | 2 | 5 | | 100% |
| 7 | Mastek Arabia - FZ LLC | 03-03-2020 | AED | 19.91 | 47,420 | (393) | 48,554 | 1,527 | 7,941 | 4,072 | (325) | 1 | (326) | | 100% |
| 8 | Evolutionary Systems Private Limited | 01-02-2020 | INR | 1.00 | - | 4,778 | 8,303 | 3,525 | 128 | 14,023 | 2,141 | 556 | 1,585 | | Note6 |
| 9 | Evolutionary Systems Consultancy LLC | 01-03-2020 | AED | 19.91 | 30 | 211 | 2,869 | 2,629 | - | 5,113 | 504 | - | 504 | | Note4 |
| 10 | Evolutionary Systems Pty Ltd | 01-02-2020 | AUD | 55.70 | 28 | 1,792 | 2,936 | 1,117 | - | 4,930 | 2,278 | 626 | 1,652 | | Note6 |
| 11 | Evolutionary Systems Bahrain SPC | 01-03-2020 | BHD | 193.89 | 97 | 606 | 751 | 48 | - | 998 | 516 | - | 516 | | Note4 |
| 12 | Evolutionary Systems Egypt LLC | 01-03-2020 | EGP | 4.65 | 0 | 69 | 95 | 25 | - | 264 | 31 | 9 | 22 | | Note4 |
| 13 | Evosys Kuwait Company for designing and equipping Computer Centers LLC | 01-03-2020 | KWD | 241.73 | 48 | (158) | 234 | 344 | - | 152 | (75) | - | (75) | | Note4 |
| 14 | Evosys Consultancy Services Malaysia | 01-02-2020 | MYR | 17.63 | 1 | 27 | 265 | 237 | - | 253 | 47 | 11 | 35 | | Note6 |
| 15 | Newbury Taleo Group, Inc | 01-02-2020 | USD | 73.11 | 0 | 73 | 607 | 534 | - | 1,300 | 258 | 14 | 244 | | Note6 |
| 16 | Evolutionary Systems BV | 01-02-2020 | EUR | 85.75 | 0 | 1,660 | 2,446 | 785 | - | 3,477 | 2,094 | 398 | 1,696 | | Note6 |
| 17 | Evolutionary Systems Qatar WLL | 01-02-2020 | QAR | 19.96 | 40 | 578 | 1,606 | 988 | - | 1,734 | 198 | 23 | 175 | | Note6 |
| 18 | Evosys Kuwait Company for designing and equipping Computer Centers LLC | 01-02-020 & 01-03-2020 | SAR | 19.49 | 97 | 1,797 | 7,577 | 5,682 | - | 10,221 | 2,196 | 416 | 1,781 | | Note5 |
| 19 | Evolutionary Systems (Singapore) PTE. LTD. | 01-02-2020 | SGD | 54.35 | 54 | 640 | 1,189 | 495 | - | 2,238 | 160 | 18 | 143 | | Note6 |
| 20 | Evolutionary Systems Company Limited-Uk | 01-02-2020 | GBP | 100.75 | 0 | 12,544 | 19,280 | 6,736 | - | 21,217 | 8,572 | 1,629 | 6,943 | | Note6 |
| 21 | Evolutionary Systems Cop. | 01-02-2020 | USD | 73.11 | 2 | 2,122 | 4,088 | 1,964 | - | 9,662 | 2,592 | 706 | 1,886 | | Note6 |

Notes:

- Names of subsidiaries which are yet to commence operations: NA
- Names of subsidiaries which have been liquidated or sold during the year: NA
- IndigoBlue Consulting Limited business was merged into Mastek (UK) Limited with effect from June 30, 2018.
- Acquired with effect from March 17, 2020 under (Business Transfer Agreement acquisition) through board control. Also, refer note 33 to the consolidated financial statements.
- Acquired 50% with effect from February 08, 2020 and 50% with effect from March 17, 2020.
- Acquired with effect from February 08, 2020, (Demerger Co-operation Agreement) through board control. Also, refer note 33 to the consolidated financial statements
- Exchange rate applied is at March 31, 2021
- Reporting period of all the Subsidiaries are the same as of the Holding Company which is March 31.

DIRECTORS' REPORT

Part "B": Associates and Joint Venture:

The Company does not have any Associates and/or Joint Venture Company during the year.

Notes:

1. Names of associates or joint ventures, which are yet to commence operations - NA
2. Names of associates or joint ventures which have been liquidated or sold during the year – NA

For and on behalf of the Board

Ashank Desai

Vice - Chairman & Managing Director
(DIN: 00017767)

S. Sandilya

Non- Executive Chairman & Independent Director
(DIN: 00037542)

Arun Agarwal

Vice President - Finance

Dinesh Kalani

Company Secretary

Date : April 28, 2021

Place: Mumbai

DIRECTORS' REPORT

"ANNEXURE 4" TO DIRECTORS' REPORT FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts /arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions

- Details of contracts or arrangements or transactions not at arm's length basis:** NIL
- Details of material contracts or arrangement or transactions at arm's length basis:**

| Name of related party | Nature of relationship | Duration of Contract | Date of approval by board | Salient terms of Contract/ Arrangement/ Transaction including the value | Nature of transactions | Amount in ₹ Lakhs | Amount paid as advance, if any |
|--|-------------------------|----------------------|---------------------------|---|---|-------------------|--------------------------------|
| Mastek (UK) Limited | Wholly owned Subsidiary | 2020-21 | 14.06.2020 | As per Transfer Pricing guidelines | Information Technology Services^ | 16,102 | - |
| | | | | | Other Income | 80 | - |
| | | | | | Dividend received from subsidiary | 1,345 | - |
| | | | | | Reimbursable / Other expenses recoverable | 501 | - |
| | | | | | Guarantee commission^ | 333 | - |
| | | | | | Guarantee reduced for loan availed by subsidiary^ | 9,879 | - |
| Trans American Information Systems Private Limited | Wholly owned Subsidiary | | | | Reimbursable / other expenses recoverable | 11 | - |
| Mastek, Inc. | Step-down Subsidiary | | | | Information Technology Services^ | 1,013 | - |
| | | | | | Reimbursable / other expenses recoverable | 83 | - |
| Trans American Information Systems, Inc. | Step-down Subsidiary | | | | Information Technology Services^ | 53 | - |
| | | | | | Other income | 23 | - |
| | | | | | Reimbursable / other Expenses recoverable | 1 | - |
| Mastek Arabia FZ LLC | Step-down Subsidiary | | | | Information Technology Services | 4 | - |
| Evolutionary Systems Consultancy LLC | Step-down Subsidiary | | | | Information Technology Services | 10 | - |
| Evosys Consultancy Services (Malaysia) Sdn Bhd. | Step-down Subsidiary | | | | Information Technology Services | 11 | - |
| Evolutionary Systems (Singapore) Pte. Ltd. | Step-down Subsidiary | | | | Information Technology Services | 11 | - |
| Evolutionary Systems Private Limited | Step-down Subsidiary | | | | Information Technology Services | 220 | - |
| | | | | | Reimbursable / other expenses recoverable | 7 | - |

^ This includes foreign exchange adjustment.

For and on behalf of the Board

Ashank Desai
Vice - Chairman & Managing Director
(DIN: 00017767)

S. Sandilya
Non - Executive Chairman & Independent Director
(DIN: 00037542)

Date : April 28, 2021
Place: Mumbai

DIRECTORS' REPORT

"ANNEXURE 5" TO DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Mastek Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mastek Limited (**hereinafter called "the Company"**), incorporated on May 14, 1982 having CIN: L74140GJ1982PLC005215 and Registered Office at 804/805, President House, Opp. C. N. Vidyalaya, Near Ambawadi Circle, Ahmedabad - 380006. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

I have conducted online verification & examination of records, as facilitated by the Company, due to Covid-19 and subsequent lockdown situation for purpose of issuing this report and based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2021 (**hereinafter called "the Audit Period"**) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended March 31, 2021, according to the provisions of:

- a) The Companies Act, 2013 ('the Act') and the rules made thereunder to the extent applicable;
- b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

d) Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - Not applicable to the Company during Audit Period;

e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 as amended ('SEBI Act'):-

- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- ii) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- iii) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- iv) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- v) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 as amended ('SEBI Act') were not applicable to the Company during the Audit Period:-

- a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

DIRECTORS' REPORT

- b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations 1993 regarding Companies Act and dealing with the Client;
 - c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
3. I have relied on the representation made by the Company and its officers for systems and the mechanism formed by the Company and having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
- a) The Information Technology Act, 2000;
 - b) The Special Economic Zone Act, 2005;
 - c) Policy relating to Software Technology Parks of India and its regulations;
 - d) All applicable Labour Laws and other incidental laws related to Labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc;
 - e) Income Tax Act, 1961 and other Indirect Tax laws;
 - f) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
 - g) Bombay Shops and Establishments Act, 1948;

I have also examined compliance with the applicable clauses of the Secretarial Standards in respect of Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and to the best of my knowledge and belief, during the period under review, the Company has complied with the provisions of the Act, Rules, applicable Regulations, Guidelines, Standards, etc. mentioned above.

I further report that based on the information provided and the representation made by the Company and also on the review of the compliance reports of Managing Director and Vice President - Finance taken on record by the Board of Directors of the Company, in our opinion adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable general laws like labour laws, etc.

I further report that:

The Board of Directors of the Company is duly constituted with a proper balance of Executive Director, Non-Executive Directors and Independent Directors including Woman Director. There were changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors and the Committees of the Company were carried unanimously. There were no dissenting views by any member of the Board of Directors during the period under review as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the year following special event had occurred:

1. The Company has informed the stock exchange and complied with Regulation 30 of SEBI Listing Regulations that:
 - a) A new entity i.e. Mastek Digital Inc. at Canada has been incorporated on April 30, 2020; as Wholly Owned Subsidiary of Mastek Inc.
 - b) The Board of Directors at its meeting held on February 08, 2020 also approved draft Scheme of Arrangement amongst Mastek Limited, Trans American Information System Private Limited, a Wholly Owned Subsidiary of Mastek Limited, Evolutionary Systems Private Limited and their respective Shareholders and

DIRECTORS' REPORT

- Creditors under Sections 230 to 232 of the Companies Act, 2013 and agreed to issue 4,235,294 equity shares of the Company at ₹ 650 each as part consideration on behalf of its Indian subsidiary subject to regulatory approvals.
- c) The Company has appointed Mr. Ketan Mehta (DIN 00129188) as Additional Director w.e.f December 29, 2020.
 - d) The Company has decided not to invest further by way of subscription money to convert the outstanding 8,000,000 Convertible Equity Warrants of ₹ 10 each ("Equity Warrants"), issued by Cashless Technologies India Private Limited (CTIPL), into equivalent Equity Shares of CTIPL. This decision was taken based on the recommendation of the Audit Committee subsequent to a request made by CTIPL seeking Company's decision to convert the Equity Warrants to fulfill CTIPL's investment needs. Company believes that the business of CTIPL is non-core to the business of the Company and hence decided to surrender the Equity Warrants for cancellation.
 - e) Mr. Abhishek Singh, Group Chief Financial Officer of the Company, was a Key Managerial Personnel upto November 30, 2020 as he moved into a business role to take Mastek to newer heights.
 - f) Mr. Sudhakar Ram was re-appointed as Managing Director w.e.f July 01, 2020, however due to his sudden demise on November 08, 2020, the Board appointed Mr. Ashank Desai (DIN 00017767) as Vice - Chairman & Managing Director of the Company, for a period of 5 (five) years i.e. from November 08, 2020 to November 07, 2025 subject to approval of Members of the Company.
 - g) Mastek (UK) Limited (Material Wholly Owned Subsidiary of the Company) who was holding 2,018,192 stocks in Majesco (USA entity), has tendered its entire stake with the Acquirer of Majesco (USA entity) for cash.
 - h) The Company has declared Interim Dividend.
 - i) BSE vide its letter dated September 08, 2020 and NSE vide its letter dated September 08, 2020 have levied a fine of ₹ 76,700 each for non-compliance of Regulation 17(1) with respect to the composition of the Board. The Company has promptly paid the said fine amount and complied with the said requirements.

I further report that during the audit period the Company and its officers has co-operated with me and have produced before me all the required forms, information, clarifications, returns and other documents as required for the purpose of my audit.

For P Mehta & Associates Practising Company Secretaries

Prashant S Mehta (Proprietor)

ACS No. 5814
C.P. No. 17341
UDIN: A005814C000264523
PR NO.: 763/2020

Date: April 28, 2021
Place: Mumbai

This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

DIRECTORS' REPORT

"Annexure A"

To

The Members

Mastek Limited

CIN: L74140GJ1982PLC005215

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records, I believe that the processes and practices, I followed provide reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company. I have relied on the statutory report provided by the Statutory Auditors as well as Internal Auditors of the company for the financial year ended March 31, 2021.
4. I have obtained the management representation wherever required about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision and other applicable laws, rules, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The secretarial audit reports are neither an assurance as to the future liability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. In view of the COVID-19 pandemic, I have verified the records and information which was made available to me using electronic mode as well as by audio and visual means provided by the Company and its officers.

For P Mehta & Associates
Practising Company Secretaries

Prashant S Mehta
(Proprietor)

ACS No. 5814

C.P. No. 17341

PR NO.: 763/2020

UDIN: A005814C000264523

Date: April 28, 2021

Place: Mumbai

DIRECTORS' REPORT

"ANNEXURE 6" TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

ACTIVITIES / INITIATIVES

[Pursuant to Rules 8 & 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014]

- A brief outline of the Company's CSR policy, including overview of projects or programme proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.**

The CSR policy has been developed for the Company to comply with the provisions of Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules 2014. Mastek is committed to spend up to 2% of the average net profit for the preceding 3 (three) Financial Years on CSR projects or programmes related to activities specified in Schedule VII to the Act or such activities as may be notified from time to time. A CSR committee was constituted as per board resolution dated April 26, 2014 to meet the requirements of the Act.

- Composition of CSR Committee:**

| Sr. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|--------------------------|--|--|--|
| 1. | Ms. Priti Rao | Chairperson (Independent Director) | 1 | 1 |
| 2. | Mr. Ashank Desai | Member (Vice - Chairman & Managing Director) | 1 | 1 |
| 3. | *Mr. Sudhakar Ram (Late) | Member (Vice - Chairman & Managing Director) | 1 | 1 |
| 4. | #Mr. Rajeev Grover | Member (Independent Director) | NA | NA |

*Mr. Sudhakar Ram (Late), ceased to be member of the Committee with effect from November 08, 2020 due to his demise.

#Mr. Rajeev Grover was appointed as a Member of the Committee, with effect from February 01, 2021.

- Web link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed.**

<https://www.mastek.com/corporate-governance>

- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):**

Not Applicable

- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any:**

Nil

- Average net profit of the company as per section 135(5): ₹ 3,557 Lakhs**

- Two percent of average net profit of the company as per section 135(5): ₹ 71 Lakhs**
 - Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years:**
Nil
 - Amount required to be set off for the Financial Year, if any: ₹107.50 Lakhs**
 - Total CSR obligation for the Financial Year (7a+7b- 7c): ₹ 71 Lakhs**
- (a) CSR amount spent or unspent for the Financial Year:**

| Total Amount Spent for the Financial Year. | Amount Unspent (in ₹) | | | |
|--|--|------------------|--|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | |
| | Amount | Date of transfer | Name of the Fund | Date of transfer |
| ₹ 178.50 Lakhs | | | Nil | |

(b) Details of CSR amount spent against ongoing projects for the Financial Year:

| Sr. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/ No) | Location of the project | | Project duration | Amount allocated for the project (in ₹) | Amount spent in the current Financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) | Mode of Implementation – Through Implementing Agency | Mode of Implementation Direct (Yes /No). | Name | CSR Registration number |
|---------|---------------------|---|----------------------|-------------------------|----------|------------------|---|---|--|--|--|------|-------------------------|
| | | | | State | District | | | | | | | | |
| Nil | | | | | | | | | | | | | |

(c) Details of CSR amount spent against other than ongoing projects for the Financial Year:

| Sr. No. | Name of the Project | Item from the list of Activities in schedule VII to the Act | Local area (Yes/No) | Location of the project | | Amount spent for the project (in ₹ Lakhs) | Mode of implementation Direct (Yes/No) | Mode of implementation Through implementing Agency | |
|---------|--|---|---------------------|-------------------------|-------------|---|--|--|-------------------------|
| | | | | State | District | | | Name | CSR Registration number |
| 1 | Livelihood enhancement of workers impacted by COVID-19 at Khajuraho – UNESCO world heritage site | Yes | No | Madhya Pradesh | Chhatarpur | 4.00 | No | Parmarth Samaj Sevi Sansthan | CSR00005857 |
| 2 | Aajivika - Sustainable livelihood opportunities for underprivileged women artisans | Yes | Yes | Maharashtra | Navi Mumbai | 6.27 | No | Srujana Charitable Trust | CSR00002690 |
| 3 | Blindness Control Program | Yes | No | New Delhi | New Delhi | 6.48 | No | MAHAN Trust | CSR00000414 |
| 4 | Sunbird Trust Girls Hostel - Residential Institution | Yes | No | Manipur | Tenugopal | 6.67 | No | Sunbird Trust | CSR00002550 |
| 5 | Support for Medicines Under Medical Programs by PRASAD Chikitsa | Yes | Yes | Maharashtra | Thane | 6.70 | No | PRASAD Chikitsa | CSR00006132 |
| 6 | Sponsorship for nutrition program of specially abled children | Yes | Yes | Maharashtra | Thane | 6.70 | No | Sangopita | CSR00003968 |
| 7 | Ante Natal Care (ANC) Program for Pregnant Women | Yes | Yes | Maharashtra | Navi Mumbai | 8.33 | No | Sri Sathya Sai Sanjeevani Centre | CSR00001048 |
| 8 | Project Anando | Yes | No | Maharashtra | Washim | 9.60 | No | Light of Life Trust | CSR00000156 |

DIRECTORS' REPORT

| Sr. No. | Name of the Project | Item from the list of Activities in schedule VII to the Act | Local area (Yes/No) | Location of the project | | Amount spent for the project (in ₹ Lakhs) | Mode of implementation Direct (Yes/No) | Mode of implementation Through implementing Agency | |
|--------------|--|---|---------------------|-------------------------|-----------|---|--|--|-------------------------|
| | | | | State | District | | | Name | CSR Registration number |
| 9 | Developing life skills & creativity in village children | Yes | No | Karnataka | Tumkur | 11.00 | No | NavSahyog Foundation | CSR00001961 |
| 10 | Coaching for School Success (CFSS) Programme - An Online Approach | Yes | Yes | Maharashtra | Thane | 12.00 | No | Teacher Foundation | CSR000002876 |
| 11 | The Seva Kutir Program - Nutrition and Learning-acceleration | Yes | No | Madhya Pradesh | Khandwa | 12.50 | No | Parivaar Education Society | CSR000000052 |
| 12 | Family Strengthening Programme (FSP) | Yes | No | Assam | Guwahati | 15.00 | No | SOS Children's Villages of India | CSR000000692 |
| 13 | Feed a child. Starve Cancer – Nourisher Program at Kasturba Hospital | Yes | No | Karnataka | Manipal | | | Cuddles Foundation | CSR00001473 |
| | | Yes | No | Jammu & Kashmir | Srinagar | 19.00 | No | | |
| 14 | Livelihood enhancement of distressed farmer community through Irrigation Development | Yes | No | New Delhi | New Delhi | 19.62 | No | Dilasa Sanstha | CSR00001305 |
| 15 | Sponsorship for fruits and vegetables packs in containment zones | Yes | Yes | Maharashtra | Mumbai | 20.00 | No | Apnalaya | CSR000003515 |
| 16 | * Administrative Overheads | - | - | Maharashtra | Mumbai | 14.63 | - | Mastek Foundation | CSR00001859 |
| TOTAL | | | | | | 178.50 | | | |

*Donations were given to Mastek Foundation, who got the project implemented through the above agencies.

(d) Amount spent on Administrative Overheads: ₹ 14.63 Lakhs (included above)

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) ₹ 178.50 lakhs

(g) Excess amount for set off, if any: ₹ 107.50 lakhs

DIRECTORS' REPORT

| Sr. No. | Particular | Amount (in ₹) |
|---------|---|---------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 71.00 Lakhs |
| (ii) | Total amount spent for the Financial Year | 178.50 Lakhs |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 107.50 Lakhs |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 107.50 Lakhs |

9. (a) Details of Unspent CSR amount for the preceding three Financial Years:

| Sr. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | | Amount remaining to be spent in succeeding Financial Years. (in ₹) |
|---------|--------------------------|--|---|---|---------------|------------------|--|
| | | | | Name of the Fund | Amount (in ₹) | Date of transfer | |
| Nil | | | | | | | |

(b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding financial year(s):

| Sr. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in ₹) | Amount spent on the project in the reporting Financial Year (in ₹) | Cumulative amount spent at the end of reporting Financial Year (in ₹) | Status of the project Completed / Ongoing |
|---------|------------|---------------------|---|------------------|---|--|---|---|
| Nil | | | | | | | | |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year.

(Asset-wise details)

(a) Date of creation or acquisition of the capital asset(s): Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Priti Rao
Chairperson of CSR Committee
(DIN: 03352049)

Rajeev Grover
Member of CSR Committee
(DIN: 00058165)

Ashank Desai
Vice - Chairman & Managing Director
(DIN: 00017767)

DIRECTORS' REPORT

"ANNEXURE 7" TO DIRECTORS' REPORT

INFORMATION REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The ratio of the remuneration of each Director and Key Managerial Personnel to the median remuneration of the employees of the Company for the Financial Year 2020-21:

| Name of Directors and KMP | Designation | Ratio of Remuneration of each Director / KMP to the median remuneration | Remuneration (in ₹) | | No. of ESOPs granted |
|----------------------------------|---|---|---------------------|-------------------|----------------------|
| | | | FY. 2020-21 | FY. 2019-20 | |
| Mr. S. Sandilya | Non - Executive Chairman and Independent Director | 4.56 | 3,500,000 | 3,000,000 | NA |
| Mr. Sudhakar Ram* (Late) | Vice - Chairman & Managing Director | 9.42 | 7,225,116 | 9,420,816 | NA |
| Mr. Ashank Desai [§] | Vice - Chairman & Managing Director | 12.50 | 9,592,794 | 2,474,658 | NA |
| Ms. Priti Rao | Non - Executive Director (Independent) | 3.26 | 2,500,000 | 2,200,000 | NA |
| Mr. Atul Kanagat | Non - Executive Director (Independent) | 2.74 | 2,100,000 | 1,500,000 | NA |
| Mr. Rajeev Grover | Non - Executive Director (Independent) | 3.00 | 2,300,000 | 500,000 | NA |
| Mr. Ketan Mehta [#] | Non - Executive Director (Non - Independent) | NA | 400,000 | NA | NA |
| Mr. Abhishek Singh ^{##} | Group Chief Financial Officer | 40.95 | 31,420,311 | 20,235,498 | 20,000 |
| Mr. Dinesh Kalani | Company Secretary | 5.32 | 4,078,793 | 3,396,921 | - |
| | | | 63,117,014 | 42,727,893 | 20,000 |

Remuneration consists of certain benefits / perquisites as approved by the Members under enabling resolution.

* Mr. Sudhakar Ram (Late) was Vice Chairman & Managing Director for part of the year upto November 08, 2020.

§ Mr. Ashank Desai was appointed as a Vice Chairman & Managing Director effective November 08, 2020 and has been paid Remuneration of ₹ 7,962,431 and perquisites of ₹ 16,500. Also, Mr. Ashank Desai was Non – Executive Director up to November 08, 2020 and has been paid sitting fees of ₹ 1,600,000 and perquisites of ₹13,863.

Details not given as Mr. Ketan Mehta was appointed as Non-Executive Director (Non - Independent) only for part of the year w.e.f. December 29, 2020.

Mr. Abhishek Singh was a Group Chief Financial Officer upto November 30, 2020.

DIRECTORS' REPORT

Notes:

1. The remuneration of Non-Executive Directors consists of sitting fees and payment of Commission, wherever applicable.
2. The median remuneration of the Company for all its employees was ₹ 767,269 for the Financial Year 2020–21.
3. Mr. Sudhakar Ram (Late) gratuity & leave encashment was paid to the nominee hence excluded from remuneration.

2. The percentage increase in remuneration of each Director, Group Chief Financial Officer and Company Secretary in the Financial Year 2020–21 as compared to Financial Year 2019–20:

| Name of Directors and KMP | Designation | % increase / decrease in Remuneration |
|---------------------------|---|---------------------------------------|
| Mr. S. Sandilya | Non - Executive Chairman & Independent Director | 17 |
| Mr. Sudhakar Ram* (Late) | Vice - Chairman & Managing Director | (23) |
| Mr. Ashank Desai\$ | Vice - Chairman & Managing Director | NA |
| Ms. Priti Rao | Non - Executive Director (Independent) | 14 |
| Mr. Atul Kanagat | Non - Executive Director (Independent) | 40 |
| Mr. Rajeev Grover# | Non - Executive Director (Independent) | NA |
| Mr. Ketan Mehta@ | Non - Executive Director (Non - Independent) | NA |
| Mr. Abhishek Singh## | Group Chief Financial Officer (up to November 30, 2020) | 55 |
| Mr. Dinesh Kalani | Company Secretary | 20 |

* Mr. Sudhakar Ram (Late) was Vice - Chairman & Managing Director only for part of the year upto November 08, 2020.

\$ Mr. Ashank Desai was appointed as a Vice - Chairman & Managing Director effective November 08, 2020 and his earlier role was of Non-Executive Director. Hence remuneration is not comparable with previous financial year.

Mr. Rajeev Grover was appointed as a Non-Executive Director (Independent) effective January 28, 2020.

@ Mr. Ketan Mehta was appointed as a Non-Executive Director (Independent) effective December 29, 2020

Mr. Abhishek Singh was a Group Chief Financial Officer upto November 30, 2020. Remuneration includes perquisite value of ESOP's exercised during the year .

Note: The variation in percentage of remuneration of Non - Executive Directors is on account of receipt of sitting fees and commission during the year under review, vis a vis the preceding Financial Year.

3. The Percentage increase in the median remuneration of employees in the Financial Year 2020–21:

The percentage increase in the median remuneration of all employees in the Financial Year was 35%.

4. The number of permanent employees on the rolls of Company as on March 31, 2021:

The number of permanent employees on the rolls of Company as on March 31, 2021 were 1,074.

5. Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration:

Average percentage increase in the salaries of the employees other than the Managerial Personnel in the Financial Year was 27% vis a vis increase of 15% in the salaries of Managerial Remuneration.

6. Affirmation that the remuneration is as per the Nomination and Remuneration Policy of the Company:

It is affirmed that the remuneration is as per the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board

Ashank Desai

Vice - Chairman & Managing Director
(DIN: 00017767)

S. Sandilya

Non - Executive Chairman & Independent Director
(DIN: 00037542)

Date: April 28, 2021

Place: Mumbai



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Report on Corporate Governance



REPORT ON CORPORATE GOVERNANCE

In terms of Regulation 34(3) read with Section C of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), a Report on Corporate Governance for the Financial Year ended March 31, 2021 is presented below:

Corporate Governance refers to the systems of rules, practices and processes by which Companies are governed. Corporate Governance essentially involves balancing the interests of various Stakeholders of the Company, such as Members, Customers, Financiers, the Government, the Employees and the Community. Since Corporate Governance also provides the framework for attaining a Company's objectives, it encompasses practically every sphere of Management, from action plans and internal controls to performance measurement and corporate disclosure. Corporate Governance encourages a trustworthy, moral, as well as ethical environment. For ensuring sound Corporate Governance practices, the Government of India has put in place a framework based on the stipulations contained under the Companies Act, 2013 ("**the Act**"), SEBI Listing Regulations, Accounting Standards, Secretarial Standards, etc. Today's market-oriented economy and globalisation drive the demand for a high quality of Governance practices.

Mastek Limited ("**Mastek**" or "**Company**") has worked diligently to integrate ethics and social responsibility in defining its corporate culture. Besides complying with the legal framework of Corporate Governance practices, Company has voluntarily adopted and evolved various practices of Governance conforming to highest ethical and responsible standards of business.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's strong beliefs on good Corporate Governance, is based on strong foundations of ethical values and professionalism which are being practised since the inception of the Company. At Mastek, employees feel gratified to belong to a Company whose visionary founders laid the foundation stone for good governance long back and made it an integral principle of the business. The Company's philosophy on Corporate Governance is aimed at optimising the balance between Stakeholders' interests and corporate goals through the efficient conduct of its business and meeting obligations in a manner that is guided by maintaining transparency in its dealings, creating robust policies and practices for key processes and systems with clear accountability, integrity, transparent governance practices and highest standards of regulatory compliances. Company considers the Stakeholders as partners in its success and is committed to maximising Stakeholder's value, be it members, employees, customers, vendors, governments or the community at large. It is Company's belief that following

global practices, transparent disclosures and empowerment of Stakeholders are as necessary as delivering excellent financial results, for creating and sustaining value for Members and meeting expectations of Customers and Society.

The Company's actions are governed by its values and principles, which are reinforced at all levels within the Company. Your Company believes that if something is important enough to be done, it is important that it is done ethically and in compliance with applicable legislation. The Company's Code of Business Conduct & Ethics is an extension of its values and reflects its continued commitment to ethical business practices across its operations. Your Company acknowledges its individual and collective responsibilities to manage its business activities with integrity. The Company's Code inspires it to set standards which not only meet the applicable legislation but go beyond in many areas of its functioning.

Mastek is committed in helping individuals and institutions to become the best that they can be. To strengthen the foundation of its engagement with all its Stakeholders, we have defined a set of ethical values called **PACTS (Passionate, Accountable, Collaborative, Transparent and Sustainable)** and encourage every Mastekeer to follow its set of defined ethical values. More importantly, they serve as a framework for the behaviour of current and future generations of Mastekers.

Mastek's Corporate Governance system provides a fundamental framework to execute its business in line with business ethics. Mastek not only adheres to the prescribed Corporate Governance practices as per the SEBI Listing Regulations but is also committed to sound Corporate Governance Principles and Practices.

Past year was mired by the pandemic that has adversely impacted the economy and citizens of all countries across the world. Your Company quickly adopted to ensure there is minimal impact to the business and employees of the Company. In addition, your Company has shown great resilience to the challenges such pandemic brought and has ensured stability in dynamic and challenging times.

The Corporate Governance Structure

Mastek's Corporate Governance Structure broadly consists of the Board of Directors and the Committees of the Board at the Apex level and the Management Structure at the Operational level. This layered Structure brings about a harmonious blend in Governance as the Board sets the overall Corporate Objectives and gives direction and freedom to the Management to achieve these Corporate Objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable and profitable growth. Together, the Board and the Management ensure that Mastek remains a Company of uncompromised integrity and excellence.

REPORT ON CORPORATE GOVERNANCE

Mastek has three-tier of Corporate Governance Structure, viz.:

- 1. Strategic Supervision** – by the Board of Directors comprising the Executive, Non-Executive and Independent Directors. The primary role of the Board is to protect the interest and enhance value for all the Stakeholders. It conducts overall strategic supervision and control by setting the goals and targets, policies, governance standards, reporting mechanism and accountability & decision making process to be followed. The Committees of the Board such as Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Risk Management and Governance Committee are focused on financial reporting, audit and internal controls, appointment & remuneration of Directors, Key Managerial Personnel & Senior Managerial Personnel, identifying, implementing & monitoring of CSR activities and the Risk management, Governance, operational, legal & compliances including sustainability framework.
- 2. Executive Management** – by the Corporate Management team comprising of the Managing Director and Executive Committee team consisting of the functional heads of the Company. They meet at regular intervals, wherein all important business issues are discussed and decisions are taken. Management reviews and monitors monthly performances addresses challenges faced by the business, draws strategies & policies and keeps the Board informed about important developments having bearing on the operational and financial performance of the Company.
- 3. Operational Management** – by the Business Unit Heads of the respective geography, this includes Account Leadership Team and Geo Leadership Team looking at all the functional aspects of a Customer and Geo.

The three-tier Corporate Governance Structure, besides ensuring greater management accountability and credibility, facilitates increased autonomy to the businesses, performance discipline and development of business leaders, leading to an increased operational efficiency and client satisfaction.

The Compliance Framework

The Company has a robust and an effective framework for monitoring compliances with the applicable laws within the organisation and also to provide regular updates through Senior Management to the Board and the Risk Management

& Governance Committee on a quarterly basis. The Audit Committee, the Risk Management & Governance Committee and the Board collectively review the status of compliances with the applicable laws and provide valuable guidance to the Management team, wherever necessary.

BOARD OF DIRECTORS (“BOARD”)

Corporate Governance is also about what the Board does and how they set the values of the Company. The Company recognises and embraces the importance of a diverse Board in its success and it believes that a truly diverse Board would leverage differences in thought, perspective, knowledge, skill and industry experience, which will enrich Board discussions and enable effective decision making. The responsibilities of the Board thus includes setting the Company's strategic aims, providing the leadership to put them into effect, supervising the Management of the Company and reporting to the Members on their governance.

Mastek's Board is an ideal mix of knowledge, perspective, professionalism, divergent thinking and experience. Mastek Board's uniqueness lies in the fact that the Board balances several deliverables, achieves sound Corporate Governance objectives in a promoter owned organisation and acts as a catalyst in creation of Stakeholder value. This is reflected in the Company's governance practices, through which it strives to maintain an active, informed and independent Board. The Board ensures that the Company complies with all relevant laws, regulations, governance practices, accounting and auditing standards etc. It identifies key risk areas and key performance indicators of the Company's business and constantly monitors these factors.

Composition of the Board

The Composition of the Board of Directors is made up of eminent and qualified persons who ensure that the long-standing culture of maintaining high standards of Corporate Governance is further nurtured. The Board effectively separates the functions of governance and management and balances deliverables. The composition and size of the Board is reviewed periodically to ensure that the Board is a wholesome blend of Directors with complementary skill-sets.

The Board has an optimal mix of Executive and Non-Executive Directors who have considerable expertise in their respective fields including competencies required in context of Company's businesses. The Non-Executive Directors including Independent Directors on the Board are well qualified, experienced, competent and highly renowned persons with varied professional background in the field of Information Technology, Finance, General Management, Marketing Strategy & Planning, Mergers & Acquisitions, Brand Development, Risk Management etc. They take active part at the Board and Committee Meetings by providing valuable guidance and expert advice to the Management on various aspects of business overview, and play a critical role on strategic issues, which enhances the transparency and adds value in the decision making process of the Board of Directors.

REPORT ON CORPORATE GOVERNANCE

The Board has an unfettered and complete access to any information within the Company. Members of the Board have complete freedom to express their views on agenda items and can discuss any matter at the Meeting with the permission of the Chairperson.

As on March 31, 2021 the Board Composition was as follows:

| Sr. No. | Name of the Director | Promoters / Non-Promoters | Category |
|---------|---------------------------|---------------------------|---|
| 1. | Mr. S. Sandilya | Non - Promoter | Chairman (Non - Executive) & Independent Director |
| 2. | Mr. Ashank Desai (Note a) | Promoter | Vice - Chairman & Managing Director |
| 3. | Mr. Ketan Mehta (Note b) | | Non - Executive & Non - Independent Director |
| 4. | Ms. Priti Rao | | |
| 5. | Mr. Atul Kanagat | Non - Promoter | Non - Executive & Independent Director |
| 6. | Mr. Rajeev Grover | | |

- a. Mr. Ashank Desai was appointed as Vice - Chairman & Managing Director of the Company w.e.f. November 08, 2020, subject to approval of the Members at the ensuing Annual General Meeting of the Company. He was holding position as Non - Executive Director till then.
- b. Mr. Ketan Mehta was appointed as an Additional Director of the Company w.e.f. December 29, 2020, subject to approval of the Members at the ensuing Annual General Meeting of the Company.

Board Diversity

Your Company over the years, has been fortunate to have eminent persons from diverse fields as Directors on its Board. Pursuant to the SEBI Listing Regulations, the Nomination and Remuneration Committee of the Board has formalised a policy on Board Diversity to ensure diversity of experience, knowledge, perspective, background, gender, age and culture. The policy is made available on the website of the Company at web link <https://www.mastek.com/corporate-governance>

The brief profiles of Directors forming part of this Annual Report gives an insight into the education, expertise, skills and experience of Directors, thus bringing in diversity to the Board's perspectives.

Board Membership Criteria

The Board has adopted the Nomination and Remuneration Policy to ensure that the Board Composition is balanced with the requisite skillsets, so that the Company benefits from new insights, guidance and challenges to business proposals. The Policy outlines the appointment criteria and qualifications of the Directors on the Board of Mastek and the matters related to remuneration of the Directors. The said Policy is available on the Company's website at <https://www.mastek.com/corporate-governance>. The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academican in the field relevant to the Company's business. The Directors so appointed are drawn from

diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

The skill profile of Independent Board Members is driven by the key performance indicators defined by the Board, broadly based on:

- Independent Corporate Governance;
- Guiding strategy and enhancing shareholders' value;
- Monitoring performance, Management development & compensation; and
- Control and compliance.

Matrix highlighting Core Skills / Expertise / Competencies of the Board of Directors

The Board of the Company is structured having requisite level of qualifications, professional background, sector expertise, special skills, nationality and geography. The Board after taking into consideration the Company's nature of business, core competencies and key characteristics has identified the following core skills / expertise / competencies as required in the context of its business(es) & sector(s) for it to function effectively and in the opinion of the Board is currently available.

The below table summarises the key qualifications, skills and attributes which are taken into consideration while nominating to serve on the Board. The specific areas of focus or expertise of individual board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skills:

REPORT ON CORPORATE GOVERNANCE

| SKILLS AND ITS DESCRIPTION | Mr. S. Sandilya | Mr. Ashank Desai | Mr. Ketan Mehta | Ms. Priti Rao | Mr. Atul Kanagat | Mr. Rajeev Grover |
|---|-----------------|------------------|-----------------|---------------|------------------|-------------------|
| FINANCIAL MANAGEMENT Wide ranging knowledge and financial skills, oversight for risk management and internal controls and proficiency in financial management and financial reporting processes. | ✓ | ✓ | ✓ | | | ✓ |
| TECHNOLOGY Reasonable knowledge and experience in technology with an ability to foresee technological trends and changes, apply new technology and bring about innovations in business strategies. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| MERGERS AND ACQUISITIONS Significant experience in mergers and acquisitions and other business combinations, with strong insight of risks and opportunities, valuations and diligence processes, structural impact on the organisation and ability to leverage integration planning. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| GLOBAL BUSINESS PERSPECTIVE Understanding of diversified business environments, economic, political, cultural and regulatory framework across the globe and a broad perspective on global market opportunities and experience of overseeing and managing businesses across multiple countries and environments. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| STRATEGY AND PLANNING Ability to critically identify and assess strategic opportunities and threats and develop effective strategies in the context of long-term objectives and the organisation's relevant policies and priorities. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| GOVERNANCE AND COMPLIANCE Understanding of the various governance and compliance requirements under various applicable laws, supporting a strong Board base and management accountability, transparency, and protection of members' interests. A strong understanding of regulatory environment across securities laws, data protection and privacy, and cyber security for India and countries where business is transacted. | ✓ | ✓ | ✓ | ✓ | | ✓ |
| RISK MANAGEMENT Identification and Management of risk at Micro & Macro, Functional & Geographic and Strategic & Operational levels and implementing risk management process with the proper understanding of the risk and monitoring mechanism. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| OPERATIONS AND GENERAL MANAGEMENT Capacity to perform executive duties in an organisation while avoiding crisis situations and promptly solving problems when they occur. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and competence required for it to function effectively.

REPORT ON CORPORATE GOVERNANCE

Declarations

In the opinion of the Board, all the Independent Directors of the Company have the relevant integrity, qualifications, expertise, experience and they also fulfil the criteria of independence as defined under Section 149(6) of the Act read with Rule 5 of Companies (Appointment and Qualification of Directors) Rules 2014, Regulation 16(1) (b) of the SEBI Listing Regulations and are independent of the management of the Company. The Company has also received declarations from the Independent Directors that they meet the criteria of Independence.

Further, in terms of Section 150 of the Act, read with Rule 6 of the Companies (Appointment and Qualification

of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs (IICA).

The Company had also issued formal appointment letters to all the Independent Directors at the time of their appointment in the manner provided under the Act read with the Rules issued thereunder. A sample letter of appointment containing the terms and conditions, issued to the Independent Directors, is made available on the Company's website at web link: <https://www.mastek.com/corporate-governance>

The name and category of the Director, DIN, number of Directorships and Committee positions held in the Companies and the list of other Listed Entities where he / she is a Director along with the category of their Directorships as on March 31, 2021 are given below:

| Name of the Director and DIN | Category of Directorship | Date of Appointment Re-appointment in the current term | Directorship held in other listed entities along with Category | No. of Committees Memberships (including Mastek) | No. of Committees Chairmanships (including Mastek) |
|-----------------------------------|--|--|--|--|--|
| Mr. S. Sandilya (DIN: 00037542) | Chairman (Non -Executive & Independent Director) | 01.04.2019 | 1. Eicher Motors Limited - Independent Director 2. GMR Infrastructure Limited - Independent Director 3. Rane Brake Lining Limited - Independent Director | 5 | 4 |
| *Mr. Ashank Desai (DIN: 00017767) | Vice - Chairman & Managing Director (Promoter) | 08.11.2020 | 1. NRB Bearings Limited - Independent Director 2. Majesco Limited - Non - Executive and Non Independent Director | 3 | 1 |
| #Mr. Ketan Mehta (DIN: 00129188) | Non - Executive Director (Promoter) | 29.12.2020 | Majesco Limited - Non Executive and Non Independent Director | 1 | 0 |
| Ms. Priti Rao (DIN:03352049) | Non - Executive Director (Independent) | 01.04.2019 | - | 1 | 0 |
| Mr. Atul Kanagat (DIN: 06452489) | Non - Executive Director (Independent) | 01.04.2019 | - | 2 | 0 |
| Mr. Rajeev Grover (DIN:00058165) | Non - Executive Director (Independent) | 29.10.2020 | - | 1 | 0 |

* Mr. Sudhakar Ram (Late), Vice - Chairman & Managing Director of the Company passed away on November 08, 2020 following a short illness. Mr. Ashank Desai was appointed as Vice - Chairman & Managing Director of the Company, subject to approval of the Members at the ensuing Annual General Meeting of the Company.

#Mr. Ketan Mehta was appointed as an Additional Director of the Company with effect from December 29, 2020, subject to approval of the Members at the ensuing Annual General Meeting of the Company.

REPORT ON CORPORATE GOVERNANCE

Notes:

1. Data presented above is after taking into account, the disclosures furnished by the continuing Directors in the first Board Meeting of the Financial Year 2021-22.
2. None of the Director is a member of more than 10 (ten) Board-level Committees, or a Chairman of more than 5 (five) such Committees, which is, in compliance with the SEBI Listing Regulations and Act. Further, none of the Director acts as an Independent Director in more than 7 (seven) Listed Companies.
3. The Committees considered for the purpose of calculation of membership and / or chairmanship as discussed above are those as specified Regulation 26 of the SEBI Listing Regulations i.e. Audit Committee and Stakeholder Relationship Committee only.
4. None of the Directors have any inter-se relationship among themselves or with any employees of the Company.

Induction Programme for New Directors and On-going Familiarisation Programme for Existing Independent and Non-Independent Directors

All new Independent Directors are taken through a formal induction and Familiarisation Programme when they join the Board of the Company. The Induction Programme is an exhaustive one that covers the history and culture of Mastek, background of the Company and its growth over the last several decades, various milestones in the Company's existence since its incorporation, the present structure and an overview of the businesses and functions.

Every new Director of the Board needs to attend a Review / Orientation Program organised by the Company. Managing Director, Global Chief Executive Officer, Global Chief Financial Officer and Senior Management Team, provides an overview of Strategy, Operations and Functions of the Company by making presentations. An opportunity is provided to the Directors to interact with Senior Management Team of the Company which helps them to get ground level information on the Company's services offering, Markets, Software Delivery, Organisation Structure, Finance, HR, Technology, Quality Facilities, Risk Management and Regulatory Compliances.

The above initiatives help the Directors to understand the Company, its business and the Regulatory framework in which the Company operates and equips them to effectively fulfil their role as a Director of the Company.

Further, as an on-going process, the Board is updated on a quarterly basis through presentations and discussions on the overall economic trends, the performance of the IT Industry and that of the Company, analysis of the circumstances which helped or adversely impacted the Company's performance and the initiatives taken / proposed to be taken to bring about an overall improvement in the performance of the Company, comparison of the Company's performance with its peers

in the Industry as available in public domain, Marketing strategy, Business risks and Mitigation plan, etc.. The Directors are also periodically updated on the regulatory changes and their impact on the Company.

Details of the Programme for Familiarisation of Independent Directors with the working of the Company are available on the website of the Company at web link <https://www.mastek.com/corporate-governance>

Manner of Performance Evaluation of the Board, Committees and Directors

In compliance with Act and SEBI Listing Regulations, the Board of Directors has carried out an annual evaluation of its own performance, Board Committees, Individual Directors, Chairpersons and the Managing Director for the year under review

In respect of individual Directors including the Non-Executive Chairman and the Managing Director, their personal performance evaluation was carried out using a peer review process, facilitated by an outside subject matter expert with confidential processing of inputs, interpretation of findings followed by one-on-one meeting of the individual Directors, and concluding with an aggregate presentation to the entire Board.

Functioning of the Board and its Committees were reviewed and evaluated on the basis of responses from Directors, Committee Members and the Managing Director to structured questionnaires, covering various aspects of the composition and functioning.

In a separate meeting of the Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman were also evaluated, taking into account the views of Executive Director and Non- Executive Director. The Directors were asked to provide their valuable feedback and suggestions about the overall functioning of the Board and its Committees and its areas of improvement for a higher degree of engagement with the Management.

REPORT ON CORPORATE GOVERNANCE

The Board expressed its satisfaction with the Evaluation results, which reflects the high degree of engagement of the Board and its Committees with the Company and its Management. Based on the outcome of the evaluation and assessment cum feedback of the Directors, the Board and the Management have also agreed on some action points which will be implemented over an agreed time-frame.

Notwithstanding the prevailing lockdown / pandemic condition since March 2020, the process was meticulously conducted through virtual meetings using audio visual technological aids within the time frame set.

The Nomination and Remuneration Committee of the Company identifies and ascertains the Integrity, Qualification, Expertise, Positive attributes and Experience of a person for Appointment as Director and thereafter recommends the candidature for election as a Director on the Board of the Company. The Committee follows defined criteria in the process of obtaining optimal Board diversity, which, inter alia, includes optimum combination of Executive and Non-Executive Directors, Appointment based on specific needs and business of the Company, qualification, knowledge, experience and skill of the proposed appointee etc. The manner of Appointment and Removal of Directors / Key Managerial Personnel / Senior Managerial personnel and their remuneration thereof forms part of the Nomination and Remuneration Policy of the Company, which is available on the website of the Company at web link <https://www.mastek.com/corporate-governance> where it can be accessed.

Board Meeting Procedure

The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Members well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the Meetings. However, in case of a special and urgent business need special meetings of the Board / Committees are held or their approval is taken by passing resolutions by Circulation, as permitted by law, which are noted and confirmed in the subsequent Board / Committee Meeting. All Board Meetings are governed by a structured agenda which is backed by comprehensive background information and presentations, thereto, are drafted and circulated to each Member well in advance before the date of the Board Meetings and of the Committee Meetings. The Company always ensures that Board Members are presented with all the relevant information on vital matters affecting the working of the Company including the information as inter alia specified under Part A of SEBI Listing Regulations. The Members of

the Board have access to all the information and are free to recommend inclusion of any matter in the Agenda for discussion. Any additional Agenda items in the form of "Other matters" are included with the permission of the Chairperson and majority of the Directors present at the Meeting. In view of the nationwide lockdown at the end of the year under review, the Board and its Committees Meetings were held through video conferencing mode in accordance with the provisions of law.

There is a clear demarcation of responsibility and authority amongst the Board Members.

- **The Chairman** - his primary role is to provide leadership to the Board in achieving goals of the Company in accordance with the charter approved by the Board. As the Chairman of the Board, he is responsible for all the Board matters including the working of the Board and for ensuring that all relevant issues are placed before the Board and that all Directors are encouraged to provide their expert guidance on the relevant issues raised in the Meetings of the Board. He is also responsible for review of the corporate strategy along with other Members of the Board of Directors. His role, inter alia, includes:
 - Provide leadership to the Board and preside over all Board and General Meetings.
 - Achieve goals in accordance with Company's overall vision.
 - Ensure that Board decisions are aligned with Company's strategic policy.
 - Oversee and evaluate the overall performance of Board and its members.
 - Ensure to place all relevant matters before the Board and encourage healthy participation by all Directors to enable them to provide their expert guidance.
 - Monitor the performance of the Executive Management team.
- **The CEO and / or Executive Director** - are responsible for implementation of corporate strategy, brand equity planning, external contacts and other management matters which are approved by the Board. They are also responsible for achieving the annual and long term business plans. Their role, inter alia, includes:

REPORT ON CORPORATE GOVERNANCE

- Crafting of vision and business strategies of the Company.
 - Clear understanding and accomplishment of Board set goals.
 - Responsible for overall performance of the Company in terms of revenues & profits and goodwill.
 - Acts as a link between Board and Management.
 - Ensure compliance with statutory provisions under multiple regulatory enactments.
- **Non-Executive Directors (including Independent Directors)** - plays a critical role in balancing the functioning of the Board by providing independent judgements on various issues raised in the Board Meetings like formulation of business strategies, monitoring of performances, etc. Their role, inter-alia, includes:
 - Impart balance to the Board by providing independent judgement.
 - Provide feedback on Company's strategy and performance.
 - Provide effective feedback and recommendations for further improvements.

The maximum interval between any 2 (two) consecutive Board Meetings was well within the maximum allowed gap of 120 (one hundred and twenty) days. The necessary quorum was present for all the meetings.

With the unanimous consent of the Board, all information which is in the nature of Unpublished Price Sensitive Information (UPSI), is circulated to the Board and its Committees at a shorter notice before the commencement of the respective Meetings in a secure manner.

The Company adheres to the provisions of the Act read with the Rules issued thereunder, Secretarial Standards and the SEBI Listing Regulations with respect to convening and holding the Meetings of the Board of Directors, its Committees and the General Meetings of the Members of the Company.

Invitees and Proceedings

Apart from Board Members and the Company Secretary, the Board and Committee Meetings are generally also attended by the Global Chief Financial Officer (GCFO), Global Chief Executive Officer (GCEO), Global Legal Head and wherever required by the Executive Leadership Team of the Group.

The Managing Director, Global Chief Financial Officer and Global Chief Executive Officer apprise the Board, at each of its Meeting about the overall performance of the Company with presentations on business operations on a regular basis. The Members of Executive Members are invited at the Board / Committee Meetings to provide necessary insights into the performance of the Company and for discussing corporate strategies with the Board / Committee Members.

The annual strategic and operating plans of the business are presented to the Board. The quarterly financial statements and annual financial statements are first presented to the Audit Committee and subsequently to the Board for their approval. Also, the Risk Management and Governance Committee and the Board periodically reviews compliance reports with respect to laws & regulations applicable to the Company. Important managerial decisions, material developments and statutory matters are presented to the Committees of the Board and the Committees' recommendations are placed before the Board. As a system, information is submitted along with the agenda papers well in advance of the Meetings.

The Chairperson of various Board Committees brief the Board on all the important matters discussed and decided at their respective Committee Meetings, which are generally held prior to the Board Meeting.

Post Meeting Action and Follow - up system

Post Meetings, all important decisions taken at the Meeting are communicated to the concerned officials and departments. The Company has an effective post Board Meeting follow up procedure. Action taken report on the decisions taken in a Meeting is placed at the immediately succeeding Meeting for information of the Board.

The Board has established procedures to periodically review compliance report pertaining to all laws applicable to the Company as well as steps taken by the Company to rectify instances of non - compliance, if any.

REPORT ON CORPORATE GOVERNANCE

Number of Board Meetings and Attendance of each Director at the Meeting of the Board of Directors and the last Annual General Meeting (AGM).

During the year under review, 7 (Seven) Board Meetings were held. The dates and attendance of each Director in these Meetings are appended as follows.

| Sr. No. | Name of the Director | Attendance in Board Meetings and AGM held during the year under review | | | | | | | |
|---------|----------------------------------|--|---------------|------------------|-------------------|------------------|-------------------|----------------|------------------------|
| | | June 14, 2020 | July 29, 2020 | October 29, 2020 | November 08, 2020 | January 08, 2021 | February 01, 2021 | March 03, 2021 | AGM - October 29, 2020 |
| 1. | Mr. S. Sandilya | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2. | Mr. Sudhakar Ram (late) (Note a) | ✓ | ✓ | x | NA | NA | NA | NA | ✓ |
| 3. | Mr. Ashank Desai | ✓ | ✓ | ✓ | ✓ | x | ✓ | ✓ | ✓ |
| 4. | Mr. Ketan Mehta (Note b) | NA | NA | NA | NA | x | ✓ | ✓ | NA |
| 5. | Ms. Priti Rao | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 6. | Mr. Atul Kanagat | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 7. | Mr. Rajeev Grover | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

✓ - Present, x - Absent, NA - Not Applicable

Notes:

- Mr. Sudhakar Ram ceased to be the Director of the Company w.e.f. November 08, 2020 due to his demise.
- Mr. Ketan Mehta was appointed as an Additional Director of the Company w.e.f. December 29, 2020, subject to approval of the Members at the ensuing AGM of the Company.

Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Board meetings in Financial Year 2020 - 21 were held through Video Conferencing.

Separate Meetings of the Independent Directors

Pursuant to Schedule IV of the Act and as per Regulation 25(3) of the SEBI Listing Regulations, Separate Meeting of Independent Directors of the Company was held on July 9, 2020 amongst themselves without the presence of the Company Executives and following items were discussed / assessed:

- the financials of the Company;
- the quality, quantity and timelines of flow of information between the Company Management and the Board that is necessary for the Board Members to effectively and reasonably perform their duties;
- Evaluation of Performance of Non- Independent Directors and the Board as whole;
- Evaluation of Performance of Chairperson of the Company, taking into account the views of Executive Director and Non-Executive Directors; and
- Other related matters.

All the Independent Directors were present throughout the Meeting. They expressed satisfaction on the Board Members' freedom to express views on the business transacted at the various Board and Committee Meetings and the openness with which the Management discussed various subject matters on the agenda of the Meetings.

Support and Role of Company Secretary

The Company Secretary is responsible for convening the Board and Committee Meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the Meetings. He acts as interface between the Board and the Management and provides required assistance and assurance to the Board and the Management on compliance and governance aspects.

REPORT ON CORPORATE GOVERNANCE

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the Governance Structure of the Company and are being set out to deal with specific areas / activities which concern the Company and need a closer review. They are set up under the formal approval of the Board to carry out their clearly defined roles. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action.

Each Committee, guided by its Terms of Reference, which provides for the Composition, Scope, Powers, Duties and Responsibilities is explained hereunder. The Recommendation and / or Observations and Decisions are placed before the Board for information or approval. The

Meetings of each of these Committees are convened by the respective Chairpersons, who also apprise the Board about the summary of discussions held at their Meetings. The Minutes of the Committee Meetings are sent to all Directors individually for their approval / comments as per prescribed Secretarial Standards and after the Minutes are duly approved, these are circulated to the Board of Directors and tabled at the Board Meetings. The Board has constituted the following Mandatory and Non-Mandatory Committees.

During the year under review, the Board has accepted all the recommendations of all the Committees on matters where such a recommendation is mandatorily required.

Details on Composition of these Committees as on March 31, 2021 are given hereunder:

| Name of the Directors | Category | Audit Committee | Nomination and Remuneration Committee | Stakeholders Relationship Committee | Corporate Social Responsibility Committee | Risk Management & Governance Committee |
|-----------------------|-----------------|-----------------|---------------------------------------|-------------------------------------|---|--|
| Mr. S. Sandilya | Independent | Chairperson | Member | Chairperson | - | - |
| *Mr. Ashank Desai | Executive | Member | - | Member | Member | Chairperson |
| #Mr. Ketan Mehta | Non - Executive | Member | Member | - | - | - |
| Ms. Priti Rao | Independent | Member | - | - | Chairperson | Member |
| Mr. Atul Kanagat | Independent | Member | Chairperson | Member | - | - |
| ^Mr. Rajeev Grover | Independent | Member | Member | - | Member | Member |

**Mr. Ashank Desai ceased to be Member of the Nomination and Remuneration Committee with effect from November 08, 2020 due to change in his Designation from Non - Executive Director to Vice - Chairman & Managing Director.*

#The Board of Directors appointed Mr. Ketan Mehta, as a Member of the Audit Committee and Nomination and Remuneration Committee, with effect from February 01, 2021.

^The Board of Directors appointed Mr. Rajeev Grover, as a Member of the Corporate Social Responsibility Committee, with effect from February 01, 2021.

• Audit Committee

The Audit Committee acts as an interface between the Statutory and Internal Auditors, the Management and the Board of Directors. It assists the Board in fulfilling its responsibilities of monitoring financial reporting processes; reviewing the Company's established systems and processes for internal financial controls and governance; and reviews the Company's statutory and internal audit processes. The Audit Committee currently comprises of 4 (four) Independent Directors, 1 (one) Non-Executive Director and 1 (one) Executive Director. The Independent Directors are accomplished professionals from the corporate fields and are financially literate and have experience in financial management. The Role, Powers and Functions of the Committee is in accordance with Regulation 18 (Part C of schedule II) of SEBI Listing Regulations and Section 177 of the Act as applicable, besides other terms as referred by the Board of Directors.

REPORT ON CORPORATE GOVERNANCE

The Chairman of the Committee was present at the 38th Annual General Meeting of the Company held on October 29, 2020. Executive Leadership team and representatives of the Internal Auditors and Statutory Auditors also attend the Audit Committee Meetings depending on the agenda. The Committee's observations are followed up with the respective departments and the follow-up actions are reported to the Committee at the subsequent Committee Meetings. The Committee, along with the Statutory Auditors, reviews the quarterly, half yearly and Annual Results at the Audit Committee Meetings before recommending them to the Board of Directors. All the recommendations of the Committee have been accepted by the Board, during the year under review.

The particulars of Meetings held and attended by Members during the year under review are given herein. The requisite quorum was present in all Meetings.

| Name of Director | No. of Meetings | | Dates of Meetings |
|-------------------|-----------------|----------|-------------------|
| | Held | Attended | |
| Mr. S. Sandilya | 7 | 7 | June 14, 2020 |
| Mr. Ashank Desai | 7 | 6 | July 29, 2020 |
| *Mr. Ketan Mehta | 2 | 2 | October 29, 2020 |
| Ms. Priti Rao | 7 | 7 | January 08, 2021 |
| Mr. Atul Kanagat | 7 | 7 | February 01, 2021 |
| Mr. Rajeev Grover | 7 | 7 | March 03, 2021 |
| | | | March 30, 2021 |

**The Board of Directors appointed Mr. Ketan Mehta, as a Member of the Committee, with effect from February 01, 2021.*

Due to the exceptional circumstances caused by the COVID-19 pandemic all Committee meetings in Financial Year 2021 were held through Video Conferencing.

The GCEO / GCFO / Legal Head also attend the Audit Committee Meeting as permanent invitees and Mr. Dinesh Kalani - Company Secretary, acts as Secretary to the Committee.

The terms of reference of Audit Committee, as approved by the Board and amended from time to time, are as follows:

- Reviewing the utilisation of loans and/ or advances from investment by the holding Company in the subsidiary exceeding ₹ 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- Review at least once in a Financial Year compliance with the code of conduct for regulating, monitoring

and reporting of trading by insiders and code of fair disclosure of the Company and shall verify that the systems for internal control to comply with the codes are adequate and are operating effectively.

- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and scope of Auditors (Internal/ Statutory/ Secretarial).
- Reviewing with the management the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:-
 - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of subsection (3) of Section 134 of the Act;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report.
- Reviewing with the Auditor and Management the quarterly / half yearly / annual financial statements before submission to the board for approval.
- Reviewing with the management the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter, if any.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.

REPORT ON CORPORATE GOVERNANCE

- i. Approval of any subsequent modification of transactions of the Company with related parties.
- j. Valuation of undertakings or assets of the Company, wherever necessary.
- k. Reviewing, with the management, performance of Statutory Auditors and Internal Auditors of the Company and adequacy of the internal financial controls and Risk management impacting financial numbers.
- l. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors; if any.
- m. To review the functioning of the whistle blower mechanism and complaints; if any.
- n. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
- o. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors or its group firms.
- p. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern; if any.
- q. Discussion with internal auditors of any significant findings and follow up there on.
- r. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- s. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- t. Scrutiny of inter-corporate loans and investments.
- u. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders
- v. All other matters incidental or related to the above issues.

- w. Carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notifications and/or amendments, as may be applicable.

In line with its terms of reference, during the year under review the Audit Committee, at its each meeting reviewed operations audit reports for businesses pursuant to audits undertaken by internal auditors under the audit plan approved at the commencement of the year. The quarterly financial results were reviewed by the Committee before submission to the Board. Independent sessions were held with statutory and internal auditors to assess the effectiveness of the audit process. The Committee reviewed the adequacy of internal financial controls on a Company-wide basis and provided its recommendations on internal control processes to the Board. The Committee also reviewed the system and processes in place for risk management, insider trading compliance and information technology. On a quarterly basis, the Committee continues to review whistle-blower complaints with corrective actions and controls put in place, material litigations / notices and related-party transactions.

- **Nomination and Remuneration Committee**

Nomination and Remuneration Committee currently comprises of 3 (three) Independent Directors. The Chairman of the Committee is Non-Executive and Independent Director. The Role, Powers and Functions of the Committee are in accordance with the Regulation 19 (clause A of part D of schedule 11 of the SEBI Listing Regulations and Section 178 of the Act as applicable, besides other terms as referred by the Board of Directors.

The Chairman of the Committee was present at the 38th Annual General Meeting of the Company held on October 29, 2020 to respond to the queries of the members with respect to functioning of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee is responsible for drawing up selection criteria and evaluating the balance of skills, experience, independence, diversity and knowledge, ongoing succession planning and appointment procedures for both internal and external appointments. The Committee is also responsible for administering the Stock Option Plans of the Company and determining eligibility of employees for stock options. All the recommendations of the Committee have been accepted by the Board during the year under review.

REPORT ON CORPORATE GOVERNANCE

The particulars of Meetings held and attended by Members during the year under review are given herein. The requisite quorum was present in all Meetings.

| Name of Director | No. of Meetings | | Dates of Meetings |
|-------------------|-----------------|----------|-------------------|
| | Held | Attended | |
| Mr. Atul Kanagat | 5 | 5 | June 14, 2020 |
| Mr. S. Sandilya | 5 | 5 | July 29, 2020 |
| Mr. Rajeev Grover | 5 | 5 | October 28, 2020 |
| *Mr. Ashank Desai | 4 | 4 | November 08, 2020 |
| #Mr. Ketan Mehta | NA | NA | January 29, 2021 |

**Mr. Ashank Desai ceased to be a Member of the Committee with effect from November 08, 2020 due to change in his Designation from Non - Executive Director to Vice - Chairman & Managing Director.*

#Mr. Ketan Mehta was appointed, as a Member of the Committee, with effect from February 01, 2021.

Due to the exceptional circumstances caused by the COVID-19 pandemic all Committee Meetings in Financial Year 2020 - 21 were held through Video Conferencing.

Managing Director / GCEO / GCFO / GCPO / Legal Head also attend the Nomination and Remuneration Committee Meeting as permanent invitees and Mr. Dinesh Kalani - Company Secretary, acts as Secretary to the Committee.

The terms of reference of the Nomination and Remuneration Committee, as approved by the Board and amended from time to time, are as follows:

a. Quorum and Members

- The quorum for a meeting of the committee shall be either 2 members or 1 / 3 of the members of the committee, whichever is greater, including at least 1 independent director in attendance and the committee shall meet at least once in a year.
- The Chairperson of the Committee shall be an independent director and all members of the committee shall be non-executive directors; and
- at least 50% (fifty percent) of the directors shall be independent directors.

b. To recommend to the Board, all remuneration / compensation and the terms of it in whatever form, payable to Directors / KMP / Senior Managerial personnel of the organisation to ensure that:

- the level and composition of remuneration is

reasonable and sufficient to attract, retain and motivate directors, of the quality required to run the Company successfully.

- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior managerial personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

c. To identify the persons who are qualified to become Director, or who may be appointed in senior managerial position of the Company and shall specify the manner for effective evaluation of performance of Board, its Committees and individual Directors & CEO, to be carried out either by the Board, by the Committee or by an independent external professional / agency and review its implementation and compliance.

d. To review:

- all documents pertaining to candidates and conduct evaluation of candidates in accordance with a process and if deemed fit and appropriate, make recommendation for the nomination to the Board or for the senior managerial personnel of the Company and their removal, if any, and oversee the implementation thereof.
- and formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and senior employees.
- the yearly performance of senior managerial personnel.

e. To decide and formulate or clarify detailed terms and conditions of the Employee Stock Option Plans, governed by the guidelines issued by SEBI and as amended from time to time (including extension of time to exercise, extension due to sabbatical leave / acceleration of the options granted and issuance of RSUs etc. subject to compliance with the applicable laws.

REPORT ON CORPORATE GOVERNANCE

- f. To approve:
- the new ESOP / RSUs plans for implementation including its framework.
 - the new stock options to be granted to the eligible employees of the Company / Group under the scheme.
- g. To frame policy and recommend the amount of Bonus / Variable Pay / Performance award / incentive plan to be paid to Whole Time Director & eligible employees.
- h. To recommend:
- the perquisites / sitting fees for Non-Executive Directors for attending Board as well as Committee Meetings.
 - yearly commission to be paid to Non-Executive Directors out of the distributable profits of the Company.
- i. To consider Succession planning of the Board of Directors, Key / Senior Managerial Personnel.
- j. All other matters incidental or related to the above issues.
- k. Carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notifications / amendments as may be applicable.

Remuneration of Directors and Key Managerial Personnel

The Nomination and Remuneration Committee has devised the policy which deals with the manner of selection of Board of Directors and Key Managerial Personnel (KMP) and their remuneration.

a) Pecuniary Relationship or Transactions with Non - Executive Directors.

In terms of the enabling Member's resolution passed at the 36th Annual General Meeting, Mr. Ashank Desai, Non - Executive Director was provided certain benefits / perquisites such as reimbursement of telephone / mobile bills, credit card fees, premium for Mediclaim and Personal Accident Policy (including his family) etc., over and above the payment of sitting fees aggregating to ₹ 1,600,000 upto November 07, 2020 during the year under review.

During the year, there were no pecuniary relationships or transactions entered into between

the Company and any of its Non-Executive / Independent Directors apart from payment of sitting fees and / or commission / perquisites as approved by the Members.

b) Criteria of selection of Non-Executive Directors

- i. Non-Executive Independent Directors are expected to bring in objectivity and independence during Board deliberations around the Company's Strategic approach, Performance and Risk Management. They must also ensure very high standards of Financial Probity and Corporate Governance.
- ii. The Independent Directors are also expected to commit and allocate sufficient time to meet the expectations of their Role as Non-Executive Independent Directors, to the satisfaction of the Board.
- iii. Conflict of Interest: The Independent Directors are not to involve themselves in situations, which may, directly or indirectly conflict with the interests of the Company. It is accepted and acknowledged that they may have business interests, other than those of the Company. As a pre-condition to their appointment / reappointment as Independent Directors, they shall be required to declare any such conflicts to the Board, in writing at the time of their appointment / re-appointment and / or as and when there is any change in the directorship and also on yearly basis.
- iv. The key elements in which every Independent Director will be expected to contribute are: Strategy, Performance, Risk, People, Reporting and Compliance.

c) Nomination and Remuneration Policy for the Directors, Key Managerial Personnel (KMPs) and Senior Managerial Personnel (SMPs)

In determining the remuneration of Directors, KMPs and SMPs, the Nomination and Remuneration Committee considers the following:

- i. While fixing the Remuneration of Directors, KMPs and SMPs, the Company considers industry benchmarks and the competence of the persons and ensure that the level and composition of the remuneration is reasonable and sufficient to attract, retain and motivate them.

REPORT ON CORPORATE GOVERNANCE

- ii. The compensation structure of Directors, KMPs and SMPs is benchmarked with industry trends and has components of fixed / basic salary as well as variable pay, wherever applicable. The variable pay will be linked to business performance parameters, as separately outlined in Variable Pay Plan guidelines of the Company. The Non - Executive directors are paid sitting fees for attending the Board and the Committee Meetings and commission, wherever applicable.

The Policy of the Company on Remuneration for Board of Directors, KMPs and SMPs as required under Section 178 of the Act, is available on the website of the Company and can be accessed at web link <https://www.mastek.com/corporategovernance>. It is affirmed that the remuneration paid to the Directors, KMPs and SMPs are as per the policy.

d) Criteria for making payment of remuneration to Non - Executive Directors

Commission: The Board of Directors decides and Members approve the Remuneration of Non-

Executive Directors based on the recommendation from Nomination and Remuneration Committee.

Subject to availability of profits, calculated under Section 197 read with Section 198 of the Act, the Non-Executive Directors of the Company are also entitled to Commission and the same is being paid taking into consideration, the amount of time spent on the critical policy decisions and higher degree of engagement by the members.

Further, the members have approved the payment of remuneration by way of Commission to Non-Executive Directors for 5 (five) years from April 1, 2018 till March 31, 2023, a sum not exceeding 1% (one percent) per annum of the Net Profits of the Company (Sitting fees excluded) calculated in accordance with the provisions of Section 198 of the Act, be paid to and distributed amongst the Non-Executive Directors of the Company (other than the Managing Director) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year.

Details of Remuneration paid to the Non - Executive Directors for the Financial Year ended March 31, 2021 are stated below:

| Name of the Director | Perquisites (₹) | Commission Payable (Note) (₹) | Total (₹) |
|----------------------|-----------------|-------------------------------|------------------|
| Mr. S. Sandilya | - | 1,400,000 | 1,400,000 |
| *Mr. Ashank Desai | 13,863 | - | - |
| #Mr. Ketan Mehta | - | - | - |
| Ms. Priti Rao | - | 650,000 | 650,000 |
| Mr. Atul Kanagat | - | - | - |
| Mr. Rajeev Grover | - | - | - |
| Total | 13,863 | 2,050,000 | 2,050,000 |

*Mr. Ashank Desai was appointed as Vice - Chairman and Managing Director from Non-Executive Director with effect from November 08, 2020.

#Mr. Ketan Mehta was appointed as an Additional (Non-Executive & Non-Independent) Director of the Company with effect from December 29, 2020.

Note: Commission for Financial Year 2020-21 has been provided for in the books of accounts for the year under review and will be paid after ensuing Annual General Meeting.

REPORT ON CORPORATE GOVERNANCE

Details of Sitting Fees paid to Non - Executive Directors for the Financial Year ended March 31, 2021 are stated below:

| Name of the Director | Sitting Fees (₹) |
|----------------------|-------------------|
| Mr. S. Sandilya | 2,100,000 |
| *Mr. Ashank Desai | 1,600,000 |
| #Mr. Ketan Mehta | 400,000 |
| Ms. Priti Rao | 1,850,000 |
| Mr. Atul Kanagat | 2,100,000 |
| Mr. Rajeev Grover | 2,300,000 |
| Total | 10,350,000 |

**Mr. Ashank Desai was paid Sitting Fees as Non-Executive Director till November 08, 2020.*

#Mr. Ketan Mehta was appointed as an Additional Non-Executive & Non-Independent Director of the Company with effect from December 29, 2020.

The Non-Executive Directors are entitled to sitting fees for attending the meetings of the Board of Directors and Committees thereof. Sitting fees paid to Non-Executive Directors are within the prescribed limits under the Act and as determined by the Board of Directors from time to time.

Shareholding of the Directors:

Details of Number of Equity Shares held by the Directors as on March 31, 2021 are stated below:

| Name of the Director | No. of Equity Shares Held |
|----------------------|---------------------------|
| Mr. S. Sandilya | 26,000 |
| Mr. Ashank Desai | 3,329,552 |
| Mr. Ketan Mehta | 2,274,100 |
| Ms. Priti Rao | 29,600 |
| Mr. Atul Kanagat | 9,600 |
| Mr. Rajeev Grover | NIL |
| Total | 5,668,852 |

e) Details of Remuneration Paid to Vice - Chairman & Managing Director:

The Remuneration paid to Mr. Sudhakar Ram (late) / Mr. Ashank Desai, Vice-Chairman & Managing Director, is given in Notes to Accounts. The relevant details are as follows:

| (Amount in ₹) | | | |
|---------------|--|---|---|
| Sr. No. | Particulars of Remuneration | Mr. Sudhakar Ram (late) (Upto November 08, 2020) | *Mr. Ashank Desai (w.e.f. November 08, 2020) |
| 1. | Gross salary | 5,182,919 | 7,962,431 |
| 2. | Stock Option | 0 | 0 |
| 3. | Sweat Equity | 0 | 0 |
| 4. | Commission | 0 | 0 |
| 5. | Others, please specify (Perquisites) | 26,400 | 16,500 |
| 6. | Contribution to Provident Fund & Other Fund | 515,797 | 0 |
| 7. | Performance Bonus – For Previous year, paid during the year under review | 1,500,000 | 0 |
| | Total | 7,225,116 | 7,978,931 |

**Paid during the Financial Year 2021-22.*

f) Details of Remuneration paid to Group CEO:

Mr. John Owen has been paid Remuneration aggregating to GBP 541,507 (equivalent ₹ 56,182,739) including all the allowances, perquisites and incentives. .

REPORT ON CORPORATE GOVERNANCE

• Stakeholders Relationship Committee

Stakeholders Relationship Committee currently comprises 2 (two) Non - Executive Directors and 1 (one) Executive Director. The Chairman of the Committee is Non - Executive and Independent Director. The Role, Powers and Functions of the Committee are in accordance with the Regulation 20 (Clause B of Part D of Schedule II) of the SEBI Listing Regulations and Section 178 of the Act, besides other terms as referred by the Board of Directors.

The Chairman of the Committee was present at the 38th Annual General Meeting of the Company held on October 29, 2020 to respond to the queries of the members with respect to functioning of the Stakeholders Relationship Committee.

This Committee deals with stakeholder relations and grievances raised by the investors in a timely and effective manner and to the satisfaction of investors. The Committee oversees performance of the Registrar and Share Transfer Agents of the Company relating to investor services and recommends measures for improvement. All the recommendations of the Committee have been accepted by the Board during the year under review.

The particulars of Meetings held and attended by Members during the year under review are given herein. The requisite quorum was present in all Meetings.

| Name of Director | No. of Meetings | | Dates of Meeting |
|--------------------------|-----------------|----------|------------------|
| | Held | Attended | |
| Mr. S. Sandilya | 4 | 4 | June 12, 2020 |
| Mr. Ashank Desai | 4 | 4 | July 29, 2020 |
| Mr. Atul Kanagat | 4 | 4 | October 26, 2020 |
| *Mr. Sudhakar Ram (late) | 3 | 3 | January 29, 2021 |

**Mr. Sudhakar Ram (late), ceased to be member of the Committee with effect from November 08, 2020 due to his demise.*

Due to the exceptional circumstances caused by the COVID-19 pandemic all Committee meetings in Financial Year 2021 were held through Video Conferencing.

GCEO / GCFO and Legal Head also attend the Committee meetings as permanent invitees and Mr. Dinesh Kalani - Company Secretary acts as Secretary to the Committee.

The broad terms of reference of the Stakeholder Relationship Committee, as approved by the Board and amended from time to time, includes the following:

- The committee shall meet at least once in a year.
- The Chairperson of the committee shall be a non-executive director and at least one being an independent director, shall be member of the Committee;
- To resolve the grievances of the security holders including complaints related to transfer/ transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of split/duplicate share certificates for shares reported lost/ defaced/ destroyed, as per the laid down procedure and to authorise the Company Secretary and Registrar and Share Transfer Agent to attend to such matters;
- To review the measures taken by the Company for effective exercise of voting rights by members;
- To review adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent (RTA);
- To review measures / initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the members of the Company;
- To issue and allot shares on exercise of vested Stock options by Employees under various ESOP Schemes, subject to completion of necessary formalities;
- To issue and allot right shares/bonus shares pursuant to a Rights / Bonus Issue subject to such approvals as may be required;
- To approve and monitor dematerialisation / rematerialization of shares and all matters incidental thereto and authorise the Company Secretary and Registrar and Share Transfer Agent to attend to such matters;
- All other matters incidental or related to issued / outstanding securities of the Company; and
- Carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notifications/amendments as may be applicable.

REPORT ON CORPORATE GOVERNANCE

The status of Members' complaints received and resolved by the Registrar & Transfer Agent during the Financial Year is given below:

| Status | No. of complaints |
|--------------------------|-------------------|
| As on April 01, 2020 | Nil |
| Received during the year | 3 |
| Resolved during the year | 3 |
| As on March 31, 2021 | Nil |

During the year under review, the Company has received requests / queries / complaints from Shareholders / Investors relating to no receipt of declared dividend / shares certificates / annual report, change of bank account details / address, transfer / transmission of shares / rematerialization / dematerialisation, buyback of equity shares etc. The same were addressed and resolved by the Company. The detail is provided in Shareholders' Information section of this Report. As on March 31, 2021, no complaint was pending for redressal.

- Corporate Social Responsibility (CSR) Committee**

Corporate Social Responsibility Committee comprises 2 (two) Non-Executive Directors and 1 (one) Executive Director. The Chairperson of the Committee is Non-Executive and Independent Director. The Role, Powers and Functions of the Committee are in accordance with the Section 135 of the Act and rules framed under Schedule VII as applicable, besides other terms as referred by the Board of Directors.

The Chairperson of the Committee was present at the 38th Annual General Meeting of the Company held on October 29, 2020 to respond to the queries of the members with respect to functioning of the CSR Committee.

The role of CSR Committee includes formulating and recommending to the Board, the CSR Policy and activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities of the Company, reviewing the performance of Company in the areas of CSR. All the recommendations of the Committee have been accepted by the Board during the year under review.

The particulars of Meetings held and attended by Members during the year under review are given herein. The requisite quorum was present at the Meeting.

| Name of Director | No. of Meetings | | Dates of Meeting |
|--------------------------|-----------------|----------|------------------|
| | Held | Attended | |
| Ms. Priti Rao | 1 | 1 | June 11, 2020 |
| Mr. Ashank Desai | 1 | 1 | |
| *Mr. Sudhakar Ram (late) | 1 | 1 | |
| #Mr. Rajeev Grover | NA | NA | |

**Mr. Sudhakar Ram (late), ceased to be member of the Committee with effect from November 08, 2020 due to his demise.*

Mr. Rajeev Grover was appointed as a Member of the Committee, with effect from February 01, 2021.

Due to the exceptional circumstances caused by the COVID-19 pandemic all Committee meetings in FY 2021 were held through Video Conferencing.

GCEO / GCFO / GCPO / Legal Head also attend the Committee meetings as permanent invitees and Mr. Dinesh Kalani - Company Secretary acts as Secretary to the Committee.

The terms of reference of the Corporate Social Responsibility Committee, as approved by the Board and amended from time to time, are as follows:

- Review the existing Corporate Social Responsibility Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- Decide CSR projects or programmes or activities to be taken up by the Company;
- Place before the board the CSR activities proposed to be taken up by the Company for approval each year;
- Oversee the progress of the initiatives rolled out under this policy on half yearly basis;
- Define and monitor the budgets for carrying out the initiatives;

REPORT ON CORPORATE GOVERNANCE

- f. Submit a report to the Board of Directors on all CSR activities during the financial year;
- g. Monitor and review the implementation of the CSR policy;
- h. To recommend annual action plan to Board of Directors of the Company in pursuance to the CSR policy and any modification as may be required;
- i. To undertake impact assessment, if required through an independent agency as per the requirements of Companies Act, 2013 and CSR rules made thereunder; and
- j. To ensure the compliance of Section 135 read with Schedule VII of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and subsequent amendments thereto.

The details of the CSR initiatives as per the CSR Policy of the Company forms part of the CSR Section in the Annual Report. The CSR Policy of the Company has been uploaded on the Company's website and can be accessed at: <https://www.mastek.com/corporate-governance>

• Risk Management & Governance Committee

Risk Management & Governance Committee comprises 1 (one) Executive / Non- Independent Director and 2 (two) Non-Executive / Independent Directors.

The name of the Governance Committee has been renamed to Risk Management & Governance Committee effective April 01, 2021 as the committee is also looking after the Risk Management functions as required under the SEBI Regulations in addition to Governance functions. The forming of Risk Management Committee is now applicable to the Company effective April 01, 2021 under the SEBI Regulations.

Board of the Company has not formed any separate Risk Management Committee but renamed the Governance Committee as Risk Management & Governance Committee as it has been reviewing the Risk Management aspects already as a part of its terms of reference.

The Risk Management & Governance Committee administers compliance of various applicable Policies, Procedures, Statutes, Corporate Policies and Business Governance Practices including Wholly Owned Subsidiaries and Offshore Legal Compliances and framework of the Enterprise Risk assessment including cyber security, business continuity plan, etc.

The particulars of Meetings held and attended by Members during the year under review are given herein. The requisite quorum was present in all Meetings.

| Name of Director | No. of Meetings | | Dates of Meetings |
|-------------------|-----------------|----------|--------------------------------------|
| | Held | Attended | |
| Mr. Ashank Desai | 4 | 4 | June 08, 2020 |
| Ms. Priti Rao | 4 | 4 | July 22, 2020 |
| Mr. Rajeev Grover | 4 | 4 | October 28, 2020 January 28, 2021 |

Due to the exceptional circumstances caused by the COVID-19 pandemic all Committee meetings in Financial Year 2021 were held through Video Conferencing.

Executive Leadership Team and Legal head also attend the Committee meetings as permanent invitees and Mr. Dinesh Kalani - Company Secretary acts as Secretary to the Committee.

The terms of reference of the Risk Management & Governance Committee, as approved by the Board and amended from time to time, are as follows:

- a. To develop and review a set of Corporate Governance principles, policies and

processes for Group Entities in order to improve monitoring and ongoing business related concerns;

- b. To review plans / status / concerns on Internal Information Security and Technology Information Services department including cyber security issues;
- c. To review physical Infrastructure Planning and Crisis Management;
- d. To develop norms for evaluation of the Board / Directors / Chairperson / Committees and to recommend the areas of training needed for Board members;

REPORT ON CORPORATE GOVERNANCE

- e. To review Risk Management, its framework and related matters and also the Business Continuity Plan, Disaster Recovery Plan, Client Satisfaction Survey, Employee Satisfaction Survey activities, etc.;
- f. To review ongoing legal compliances, court cases and any business/legal dispute related matters with stakeholders;
- g. All other matters incidental or related to the above issues; and
- h. Carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notifications / amendments as may be applicable.

The Committee reviewed the risk management framework and its operation and risk heat maps and deliberated over the mitigation plans for key risks. More details on the key risks and mitigation actions in respect thereto are provided in the Management Discussion and Analysis Report.

POLICIES, AFFIRMATIONS AND DISCLOSURES

Code of Conduct for Directors and Senior Management

The Company has prescribed a “Code of Conduct for Directors and Senior Management” of the Company. The said code is available on the website of the Company at web link <https://www.mastek.com/corporate-governance> where it can be accessed. The Code lays down the Code of Conduct which is expected to be followed by the Directors and the Senior Managerial Personnel in their business dealings and in particular on matters relating to integrity at work place, in business practices and in dealing with Stakeholders. The declarations with regards to its compliance have been received for the year under review from all the Board Members and Senior Management Personnel. There were no material financial and commercial transactions, in which Board Members or Senior Management Personnel had personal interest, which could lead to potential conflict of interest with the Company during the year.

Managing Director declares that the members of the Board of Directors and Senior Managerial Personnel have affirmed Compliance with the Code during the Financial Year under review and is annexed to this report as “Annexure A”.

Vice Chairman & Managing Director and Vice President - Finance Certification

In terms of Regulation 17(8) of the SEBI Listing Regulations, the Vice Chairman & Managing Director and Vice President – Finance made a certification to the Board of Directors in the prescribed format for the year under review, which has been reviewed by the Audit Committee and taken on record by the Board and is annexed to this report as “Annexure B”.

Disclosures by Board Members & Senior Management

The Board Members and Senior Management Personnel make disclosures to the Board periodically regarding

- their dealings in the Company’s shares; and
- all material, financial and commercial and other transaction with the Company;

where they have personal interest, stating that the said dealings and transactions, if any, have no potential conflict with the interests of the Company at large.

In accordance with the provisions of Regulation 26(6) of SEBI Listing Regulations, the Key Managerial Personnel, Director(s), Promoter(s) and Employees including Senior Managerial Personnel of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any member or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

Compliance Certificate on Corporate Governance

Mr. Prashant Mehta, proprietor of P. Mehta and Associates, Practising Company Secretaries has provided Certificate on Corporate Governance as stipulated under Schedule V of the SEBI Listing Regulations and is annexed to this report as “Annexure C”.

Certificate from Practising Company Secretary

The Company has received certificate as required under Part C of Schedule V of the SEBI Listing Regulations from Mr. Prashant Mehta, proprietor of P. Mehta and Associates, Practising Company Secretaries, confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the SEBI / Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on April 28, 2021 and is set out as “Annexure D” to this Report.

REPORT ON CORPORATE GOVERNANCE

Related Party Transactions

All the transactions entered into with Related Parties as defined under the Act and Regulation 23 of the SEBI Listing Regulations during the Financial Year were in the ordinary course of business and on an arm's Length basis or fair value basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with Related Parties during the Financial Year. Related Parties transactions have been disclosed under the notes forming part of the financial statements in accordance with Indian Accounting Standard (Ind AS-24). A statement in summary form of transactions with Related Parties in ordinary course of business and on an arm's length basis is periodically placed before the Audit Committee for review and recommend to the Board for their approval.

As required under Regulation 23(1) of the SEBI Listing Regulation, the Company has the policy on dealing with Related Party Transactions. None of the transactions with Related Parties was in conflict with the interest of the Company. The policy has been uploaded on the website of the Company and can be accessed at web link <https://www.mastek.com/corporate-governance>

The Register under Section 189 of the Act is maintained and particulars of the transactions have been entered in the Register, as applicable.

Material Subsidiary Companies

Mastek (UK) Limited and Trans American Information Systems, Inc. Wholly Owned Subsidiaries of the Company are 'material subsidiaries' under provisions of law. As a good corporate governance practice and as stipulated under SEBI Listing Regulations, Company has appointed one Independent Director on the Board of each of these Wholly Owned Subsidiaries.

Based on the criteria of Material Subsidiary, one more subsidiary namely Evolutionary Systems Company Limited of UK, shall now fall under the criteria and has become a material subsidiary, and accordingly the Company is in the process of appointing an Independent Director in the said Company in the current Financial Year.

The Company monitors performance of its subsidiaries, inter-alia, by the following means:

- The Financial Statements, in particular, investments made by the 'unlisted subsidiary companies' are reviewed by the Audit Committee of the Company.
- The Minutes of the Board Meetings of the subsidiary companies are placed before the Board Meeting of the Company.

- The details of any significant transactions and arrangements entered into by the unlisted subsidiary companies are placed before the Board Meeting of the Company.
- The Company has its Senior Managerial Personnel on the Board of Directors of its subsidiary companies.
- The Senior Managerial Personnel of respective subsidiaries apprise on quarterly basis to the Corporate Board / Committee

As required under Regulation 16 of the SEBI Listing Regulations, the Company has formulated a Policy for determining 'material subsidiary'. The Company has posted "Policy for determining 'material subsidiary'" on the website of the Company viz; www.mastek.com. The web link of Policy for determining 'material subsidiary'; <https://www.mastek.com/corporate-governance>.

Disclosure of Accounting Treatment in preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed U/s 133 of the Act which became applicable to the Company w.e.f. April 01, 2017.

Disclosure on compliance with Corporate Governance Requirements specified in Listing Regulations

The Company has complied with the requirements of Part C (Corporate Governance Report) of Sub-Paras (2) to (10) of Schedule V of the SEBI Listing Regulations. The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the SEBI Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance Report.

Legal Compliance Reporting

The Board of Directors reviews in detail, on a quarterly basis, the report of compliance with respect to all laws and regulations applicable to the Company. The Company has developed a very comprehensive Legal Compliance System. The process of compliance reporting is fully automated, using the Third party compliance tool. System-based alerts are generated until the user submits the monthly compliance report, with provision for escalation to the higher-ups in the hierarchy. Any non-compliance is seriously taken up by the Board, with fixation of accountability and reporting of steps taken for rectification of non-compliance.

REPORT ON CORPORATE GOVERNANCE

Vigil Mechanism / Whistle Blower Policy

In staying true to its values of Strength, Performance and Passion and in line with its vision of being one of the most respected Companies in India, the Company is committed to high standards of Corporate Governance and Stakeholder responsibility. The Company has a Whistle Blower Policy to deal with instances of fraud and mismanagement, leakage, of Unpublished Price Sensitive Information (UPSI), etc. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns raised by any stakeholder and also that, no discrimination will be meted out to any person for a genuinely raised concern. Pursuant thereto, a dedicated hotline is provided which can be directly reached and any Whistle Blower's complaint can be registered. Calls to the Hotline during work hours will be directed by the Operator to any of the Ombudspersons or Compliance Committee members, as desired by the caller. Complainants can also raise their concern through E-mails to the Ombudspersons or Compliance Committee members or Chairperson of Audit Committee (if the complaint is against a Director or by a Director). If, for any reason, the complainant does not wish to write to any of these entities, he / she can write an E-mail at whistleblower@mastek.com.

No personnel were denied access to the Audit Committee of the Company with regards to the above.

There was one (1) complaint received during the year, which was duly investigated and found to be non material in nature and was disposed off without any action as none of the allegations were found to be true.

Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has in place an effective mechanism (Formed Internal Complaints Committee with external member) for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the Financial Year 2020–21 are as under:

- Number of complaints filed during the financial year: **NIL**
- Number of complaints disposed of during the financial year: **NIL**
- Number of Complaints Pending at the end of the financial year: **NIL**

Code for Prevention of Insider Trading Practices

The Company has adopted a Code of Regulating, Monitoring and Reporting of trading by Designated Persons (Insider Trading Code) under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SEBI Insider Trading Regulations) which inter alia includes Policy for determination of "Legitimate Purpose" and "Code of Fair Disclosure". The same has been uploaded on website of the Company and can be accessed through the following link <https://www.mastek.com/corporate-governance>. In accordance with the SEBI Insider Trading Regulations, the Company has established systems and procedures to prohibit insider trading activity.

The Insider Trading Code has been formulated to regulate, monitor and ensure reporting of trading by the Designated Persons and their immediate dependent relatives towards achieving compliance with the Regulations and is designed to maintain the highest ethical standards of trading in Securities of the Company by persons to whom it is applicable. The Code lays down Guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with securities of the Company and cautions them of the consequences of violations. During the year under review, the Insider Trading Code was amended in line with the amendments brought in the Regulations by SEBI.

The Company has set forth procedures and implementation of the Code for trading in Company's securities. PAN based online tracking mechanism for monitoring of the trade in the Company's securities by the "Designated Employees" and their immediate dependent relatives has also been put in place to ensure real time detection and taking appropriate action, in case of any violation / non-compliance of the Company's Insider Trading Code.

Directors and Designated Persons of the Company provides disclosure on an annual basis about the number of shares held by them in the Company and by their immediate dependent relatives. Further, they also declare that they have not traded in the shares of the Company based on the UPSI and on buying / selling any number of shares, they have not entered into an opposite transaction i.e. sell / buy during the six months from the date of erstwhile transaction as per the provisions of the Code.

The Company is in the process of upgrading the web based platform to ensure compliance with the provisions of the Company's Insider Trading Code so as to manage, monitor, track and report the dealings in equity shares of the Company by the designated insiders, if any, during the trading window closure period or without prior approvals. The Compliance Officer and the management conducted trainings and workshops with the Designated Person(s) to create awareness on various aspects of the Prevention of Insider Trading Code and the SEBI Insider Trading Regulations and to ensure that the internal controls are adequate and effective to ensure compliance.

REPORT ON CORPORATE GOVERNANCE

The Audit Committee reviews cases of non-compliances, if any, and makes necessary recommendations to the Board to ensure such non-compliances are not repeated and necessary remedial action is taken. The said non-compliances, if any, will be promptly intimated to exchanges in prescribed format.

Dividend Distribution Policy

To bring transparency in the matter of declaration of dividend and to protect the interests of investors, the Company has adopted the Dividend Distribution Policy. The Policy is in line with Regulation 43A of the SEBI Listing Regulations and the Act which has been displayed on the Company's website, www.mastek.com and is also available in the Director's Report which forms part of the Annual Report.

Details of preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the SEBI Listing Regulations

The Company has not raised funds through preferential allotment or qualified institutional placement during the year under review, except from its employees under the ongoing ESOP plans.

Total fees for all services paid or payable to the Statutory Auditors by the Company and its Subsidiaries for the Financial Year 2020-21

Total fees paid or payable by the Company and its Subsidiaries on a consolidated basis, to the Statutory Auditor viz. M/s. Walker Chandio & Co. LLP, Chartered Accountants, Firm Registration No. 001076N / N500013 and all entities in the network firm / network entity of which the Statutory Auditors is a part, are as follows:

| Particulars | Amount in ₹ |
|---------------------------|-------------------|
| Audit Fees | 20,500,000 |
| Other Services | 200,000 |
| Reimbursement of expenses | 150,000 |
| Total | 20,850,000 |

Disclosure in relation to recommendation made by any Committee which was not accepted by the Board.

During the year under review, there were no such recommendations made by any Committee of the Board that were mandatorily required and not accepted by the Board.

Changes amongst Directors

Details of changes in Directors are provided in the Board Report under 'Board of Directors and Key Managerial Personnel' section.

Management Discussion & Analysis

Management Discussion & Analysis Section forms part of the Annual Report and annexed elsewhere in this Report.

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with all requirements specified under the SEBI listing Regulations as well as other Regulations and guidelines of SEBI. No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the SEBI or by any statutory authority on any matters related to capital markets during the last 3 (three) years.

Compliance Report on Discretionary Requirements under Regulation 27(1) Of SEBI Listing Regulations

Among the adoption of Non-Mandatory / Discretionary requirements as per Part E of Schedule II to SEBI Listing Regulations, the Company has complied with the following:

- **The Board** - As per para A of Part E of Schedule II of SBI Listing Regulations, the Chairman being a Non-Executive and Independent Director has his own office. However, an office is made available for his use, if required by him, during his visit to the Company for attending meetings. The Non-Executive Chairman is not related to the Managing Director / Promoter of the Company.
- **Members Rights** - Quarterly results are subjected to limited review by Statutory Auditors and are generally published in the Financial Express (Mumbai English edition), Mumbai Lakshdeep (Mumbai Marathi edition) and Financial Express (Ahmedabad Gujarati edition) having wide circulation. The quarterly unaudited results along with the press releases are made available on the website of the Company ([https:// www.mastek.com/financial-information](https://www.mastek.com/financial-information)). The Company also holds the Analyst meet every quarter after declaration of financial results and answers the questions raised by the participants. Other information relating to Shareholding Pattern, compliance with the requirements of Corporate Governance, Investor Grievances, Reconciliation of Capital, etc. are uploaded on BSE / NSE websites. Separate Half-yearly financial performance report, however, has not been sent to each Member.
- **Modified opinion(s) in Audit Report** - The Auditors have issued an un-modified opinion on the financial statements for the Financial Year 2020-21 of the Company.
- **Separate posts of Chairman and Chief Executive Officer (CEO)** - The position of Chairman and Managing Director / CEO is bifurcated in the Company. An Independent Non-Executive Chairman heads the Board. Managing Director is separate position.

REPORT ON CORPORATE GOVERNANCE

- **Reporting of Internal Auditor** - The Internal Auditor reports directly to the Audit Committee, attends the Audit Committee meetings, and interacts directly with the Audit Committee members.

Website

The Company has its own functional website www.mastek.com as required by the SEBI Listing Regulations, where information about the Company, quarterly and Annual Audited Financial Results, Annual Reports, distribution of shareholding at the end of each quarter, official press releases, and information required to be disclosed under Regulation 30 and 46 of the SEBI Listing Regulations, etc. are regularly updated. All material events / information relating to the Company that could influence the market price of its securities or investment decisions are disclosed timely to the Stock Exchanges as per the Company's Policy on determination of materiality of events framed under the SEBI Listing Regulations. All

disclosures under this policy are also displayed on the Company's website and hosted for a minimum period of 8 years and thereafter as per the Archival Policy of the Company. The Policy on determination of materiality of events and Archival Policy of the Company is available on the Company's website at web link <https://www.mastek.com/corporate-governance>.

The Company actively communicates its Strategy and the Developments of business to the financial markets. The Senior Executives of the Company along with Company's investor relations advisor viz. M/s. Christensen Investor Relations (I) Private Limited (Christensen) regularly meet the analysts every quarter to brief the financial position after publication of the same. The Press release, analysts' conference calls are organized by M/s. Christensen. Discussions in such meetings are always limited to information that is already in the public domain. Please access the homepage at <http://www.mastek.com> and register yourself for regular updates.

GENERAL BODY MEETINGS

a. Details of location, time, date and special resolutions passed during the last 3 (three) years:

| Financial Year | Date | Time | Location | Special Resolutions Passed |
|----------------|------------------|------------|--|--|
| 2019-20 | October 29, 2020 | 5.30 P.M. | Through Video Conferencing Deemed Location: Registered office of the Company | <ul style="list-style-type: none"> • Re-appointment of Mr. Sudhakar Ram as a Whole Time Director Designated as Vice - Chairman & Managing Director for a period of 5 years from July 01, 2020 up to June 30, 2025 and remuneration to be paid to him. • Enabling Resolution for payment of Remuneration to Mr. S. Sandilya (DIN: 00037542), Chairman (Non-Executive) & Independent Director in excess of the limits prescribed under SEBI Regulations. • Enabling Resolution for giving loans and guarantees and make investment in securities (up to ₹ 1,000 Crs.). • Enabling Resolution for Creation of Charge / Mortgage on the Assets of the Company, both present and future (up to ₹ 750 Crs.) • Enabling Resolution for borrowings to be made by the Company (up to ₹ 750 Crs.) |
| 2018-19 | July 23, 2019 | 11.00 A.M. | Ahmedabad Management Association, H.T. Parekh Hall, Ahmedabad-380015 | <ul style="list-style-type: none"> • Re-appointment of Mr. S. Sandilya, (DIN: 00037542) as Non-Executive Independent Director of the Company to hold office for a second term of 5 consecutive years i.e. from April 01, 2019 to March 31, 2024, even after attaining the age of 75 years. • Re-appointment of Ms. Priti Rao (DIN: 03352049) as Non-Executive Independent Director of the Company to hold office for a second term of 5 consecutive years i.e. from April 01, 2019 to March 31, 2024. • Re-appointment of Mr. Atul Kanagat (DIN: 06452489) as Non-Executive Independent Director of the Company to hold office for a second term of 5 consecutive years i.e. from April 01, 2019 to March 31, 2024. |

REPORT ON CORPORATE GOVERNANCE

| Financial Year | Date | Time | Location | Special Resolutions Passed |
|----------------|---------------|-----------|--|--|
| 2017-18 | July 19, 2018 | 11.00 A.M | Ahmedabad Management Association, H.T. Parekh Hall, Ahmedabad-380015 | <ul style="list-style-type: none"> Payment of Profit related Commission to Non-Executive Directors including Independent Directors for a period of five financial years commencing from April 01, 2018 to March 31, 2023. Payment of Certain Benefits/Perquisites to Mr. Ashank Desai- Non-Executive Director for a period of three (3) years effective from July 01, 2018 to June 30, 2021. |

All the resolutions as set out in the notices were passed with requisite majority by the Members of the Company.

b. Details of Resolution passed through Postal ballot, the person who conducted the postal ballot exercise and details of the voting pattern:

During the year under review, no resolution has been passed through the exercise of postal ballot.

c. Extra Ordinary General Meeting

There was no Extra Ordinary General Meeting held during the Financial Year 2020-21.

MEANS OF COMMUNICATION WITH MEMBERS

- a. Quarterly / Half-yearly / Annual results subject to Limited Review / Audit Report by Statutory Auditors are generally published in the Financial Express (in English) and Mumbai Lakshadeep (in Marathi) at Mumbai and in Financial Express, Ahmedabad (in Gujarati). These along with the Press Releases and Presentation to Analysts are made available on the website of the Company at <https://www.mastek.com/financial-information>. Other information relating to Shareholding Patterns, compliance with the requirements of corporate governance etc. are uploaded on BSE/NSE Portals and on Mastek's website at <https://www.mastek.com/investor-information>.
- b. Official Press releases and transcripts of conference calls with the analysts after the quarterly results are displayed on the Company's website at <https://www.mastek.com/financial-information>. The Company has disclosed and complied with all the mandatory requirements as stipulated under SEBI Listing Regulations. The details of these compliances have been given above in the relevant sections of this report.
- c. The Presentations, intimations of analyst or institutional investors meet are also uploaded on the Company's website at <https://www.mastek.com/investor-information> as well as sent to the Stock Exchanges. No unpublished price sensitive information or future financial projections are discussed in presentations made to institutional investors and financial analysts.
- d. NSE Electronic Application Processing System (NEAPS) and BSE's Listing Centre is a web-based application designed by NSE and BSE respectively for corporates and are used for periodical compliance filings like quarterly results, shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others and are filed electronically.
- e. SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATR) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Communication with the Members

- a. The unaudited quarterly / half-yearly and annual audited results are announced generally within 30 (thirty) days (or within extended time during the year under review) from the close of the quarter and financial year respectively, which is within the requirements of the SEBI Listing Regulations. The aforesaid financial results are sent to / uploaded on website of BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board. The results are thereafter given by way of a Press Release to various news agencies / analysts and are published within Forty-Eight hours in leading English and Gujarati/ Marathi daily newspapers.

REPORT ON CORPORATE GOVERNANCE

- b. The Annual audited financial statements form part of the Annual Report which is sent to the Members well, in advance of the Annual General Meeting. This year in view of the outbreak of COVID-19 pandemic and owing to the difficulties involved in dispatching of physical copies of Annual Report, the Ministry of Corporate Affairs ("MCA") has vide its circulars directed the Companies to send the Annual Report only by e-mail to all the Members of the Company. Therefore, the Annual Report for Financial Year 2021-22 and Notice of 39th Annual General Meeting of the Company is being sent to the Members at their registered e-mail addresses in accordance with MCA and SEBI Circulars.
- c. The Company also informs by way of intimation to BSE and NSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the Members including Press Release and Credit Ratings.
- d. The Annual Report of the Company, the quarterly / half yearly and the annual results and the press releases of the Company are also placed on the Company's website: <https://www.mastek.com/financial-information>.
- e. A separate dedicated section under Unpaid Dividends on the Company's website at <https://www.mastek.com/investor-information> gives information on unclaimed dividends and also equity shares transferred to IEPF Authority for those Members who had not claimed their unpaid dividend for last consecutive 7 (seven) years.

GENERAL SHAREHOLDER INFORMATION

| | | | | | | | | | | | |
|--------------------|---|---|--|---------------|----------------------------|--------------------|-------------------------------|-------------------|-------------------------------|----------------|---------------------------|
| a. | Corporate Identification Number (CIN) of the Company | : | L74140GJ1982PLC005215 | | | | | | | | |
| b. | International Securities Identification Number (ISIN) | : | INE759A01021 | | | | | | | | |
| c. | Registered Office | : | 804 / 805, President House, Opp. C. N. Vidyalaya, Near Ambawadi Circle, Ambawadi, Ahmedabad - 380006, Gujarat. | | | | | | | | |
| d. | Annual General Meeting | : | Tuesday, September 28, 2021 5.00 p.m. IST The Company is conducting meeting through Video Conference/ Other Audio Visual Means pursuant to the MCA Circulars and as such there is no requirement to have a venue for the AGM. For further details please refer to the Notice of ensuing Annual General Meeting. | | | | | | | | |
| e. | Date of Book Closure | : | Saturday, September 25, 2021 to Tuesday, September 28, 2021 (both days inclusive) | | | | | | | | |
| f. | Financial Year and Tentative Calendar | : | The Company follows April to March as the Financial Year Financial reporting for the quarters ending <table><tr><td>June 30, 2021</td><td>On or before July 30, 2021</td></tr><tr><td>September 30, 2021</td><td>On or before October 31, 2021</td></tr><tr><td>December 31, 2021</td><td>On or before January 31, 2022</td></tr><tr><td>March 31, 2022</td><td>On or before May 30, 2022</td></tr></table> | June 30, 2021 | On or before July 30, 2021 | September 30, 2021 | On or before October 31, 2021 | December 31, 2021 | On or before January 31, 2022 | March 31, 2022 | On or before May 30, 2022 |
| June 30, 2021 | On or before July 30, 2021 | | | | | | | | | | |
| September 30, 2021 | On or before October 31, 2021 | | | | | | | | | | |
| December 31, 2021 | On or before January 31, 2022 | | | | | | | | | | |
| March 31, 2022 | On or before May 30, 2022 | | | | | | | | | | |
| g. | Listing of Equity Shares on stock exchanges in India at | : | BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051. | | | | | | | | |
| h. | Scrip Code / Symbol | : | BSE – 523704 NSE – MASTEK | | | | | | | | |
| i. | Listing of Non-Convertible Debentures on stock exchanges in India at | : | Not Applicable | | | | | | | | |

REPORT ON CORPORATE GOVERNANCE

| | | | |
|----|---|---|--|
| j. | Debenture Trustee | : | Not Applicable |
| k. | ISIN for Debentures | : | Not Applicable |
| l. | Listing Fees to Stock Exchanges and Annual Custody Fees to Depositories | : | The Company has paid the annual listing fees for the Financial Year 2021-2022 to the Stock Exchanges where the Company's shares are listed. The Company has also paid the Annual Custodial Fees for the Financial Year 2021-22 to both the depositories namely National Securities Depository Limited and Central Depository Services (India) Limited. |
| m. | Capital Structure | : | |
| | Authorised Capital | : | Equity ₹ 200,000,000 (40,000,000 Equity shares of ₹ 5 each) |
| | | : | Preference ₹ 200,000,000 (20,00,000 Preference shares of ₹ 100 each) |
| | Issued, Subscribed and Paid-up Capital | : | ₹ 126,164,445 (25,232,889 Equity Shares of ₹ 5 each) |

Distribution of Shareholding as on March 31, 2021.

| Range no. of shares | 2021 | | | | 2020 | | | |
|---------------------|---------------------|---------------|-------------------|---------------|---------------------|---------------|-------------------|---------------|
| | Shareholder Numbers | % | No. of shares | % | Shareholder Numbers | % | No. of shares | % |
| 1 – 500 | 41,785 | 95.34 | 2,334,704 | 9.25 | 19,553 | 90.19 | 1,612,436 | 6.64 |
| 501 – 1000 | 1,048 | 2.39 | 794,323 | 3.15 | 1,135 | 5.24 | 855,782 | 3.52 |
| 1001 – 5000 | 774 | 1.77 | 1,578,933 | 6.26 | 759 | 3.50 | 1,567,447 | 6.45 |
| 5001 – 10000 | 92 | 0.21 | 690,724 | 2.74 | 98 | 0.45 | 719,892 | 2.96 |
| 10001 – above | 128 | 0.29 | 19,834,205 | 78.60 | 135 | 0.62 | 19,533,915 | 80.43 |
| TOTAL | 43,827 | 100.00 | 25,232,889 | 100.00 | 21,680 | 100.00 | 24,289,472 | 100.00 |

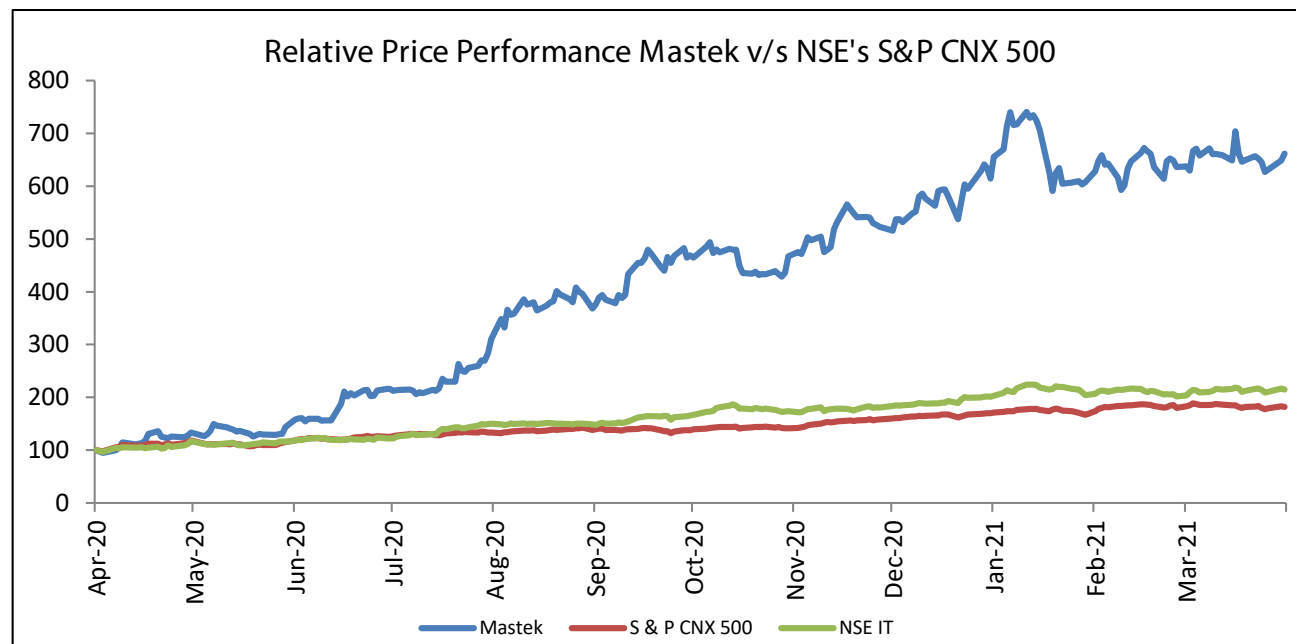
Monthly Volumes and Prices: Financial Year 2020-21

| Month and Year | BSE Limited | | | National Stock Exchange of India Limited | | |
|----------------|-------------|----------|--------------------------------|--|----------|--------------------------------|
| | High (₹) | Low (₹) | Volume (Total Traded Quantity) | High (₹) | Low (₹) | Volume (Total Traded Quantity) |
| April 2020 | 261.00 | 175.00 | 70,208 | 261.40 | 175.20 | 746,459 |
| May 2020 | 295.90 | 229.15 | 51,539 | 296.00 | 227.00 | 689,016 |
| June 2020 | 421.90 | 268.35 | 331,489 | 423.40 | 268.20 | 4,012,303 |
| July 2020 | 596.60 | 377.00 | 628,560 | 597.00 | 376.55 | 8,008,137 |
| August 2020 | 764.70 | 575.30 | 794,766 | 764.00 | 573.90 | 9,341,130 |
| September 2020 | 922.55 | 663.35 | 526,029 | 922.65 | 670.00 | 6,522,224 |
| October 2020 | 929.00 | 770.10 | 214,225 | 930.00 | 770.20 | 2,728,899 |
| November 2020 | 1,075.00 | 829.95 | 231,116 | 1,075.00 | 837.50 | 2,505,007 |
| December 2020 | 1,206.00 | 881.50 | 378,201 | 1,208.60 | 802.20 | 3,593,959 |
| January 2021 | 1,460.00 | 1,079.00 | 462,395 | 1,464.45 | 1,076.85 | 5,811,748 |
| February 2021 | 1,300.05 | 1,065.90 | 381,346 | 1,280.00 | 1,065.00 | 4,362,982 |
| March 2021 | 1,321.00 | 1,132.00 | 1,590,680 | 1,323.05 | 1,135.65 | 4,678,535 |

Source: BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com)

REPORT ON CORPORATE GOVERNANCE

Mastek Share Price Performance Versus NSE's S&P CNX 500



Note: Daily Closing Prices on the NSE have been considered for the comparison in above chart

Source: www.nseindia.com

In case the Securities of the Company are suspended from trading, the reasons thereof

The Securities of the Company are not suspended from trading on the stock exchanges.

Share Transfer System/ Unclaimed Dividend and other related matters

• Share Transfer System

SEBI has mandated that, effective April 01, 2019, no shares can be transferred in physical mode by the Company. Hence, the Company has stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail the facility of dematerialisation. Trading in equity shares of the Company is permitted only in dematerialised form.

During the year, the Company had obtained, on half-yearly basis, a certificate, from an Independent Company Secretary in Practice, certifying that all certificates have been issued within 30 (thirty) days of the date of lodgement of the transfer (for cases lodged prior to April 01, 2020), sub-division, consolidation and renewal as required under Regulation 40(9) of the SEBI Listing Regulations and filed a copy of the said certificate with the Stock Exchanges. Further, the Compliance Certificate under Regulation 7(3) of the SEBI Listing Regulations confirming that all activities in

relation to share transfer facility are maintained by Registrar and Share Transfer Agent registered with the Securities and Exchange Board of India is also submitted to the Stock Exchanges on a half yearly basis.

SEBI, vide its Circular No. SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated April 20, 2018, introduced a documented framework for streamlining and strengthening the systems and processes of RTAs, Issuer Companies and Bankers to an Issue with regards to handle and maintenance of records, transfer of securities and payment of dividend, as may be applicable. In the said Circular, SEBI has suggested measures to make the systems and processes among the RTAs, Issuer Companies and Bankers, more robust and transparent.

The said SEBI Circular, inter alia, provides for some key requirements like maintenance of dividend master file, reconciliation of dividend account(s), Updation of PAN and Bank mandates by the Members, wherever not available, System-Log(s), enhanced due diligence, etc. These changes suggested by SEBI in the share related functioning are forward looking and ensures that proper internal checks and controls are in place. The RTA has been handling these compliances within the applicable requirements of the Framework.

REPORT ON CORPORATE GOVERNANCE

- Nomination facility for Members**

As per the provisions of the Act, facility for making Nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain Nomination form, from the RTA of the Company. Members holding shares in dematerialised form should contact their Depository Participants (DP) in this regard.

- Details of Unpaid/ Unclaimed Dividend**

The following table provides dates on which unpaid / unclaimed dividend and their corresponding shares would become liable to be transferred to the IEPF Authority for Member's information.

| Particulars/ Financial year | Date of Declaration | Date of Payment | Tentative dates for transfer to IEPF Authority |
|-----------------------------------|-------------------------|-------------------------|--|
| Final Dividend 2013-2014 | July 23, 2014 | July 28, 2014 | August 28, 2021 |
| Interim Dividend 2014-2015 | January 22, 2015 | February 7, 2015 | February 27, 2022 |
| Final Dividend 2014-2015 | August 17, 2015 | August 28, 2015 | September 23, 2022 |
| 1st Interim Dividend 2015-2016 | January 14, 2016 | February 4, 2016 | February 19, 2023 |
| 2nd Interim Dividend 2015-2016 | March 12, 2016 | March 29, 2016 | April 17, 2023 |
| Interim Dividend 2016-2017 | October 18, 2016 | November 9, 2016 | November 23, 2023 |
| Final Dividend 2016-17 | June 22, 2017 | July 10, 2017 | July 28, 2024 |
| Interim Dividend 2017-18 | October 26, 2017 | November 15, 2017 | December 02, 2024 |
| Final Dividend 2017-18 | July 19, 2018 | July 31, 2018 | August 24, 2025 |
| Interim Dividend 2018-19 | October 25, 2018 | November 15, 2018 | November 30, 2025 |
| Final Dividend 2018-19 | July 23, 2019 | July 30, 2019 | August 28, 2026 |
| 1st Interim Dividend 2019-20 | October 17, 2019 | October 31, 2019 | November 22, 2026 |
| 2nd Interim Dividend 2019-20 | March 17, 2020 | March 30, 2020 | April 22, 2027 |
| 1st Interim Dividend 2020-21 | October 29, 2020 | November 24, 2020 | November 10, 2027 |

- Transfer of Concerned Equity Shares to Investor Education and Protection Fund Authority**

Pursuant to the provisions of Section 124 and 125 of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, and amendments made thereunder all the concerned shares in respect of which dividend had not been claimed or remained unpaid for 7 (seven) consecutive years or more had been transferred by the Company in the name of Investor Education and Protection Fund Authority ("IEPF Authority") in their Demat Account.

The List of shares already transferred to IEPF Authority is available on the website of the Company at web link <https://www.mastek.com/investor-information>. Email reminders were / are being sent to the Members who have not claimed their dividends and whose shares are due to be transferred to IEPF (in August 2020 & November

2020) in accordance with provisions of the Act and IEPF Rules made thereunder. In case the Members have any queries on the subject matter and the Rules, they may contact the Company's RTA.

The Members who have a claim on transferred dividends and shares, may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF- 5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF. No claims shall lie against the Company in respect of the dividend / shares so transferred. The Members / Claimants can file only one consolidated claim in a financial year as per the IEPF Rules. It is in the Members interest to claim any un-encashed dividends, and for future, to consider dematerialisation of their shares and opt for Automated Clearing House (ACH) mode, so that dividends paid by the Company are credited to the investor's account on time.

REPORT ON CORPORATE GOVERNANCE

- **Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account**

The Company does not have any demat Suspense Account, therefore as on March 31, 2021, there are no outstanding shares credited/ lying in the demat suspense account/ unclaimed suspense account.

- **Pending Investor Grievances**

Any Member / Investor, whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary at the Registered / Corporate Office (or email at investor_grievances@mastek.com) with a copy of the earlier correspondences and relevant supporting's for quick resolution.

- **Reconciliation of Share Capital Audit**

As required under Regulation 76 of the Securities & Exchange Board of India (Depositories and Participants) Regulation, 1996 as amended, quarterly audit of the Company's share capital is being carried out by Independent Company Secretary in Practice with a view to reconcile the total Share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Certificate in regard to the same has been submitted to BSE Limited and the National Stock Exchange of India Limited and is also placed before the Board of Directors.

- **Payment of Dividend through Automated Clearing House (ACH)**

The Company provides the facility for direct credit of the dividend to the Members Bank Account. The SEBI Listing Regulations also mandate Companies to credit the dividend to the Members electronically. Members are therefore urged to avail of this facility to ensure safe and speedy credit of their dividend into their Bank account through the Banks' "Automated Clearing House" mode. Members who hold shares in demat mode should inform their Depository Participant, whereas Members holding shares in physical form should inform the Company / RTA about of the core banking account details allotted to them by their bankers. In cases where the core banking details are not available with the Company, then the Company will issue demand draft first time mentioning the registered address / bank details to the concerned Members.

- **Green Initiatives for sending communication**

Company sent a communication through Annual Reports to all the Members requesting them to give their e-mail ID's to the Company / RTA (for physical shares held) and their Depository Participants (DPs), so that Annual report and other communications can be sent electronically to all the Members. Members, who have so far not informed the E-mail ID's to their DP's, are requested to do the same in the interest of environment.

Shareholding Pattern as at March 31, 2021

| Sr. No. | Category | 2021 | | 2020 | |
|--------------|---|-------------------|---------------|-------------------|---------------|
| | | No. of Shares | % of Holding | No. of Shares | % of Holding |
| 1 | Promoters | 11,183,660 | 44.32 | 10,953,660 | 45.10 |
| 2 | Financial Institutions / Mutual Funds / NBFC / Trusts & Banks | 3,027,997 | 12.00 | 3,620,299 | 14.91 |
| 3 | FII's | 1,642,034 | 6.51 | 1,506,004 | 6.20 |
| 4 | Bodies Corporate (Indian / Overseas) | 443,056 | 1.76 | 559,028 | 2.30 |
| 5 | Resident Individuals / HUF | 8,228,457 | 32.61 | 7,154,158 | 29.45 |
| 6 | NRIs / Foreign Nationals | 635,010 | 2.52 | 441,105 | 1.81 |
| 7 | Investor Education and Protection Fund Authority (IEPF) | 72,675 | 0.29 | 55,218 | 0.23 |
| Total | | 25,232,889 | 100.00 | 24,289,472 | 100.00 |

REPORT ON CORPORATE GOVERNANCE

Dematerialisation of Shares:

Details of Shares held in Physical & Electronic Mode

The Company has established connectivity with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for dematerialisation of shares and the same are available in electronic segment under ISIN: INE759A01021. Equity shares representing about 99.53% of total equity share capital are dematerialised as on March 31, 2021.

| As on Date | Status of Shares - Physical versus Electronic mode | | |
|----------------|--|---------------------|------------|
| | Physical | Electronic | Total |
| March 31, 2021 | 119,854 (0.47%) | 25,113,035 (99.53%) | 25,232,889 |
| March 31, 2020 | 134,731 (0.55%) | 24,154,741 (99.45%) | 24,289,472 |

SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018, amended Regulation 40 of the SEBI Listing Regulations pursuant to which after April 01, 2019, transfer of securities cannot be processed unless the securities are held in the dematerialised form with a depository.

List of Members other than Promoters holding more than 1% as on March 31, 2021.

| Sr. No. | Name of the Member | No. of shares held | % of Total Shareholding |
|---------|--|--------------------|-------------------------|
| 1. | IDFC Mutual Fund (through its various Schemes) | 878,437 | 3.48 |
| 2. | Abakkus Growth Fund-1 | 821,000 | 3.25 |
| 3. | Ashish Kacholia | 717,054 | 2.84 |
| 4. | Abakkus Emerging Opportunities Fund-1 | 621,943 | 2.46 |
| 5. | Consilium Extended Opportunities Fund L.P. | 370,090 | 1.47 |
| 6. | Hornbill Orchid India Fund | 365,014 | 1.45 |
| 7. | Mukul Agrawal | 313,000 | 1.24 |

Outstanding GDRs / ADRs / Warrants or any Convertible Instruments:

There are no outstanding GDRs / ADRs / Warrants except the Stock Options granted to the Employees of the Company and its Subsidiaries. However, the outstanding ESOP Options after vesting, when exercised, shall increase the Equity Share Capital of the Company to that extent.

Off-Shore Development Centres

In view of the nature of the Company's business viz. Information Technology (IT) Services the Company operates from various offices in India and abroad. The Company has Off-Shore Software Development Centers at SEEPZ - Mumbai, Millennium Business Park - Mahape, Pune and Chennai. The full address of the Company's centres / offices is available elsewhere in the Annual Report which includes offices of recently acquired entities of Evosys.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

Company is exposed to foreign exchange risk on account of import and export transactions entered. The Company is proactively mitigating these risks by entering

into commensurate hedging transactions with banks as per applicable guidelines and group risk management instructions. Please refer notes to the Financial Statements in this regard. The Company does not have any hedged exposure through Commodity derivatives. The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given for commodity hedging activities.

INVESTOR INFORMATION

Company Overview

The Company is an enterprise digital transformation specialist that engineers excellence for customers in UK, US, Middle East, Asia Pacific and India. It enables large scale business change programmes through its service offerings, which include Application Development, Oracle Suite & Cloud Migration, Digital Commerce, Application Support & Maintenance, BI & Analytics, Assurance & Testing and Agile Consulting. Whether it is creating new applications, modernising existing ones or recovering failing projects, Mastek helps enterprises to navigate the digital landscape and stay competitive. With digital solutions constituting major part of the business, Mastek is emerging as one of the leaders in Enterprise Digital

REPORT ON CORPORATE GOVERNANCE

Transformation space. Evosys – A Mastek company, is an Oracle Platinum partner and a leading Oracle Cloud implementation and consultancy company, serving 1,000+ Oracle Cloud customers across 30+ countries.

Evosys, a leading Oracle Cloud implementation and consultancy company, serving 1,000+ Oracle Cloud customers across 30+ countries, has added more capability, more capacity and more geographical reach across the globe for Mastek group. An Oracle Platinum partner, Evosys provides solution offerings like Oracle HCM Cloud, Oracle ERP Cloud, Oracle SCM Cloud, Oracle CX, Oracle EPM Cloud, PaaS solutions (including custom-built solutions), AI, IoT and machine learning. Evosys's diverse customer portfolio consisting of Government, Healthcare, Finance, Logistics, Manufacturing & Distribution organisations, is a testimony to the expertise

and leadership in Oracle Cloud implementation. Evosys was recognised for winning three 'Oracle Partner of the Year' Awards at Oracle OpenWorld 2019 and the 'Dream Employer of the Year' award from World HRD in 2019.

Mastek is well poised to be among the top providers of agile digital transformation solutions and a significant player within the digital transformation space in retail and financial services.

For more information please visit web site www.mastek.com (and/or the Investors section at <https://www.mastek.com/in/financial-information> or <https://www.mastek.com/in/investor-information>). Updated disclosures regarding corporate governance may also be accessed in the web site's Investors section at: <https://www.mastek.com/in/corporate-governance>.

Issue of Equity Shares History: Number of Shares

| Particulars | No. of shares/ Face value |
|--|-------------------------------|
| Prior to Initial Public offer | 2,397,000 shares of ₹ 10 each |
| Initial Public Offer in December, 1992 | 603,000 shares of ₹ 10 each |
| Issued under Employees' Stock Option Plan till 1995 | 56,640 shares of ₹ 10 each |
| Second Public Offer in March, 1996 | 400,000 shares of ₹ 10 each |
| Bonus Shares issued in January, 2000 (1:1) | 3,456,640 shares of ₹ 10 each |
| Adjusted the above in view of Sub-Division of shares of ₹ 10 each into two shares of ₹ 5 each in 2001. | 13,826,560 shares of ₹ 5 each |
| Issued under Employees' Stock Option Plans in Financial Years | |
| 2000-01 | 57,083 shares of ₹ 5 each |
| 2001-02 | 85,396 shares of ₹ 5 each |
| 2002-03 | 144,882 shares of ₹ 5 each |
| Buy-Back and Extinguishment of shares in Financial Year 2003-04 | 300,898 shares of ₹ 5 each |
| Issued under Employees' Stock Option Plans in Financial Year 2003-04 | 66,913 shares of ₹ 5 each |
| Buy-Back and Extinguishment of shares in Financial Year 2004-05 | 98,950 shares of ₹ 5 each |
| Issued under Employees' Stock Option Plans in Financial Year 2004-05 | 88,412 shares of ₹ 5 each |
| Bonus Shares issued in April, 2006 (1:1) | 14,054,594 shares of ₹ 5 each |
| Issued under Employees' Stock Option Plans in Financial Years | |
| 2005-06 | 213,642 shares of ₹ 5 each |
| 2006-07 | 326,547 shares of ₹ 5 each |
| 2007-08 | 76,115 shares of ₹ 5 each |
| Buy-Back and Extinguishment of shares in Financial Year 2007-08 | 915,714 shares of ₹ 5 each |
| Issued under Employees' Stock Option Plans in Financial Year 2008-09 | 19,293 shares of ₹ 5 each |
| Buy-Back and Extinguishment of shares in Financial Year 2008-09 | 744,381 shares of ₹ 5 each |
| Issued under Employees' Stock Option Plans in Financial Years | |
| 2009-10 | 44,443 shares of ₹ 5 each |
| 2010-11 | 7,250 shares of ₹ 5 each |
| 2011-12 | 75,000 shares of ₹ 5 each |
| Buy-Back and Extinguishment of shares in Financial Year 2012-13 | 2,388,000 shares of ₹ 5 each |

REPORT ON CORPORATE GOVERNANCE

| | |
|--|------------------------------|
| Issued under Employees' Stock Option Plans in Financial Year 2013-14 | 6,500 shares of ₹ 5 each |
| Buy-Back and Extinguishment of shares in Financial Year 2013-14 | 2,484,007 shares of ₹ 5 each |
| Issued under Employees' Stock Option Plans in Financial Years | |
| 2014-15 | 385,992 shares of ₹ 5 each |
| 2015-16 | 450,602 shares of ₹ 5 each |
| 2016-17 | 380,259 shares of ₹ 5 each |
| 2017-18 | 314,523 shares of ₹ 5 each |
| 2018-19 | 280,747 shares of ₹ 5 each |
| 2019-20 | 316,669 shares of ₹ 5 each |
| 2020-21 | 943,417 shares of ₹ 5 each |

Credit Rating

The Company enjoys a good reputation for its sound financial management and the ability to meet its financial obligations. During the year under review, ICRA Limited, a Credit Rating Agency, had reaffirmed the ratings assigned for the Bank facilities as [ICRA] A+ (Positive) rating for fund-based limits and [ICRA] A1+ for non-fund based limits for the Working Capital Facilities granted to the Company by its Bankers.

• Compliance Officer of the Company/ Address for Correspondence:

| Name | Dinesh Kalani, Company Secretary |
|----------------------------|---|
| Address for correspondence | Mastek Limited, #106/107, SDF-IV, SEEPZ, Andheri (East), Mumbai - 400 096 Phone No: + 91-22-6722-4200 Fax: +91-22-6695-1331 |
| E-mail | investor_grievances@mastek.com |

REPORT ON CORPORATE GOVERNANCE

“ANNEXURE A” TO REPORT ON CORPORATE GOVERNANCE

DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY BY THE BOARD OF DIRECTORS AND SENIOR MANAGERIAL PERSONNEL

To the Members of Mastek Limited,

In terms of Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the affirmations provided by the Board of Directors and Senior Managerial Personnel of the Company to whom Code of Conduct is made applicable, I declare that the Board of Directors and Senior Managerial Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year ended March 31, 2021.

Yours faithfully,

Ashank Desai

Vice - Chairman & Managing Director
(DIN: 00017767)

Date: April 28, 2021

Place: Mumbai

REPORT ON CORPORATE GOVERNANCE

"ANNEXURE B" TO REPORT ON CORPORATE GOVERNANCE

VICE - CHAIRMAN & MANAGING DIRECTOR AND VICE PRESIDENT- FINANCE CERTIFICATION

We the undersigned, in our respective capacities as Vice - Chairman & Managing Director and Vice President – Finance of Mastek Limited ("**the Company**") to the best of our knowledge and belief, certify that:

- 1) We have reviewed financial statements and the cash flow statement for the Financial Year ended March 31, 2021 and that to the best of our knowledge and belief, we state that:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, laws and regulations.
- 2) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or which violate the Company's Code of Conduct.
- 3) We hereby declare that, all Board of Directors and Senior Managerial Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.
- 4) We are responsible for establishing and maintaining Internal Controls for financial reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- 5) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
 - a) significant changes, if any, in internal controls over financial reporting during the year;
 - b) significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

This Certificate is being given to the Board pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Yours faithfully,

Ashank Desai

Vice - Chairman & Managing Director
(DIN: 00017767)

Arun Agarwal

Vice President - Finance

Date: April 28, 2021

Place: Mumbai

REPORT ON CORPORATE GOVERNANCE

“ANNEXURE C” TO REPORT ON CORPORATE GOVERNANCE

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Mastek Limited
804/805 President House,
Opp. C. N. Vidyalaya, Near Ambawadi Circle,
Ahmedabad, Gujarat – 380 006.

I have conducted online verification & examination, due to Covid 19 and subsequent lockdown situations for the purpose of issuing this certification for compliance of conditions of Corporate Governance by Mastek Limited (**‘the Company’**) for the Financial Year ended March 31, 2021, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D, and E of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Members of the Company.

The compliance of the conditions of Corporate Governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. My examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and representations made by the management, I certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated and is generally in compliance with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D, and E of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For P Mehta & Associates.
Practicing Company Secretaries

Prashant S Mehta
(Proprietor)
ACS No. 5814
C.P. No. 17341
UDIN: A005814C000264556
PR No. : 763/2020

Date: April 28, 2021
Place: Mumbai

REPORT ON CORPORATE GOVERNANCE

“ANNEXURE D” TO REPORT ON CORPORATE GOVERNANCE

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Mastek Limited
804/805 President House,
Opp. C. N. Vidyalaya, Near Ambawadi Circle,
Ahmedabad, Gujarat – 380 006.

Due to Covid – 19 and subsequent lockdown situations, I have conducted online verification and examination of the relevant registers, records, forms, returns and disclosures received from the Directors of Mastek Limited having CIN L74140GJ1982PLC005215 and having Registered Office at 804/805 President House, Opp. C. N. Vidyalaya, Near Ambawadi Circle, Ahmedabad, Gujarat – 380 006 (**‘the Company’**), for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status on the portal www.mca.gov.in) as considered necessary and explanation furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2021, have been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of the Director | DIN | Date of Appointment in the Company (as per the Ministry of Corporate Affairs Portal) |
|---------|--------------------------|----------|---|
| 1 | Mr. S. Sandilya | 00037542 | 19/01/2012 |
| 2 | #Mr. Sudhakar Ram (Late) | 00101473 | 04/10/1985 |
| 3 | Mr. Ashank Desai | 00017767 | 06/06/1982 |
| 4 | Mr. Ketan Mehta | 00129188 | 29/12/2020 |
| 5 | Ms. Priti Rao | 03352049 | 17/01/2011 |
| 6 | Mr. Atul Kanagat | 06452489 | 21/01/2013 |
| 7 | Mr. Rajeev Kumar Grover | 00058165 | 28/01/2020 |

Ceased to be a director of the Company with effect from November 08, 2020 due to his demise.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P Mehta & Associates.
Practicing Company Secretaries

Prashant S Mehta
(Proprietor)
ACS No. 5814
C.P. No. 17341
UDIN: A005814C000264556
PR No. : 763/2020

Date: April 28, 2021
Place: Mumbai





A Resilient Future: Driven by
Humane@Work



Business Responsibility Report





BUSINESS RESPONSIBILITY REPORT

With strong commitment towards an adherence on sustainability and sustainable best practices across the ecosystem, your Company is delighted to present herewith, the **Business Responsibility Report** for the Financial Year ended March 31, 2021. The reporting framework is based on 'National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business' (NVGs) released by the Ministry of Corporate Affairs, Government of India, which requires businesses to embrace 'Environmental, Social, Governance' perspective in a sustainable manner. The Report has been prepared as prescribed and in accordance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**").

This Report essentially includes responses to questions on the Company practices and performance on key principles defined by the Regulation, covering topics across environment, governance and stakeholder relationships.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| | | | |
|----|---|--|---|
| 1. | Corporate Identity Number (CIN) of the Company | L74140GJ1982PLC005215 | |
| 2. | Name of the Company | Mastek Limited | |
| 3. | Registered address | 804 / 805 President House, Opposite C. N. Vidyalaya, Near Ambawadi Circle, Ahmedabad – 380006, Gujarat. | |
| 4. | Website | www.mastek.com | |
| 5. | E-mail ID | investor_grievances@mastek.com | |
| 6. | Financial Year reported | 2020-21 | |
| 7. | Sector(s) that the Company is engaged in (industrial activity code-wise) | NIC Code | Product Description |
| | | 620 | Computer Programming, Consultancy and Related activities |
| 8. | List three key products / services that the Company manufactures / provides (as in balance sheet) | The Company's offering portfolio includes business and technology services comprising of Application Development, Application Maintenance, Business Intelligence & Data Warehousing, Testing & Assurance and Legacy Modernization. | |
| 9. | Total number of locations where business activity is undertaken by the Company | There are more than 30 locations all over. | |
| | a. Number of International Locations (Provide details of major 5) | Geographic Zones | Locations |
| | | United Kingdom | <ul style="list-style-type: none">• Reading• Leeds• Middlesex |
| | | United States of America and Canada | <ul style="list-style-type: none">• Dallas• Massachusetts• Chicago• Toronto |
| | | Middle East & North Africa | <ul style="list-style-type: none">• Dubai• Abu Dhabi• Egypt• Saudi Arabia• Bahrain• Kuwait• Qatar |
| | | Rest of the World | <ul style="list-style-type: none">• Singapore• Malaysia• Australia• Netherlands |

BUSINESS RESPONSIBILITY REPORT

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|---|--|
| b. Number of National Locations | <ul style="list-style-type: none"> Ahmedabad, Gujarat Mumbai, Maharashtra Pune, Maharashtra Noida, Uttar Pradesh Gurugram, Haryana Chennai, Tamil Nadu <p>Please refer the Annual Report for detailed information.</p> |
| 10. Markets served by the Company – Local / State / National / International | <p>The Company has its operations in both domestic and international market.</p> |

SECTION B: FINANCIAL DETAILS OF THE COMPANY

| | |
|---|---|
| 1. Paid up Capital of the Company | <p>25,232,889 Equity Shares having face value of ₹ 5 each aggregating to ₹ 126,164,445</p> |
| 2. Total Turnover | <p>₹ 18,714 Lakhs</p> |
| 3. Total profit after tax | <p>₹ 1,646 Lakhs</p> |
| 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | <p>During the year, the Company has contributed ₹ 178.50 lakhs towards the CSR activities which is much higher than 2% of the average net profits of the Company.</p> |
| 5. List of activities in which expenditure in point no. 4 above has been incurred | <p>Refer to Annexure 6 of the Directors' Report which forms part of this Annual Report.</p> |

SECTION C: OTHER DETAILS

| | |
|--|--|
| 1. Does the Company have any Subsidiary Company / Companies? | <p>During the year under review, the Company has 21 Subsidiaries. The brief details of these Subsidiaries are available under Form AOC-1 which is an Annexure to the Directors Report.</p> |
| 2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) | <p>The Subsidiaries of the Company are separate legal entities and its responsibility practices and reporting are focused on India. However, Subsidiaries may follow BR initiatives as per rules and regulations applicable to them.</p> |
| 3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%] | <p>The Company has not mandated any vendors, suppliers, business partners, etc. to participate in the BR initiatives of the Company. However, they are encouraged to adopt BR Initiatives and follow the concept of being responsible business entities.</p> |

BUSINESS RESPONSIBILITY REPORT

SECTION D: BR INFORMATION

| | | | | | | | | | | |
|--|--|---|----|----|----|----|----|----|----|----|
| 1. Details of Director / Directors responsible for BR | | | | | | | | | | |
| a. Details of the Director / Director responsible for implementation of the BR policy /policies | | | | | | | | | | |
| DIN Number | | 00017767 | | | | | | | | |
| Name | | Mr. Ashank Desai | | | | | | | | |
| Designation | | Vice - Chairman & Managing Director | | | | | | | | |
| b. Details of the BR head | | | | | | | | | | |
| DIN Number if applicable | | NA | | | | | | | | |
| Name | | Mr. Arun Agarwal | | | | | | | | |
| Designation | | Vice President - Finance | | | | | | | | |
| Telephone No. | | 022- 6722 4200 | | | | | | | | |
| Email ID | | investor_grievances@mastek.com | | | | | | | | |
| 2. Principle-wise (as per NVGs) BR Policy / Policies | | | | | | | | | | |
| The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted 9 (nine) areas of Business Responsibility. These briefly are as follows: | | | | | | | | | | |
| P1: Business should govern and conduct by themselves with Ethics, Transparency and Accountability. | | | | | | | | | | |
| P2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle. | | | | | | | | | | |
| P3: Business should promote the well-being of all employees. | | | | | | | | | | |
| P4: Business should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized. | | | | | | | | | | |
| P5: Business should respect and promote human rights. | | | | | | | | | | |
| P6: Business should respect, protect and make efforts to restore the environment. | | | | | | | | | | |
| P7: Business when engaged in influencing public and regulatory policy should do so in responsible manner. | | | | | | | | | | |
| P8: Business should support inclusive growth and equitable development. | | | | | | | | | | |
| P9: Business should engage with and provide value to their customers and consumers in responsible manner. | | | | | | | | | | |
| a. Details of compliance (Reply in Y/N) | | | | | | | | | | |
| Questions | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| 1. | Do you have a policy / policies for# | Y | Y | Y | Y | Y | Y | N | Y | Y |
| 2. | Has the policy being formulated in Consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | NA | Y | Y |
| | | All the policies have been developed in consultation with the Management of the Company and accordingly, the relevant policies have evolved over a period of time. | | | | | | | | |
| 3. | Does the policy conform to any National / international standards? If yes, specify? (50 words) | The spirit and content of the Code of Conduct and all the applicable laws and standards are captured in the policies articulated by the Company. | | | | | | | | |
| 4. | Has the policy being approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director? | All the policies mandated under the Companies Act, 2013 and SEBI Listing Regulations are approved by the Board and other applicable policies are approved by the Managing Director or Functional Heads of the Company as appropriate from time to time. | | | | | | | | |

BUSINESS RESPONSIBILITY REPORT

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|-----|--|--|---|---|---|---|---|----|---|---|
| 5. | Does the company have a specified Committee of the Board / Director / Official to oversee the implementation of the policy? | Y | Y | Y | Y | Y | Y | NA | Y | Y |
| | | The policies of the Company strengthen the internal Governance Structures on compliance and beyond compliance efforts. All the policies are mapped to the respective business functions and their implementation is based on the committed framework. | | | | | | | | |
| 6. | Indicate the link for the policy to be viewed online? | Policies mandated to be displayed on website of the Company as per the Companies Act, 2013 and SEBI Listing Regulations are displayed at Company's website (https://www.mastek.com/corporate-governance) and all other policies are displayed on the Company's intranet. | | | | | | | | |
| 7. | Has the policy been formally communicated to all relevant internal and external Stakeholders? | Yes, wherever appropriate | | | | | | | | |
| 8. | Does the company have in-house structure to implement the policy / policies? | Y | Y | Y | Y | Y | Y | NA | Y | Y |
| 9. | Does the Company have a grievance redressal mechanism related to the policy / policies to address Stakeholders' grievances related to the policy / policies? | Y | Y | Y | Y | Y | Y | NA | Y | Y |
| | | Yes, any grievances or feedback to the policies can be sent to investor_grievances@mastek.com | | | | | | | | |
| 10. | Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency? | Y | Y | Y | Y | Y | Y | NA | Y | Y |
| | | Yes. Regular internal audits are carried out to check compliance to the corporate policies pertaining to the respective audit area. Further, the Internal department team carry out assessment / evaluation of working of these policies from time to time. | | | | | | | | |

#List of Policies

P1 - Code of Business Conduct & Ethics, Code of Conduct for Directors and Senior Management, Anti-Bribery and Corruption Policy, Whistle Blower Policy

P2 - Sustainability Policy & Health and Safety Policy

P3 - Equality and Diversity, Code of Business Conduct & Ethics, Prevention of Sexual Harassment Policy

P4 - Corporate Social Responsibility Policy, Code of Business Conduct & Ethics

P5 - Code of Business Conduct & Ethics, Prevention of Sexual Harassment Policy, Equality and Diversity, Whistle Blower Policy

P6 - Sustainability Policy & Health and Safety Policy

P7 - NA

P8 - Corporate Social Responsibility Policy

P9 - Quality Policy, Code of Business Conduct & Ethics

b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--|----|----|----|----|----|----|----|----|----|
| 1. The Company has not understood the Principles | - | - | - | - | - | - | - | - | - |
| 2. The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | - | - | - | - | - | - | - | - | - |

BUSINESS RESPONSIBILITY REPORT

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|--|--|---|---|---|---|---|---|---|---|
| 3. The Company does not have financial or manpower resources available for the task | - | - | - | - | - | - | - | - | - |
| 4. It is planned to be done within next 6 months | - | - | - | - | - | - | - | - | - |
| 5. It is planned to be done within the next 1 year | - | - | - | - | - | - | - | - | - |
| 6. Any other reason (please specify) While there is no specific policy outlined for this principle, the Company, through trade bodies and associations, puts forth suggestions, if any, with respect to the economy in general and the IT sector in particular. | - | - | - | - | - | - | Y | - | - |
| 3. Governance related to BR | | | | | | | | | |
| a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year. | <p>The Board of Directors have formed various Committees for areas where more focused, specialized and extensive discussions are required or which are required by law. Some of the Board functions are performed through specially constituted Board Committees consisting of Executive, Non - Executive and Independent Directors, who then report to the Board. The Board's Committees include Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Risk Management & Governance Committee. All Committees have a formally established terms of reference / charter.</p> <p>The Board of Directors and aforesaid Committees monitor the constituents of BR elements at different frequencies. The Audit Committee takes note of the Whistle Blower Complaints if any, on a quarterly basis. Observations from Internal Audits on HR practices and Vendor management are reviewed as and when such reports are issued. CSR Committee reviews the CSR activities of the Company on an on-going basis. The Stakeholders Relationship Committee takes note of the status Investor Complaints on a quarterly basis.</p> <p>These Committees meet as per statutory requirements and also in case there is any matter which needs to be reviewed / approved by a specific Committee.</p> | | | | | | | | |
| b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? | This is the Second Business Responsibility Report being published for the Financial Year 2020-21 by the Company. The same is being displayed as part of this Annual Report on the website of the Company at www.mastek.com . | | | | | | | | |

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business should govern and conduct by themselves with Ethics, Transparency and Accountability.

Code of Business Conduct & Ethics, Code of Conduct for Directors and Senior Management: The standards on ethics, transparency and accountability are stated under the Code of Business Conduct & Ethics (COBCE) of the Company. COBCE is the statement of values that represents the standard of conduct, which everyone associated with the Company is expected to observe in all business endeavors. COBCE covers a wide range of business practices and procedures and serves as a guide to ethical decision-making and behaviors expected out of all employees of the Company. Further, COBCE also mandates the Directors, Senior Management and Employees (including its Subsidiaries) of the Company to act honestly,

BUSINESS RESPONSIBILITY REPORT

fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Company has well defined Code of Conduct for Board of Directors and Senior Management of the Company that covers issues, *inter alia*, related to ethics, honesty, misconduct, etc. including the dealings with vendors, customers and other business partners. All the employees are compulsorily required to sign this Code at the time of joining the Company. The Board members and Senior Managerial Personnel's are also bound to provide duly signed Annual confirmation affirming compliance with their Code of Conduct framed.

Anti-Bribery and Corruption Policy: The policy is framed to conduct all of Company's business in an honest and ethical manner. Your Company takes a zero tolerance approach to bribery and corruption and are committed to act professionally, fairly and with integrity in all its business dealings and relationships wherever it operates and implements and enforces effective systems to counter bribery and corruption. This policy is intended to provide employees of the Company with a level of awareness and guidance about certain applicable Anti-bribery laws in order to prevent inadvertent violations and to recognize potential issues in time for them to be addressed appropriately.

Whistle Blower Policy: This Policy allows employees to bring to the attention of the Management promptly and directly, any unethical behavior, suspected fraud or irregularity in the Company practices, which is not in line with the COBCE. The Policy entails a transparent approach, with safeguards in place to protect the victimization of those who raise concerns. The Whistle Blower Policy and their implementation are explained in detail under the Directors Report and the Corporate Governance Report which forms part of this Annual Report.

Compliance Framework: Compliance with the statutory and contractual requirements has always been one of the focus areas. There is a centralized compliance function which enables business teams to know their statutory and contractual responsibilities and ways to fulfill those responsibilities. The compliance function, while on one hand keeps the Board and the Senior Management updated about the status of compliance with applicable requirements, on the other hand works with business teams to build capabilities through trainings and assessments.

Prevention of Insider Trading: In order to further strengthen the internal controls for prevention of insider trading in its shares, the Company has a robust system to protect the confidentiality of unpublished price sensitive information. The Company has framed its Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Internal Procedures and Conduct for regulating, monitoring and reporting trading by Insiders in such a manner that it not only satisfies the regulatory requirements, but also instills a sense of responsibility among the designated persons for making timely and adequate disclosures.

➤ Questionnaire:

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

Yes, the Company has an Anti-Bribery and Corruption Policy in place that governs the ethics, bribery and corruption related matters at Mastek. The mentioned policy is applicable to the employees across all grades including the members of the Board, Senior Managerial Personnel's and fixed-term or temporary employees like contractors, consultants, trainees, interns, volunteers, third party agents or any other person associated with the organisation. All Companies under Mastek Group are covered by this policy. Company's business partners are expected to align to ethical values of the Company.

2. **How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the Management? If so, provide details thereof, in about 50 words or so.**

The Company has in place a mechanism for dealing with complaints received from various stakeholders. The details of shareholders complaints received and resolved during the Financial Year 2020-21 are provided in the Corporate Governance Report. There is no complaint pending at the end of the year.

Principle 2: Business should provide goods and services that are safe and contribute to Sustainability throughout their life cycle.

World is rapidly changing and getting competitive. The onus is on the Company to create a responsible supply chain that is aligned to sustainability practices. Your Company has always focused on delivering value with utmost integrity and transparency. As a sustainable procurement partner, Company is always committed towards Business Ethics, Social Improvement, Green Environment Initiatives and Quality products & services. Your Company follows Sustainable procurement guidelines that comply with applicable laws and regulations and are in line with its internal policies.

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➤ Questionnaire:

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and /or opportunities.**

Since, the Company is in the business of Information Technology, it does not manufacture physical products but creates and offers software development, IT solutions and services. Thus, product policies are not applicable to the Company. In spite of that, it is committed to adopt operational activities, which will help in reducing GHG emissions and thus will support to sustain the global environment aspects.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- (a) **Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain.**

Not Applicable.

- (b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year.**

Being a Software Company, Mastek prominently focuses on conserving electrical energy consumption year by year. It is proud that every year it achieves its energy & water consumption related savings.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company has set procurement guidelines, which also covers sustainable sourcing including transportation vendor. All hired vehicles including transport buses are compliant in regards to environmental requirements.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Criteria for selection of vendor depends on nature of service / goods, quality, price and reliability. The Company normally gives priority to local small vendors for procuring goods / material for its operations and thus gives motivation to their business. The Company also helps local / MSME vendors to improve their capacity and capability.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

- Company is using common effluent treatment plants to drain out waste water from its premises provided & managed by developers and / or government agencies.
- Company is focused towards restricting plastic usage and discarded use of plastic drinking bottles during business meetings.
- Company ensures disposal of E-Waste & Hazardous waste through MPCB / CPCB approved vendors / recyclers.
- Waste like food waste and garbage is disposed through Municipal corporation approved agencies.

Principle 3: Business should promote the well-being of all Employees.

Equality and Diversity: Mastek is an equal opportunity employer and does not employ any child labour. Mastek recognises that ensuring equality of opportunity, fairness and valuing diversity in all areas of employment, helps to innovate, deliver competitive edge and anticipate customer needs. The Company is committed to **attract, develop and retain** the brightest and best talent with a **focus on recruiting, training and promoting** the best person for the job and future needs of the organisation. Company encourages everyone to reach their full potential, regardless of age, gender, marriage / civil partnership status, gender reassignment, race or ethnicity, nationality, trade union membership or non-membership,

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disability, religion / belief, sexual orientation, family / care responsibilities including pregnancy / maternity. Company is also determined to create a working environment which supports its values and which is free from any form of discrimination, harassment or bullying and within which all individuals are treated with respect, fairness and courtesy. The principle of non-discrimination and equality of opportunity applies equally to the treatment of employees, job applicants, visitors, clients, customers and suppliers.

Prevention of Sexual Harassment Policy: This policy has been framed in accordance with the provisions of “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013” and rules framed thereunder. The Company has a robust mechanism in place to redress complaints reported under it. The Company has complied with provisions relating to the constitution of Internal Committee (IC). The IC is composed of internal members and an external member who has extensive experience in the field. Sexual harassment is an unacceptable form of behaviour which is and will never be tolerated by the Company under any circumstances.

Company has various practices and processes that ensure employee well-being is looked after and employees are able to have a work-life balance:

- Mastek has gone a step ahead to empower employees through adoption of the Mastek 4.0 culture, e.g. leaves are auto approved and do not require any approval by the manager. Company has a flexible reporting time approach. **Work From Home** has been provided to all employees to ensure their safety and well-being during Covid. Similarly, there are numerous other practices deployed, that ensure employees are empowered and have the flexibility at the workplace.
- To encourage professional growth at the workplace, Company has the promotion policy which gives opportunity to Mastekers to nominate themselves and be evaluated for the next level by a neutral panel.
- Facilitated Leadership Connect sessions to create two-way communication channels for Mastekers.
- There are numerous learning platforms that are available for employees to self-learn and apply for relevant opportunities that may be available through the job board. Onsite opportunities are also available to employee basis the skills displayed, availability of role and requirements from the client. Enabled 100% virtual learning experience for Mastekers through digital learning platforms and initiatives.
- To keep a check on employee morale there are various engagement initiatives that are driven at regular intervals. As part of engagement special focus is given to employee wellness which focusses on physical, social, emotional and financial wellness. Employee's sentiments are also checked through regular HR skip and connect sessions. Engagement surveys are also run through external vendors. Eg. Surveys were conducted with Gallup and Internal surveys to check on how they were coping while working from home and if they felt supported were also conducted. Publication of monthly wellness calendars with focus on emotional wellness.
- As part of emotional wellness, Company has also tied up with an external counselling vendor to provide consultation from trained EWAP (Employee Wellbeing Assistance Program) counsellors to achieve better work-life balance and overall emotional wellbeing.
- There are quarterly business updates shared through the Q-meet platform that ensure employees are updated and kept informed. Any other information that is critical or important is shared through other communication channels namely emails, intranet etc. The Q-meet was transitioned to a digital event platform with enhanced focus on global participation.
- Regular connect with the affected Mastekers during their sickness ensured Mastekers were supported during times of need.
- Provided opportunities to Mastekers to engage in professional development & wellbeing programs.
- Usage of technology to ease employee access to information with the introduction of the Chat Bot. The Helpdesk tool is also available for employees to raise a query or a concern which can be tracked for the response and the TAT for it. The queries are routed to the respective owner basis the nature of the query that is raised.
- Company has policies around grievance handling, harassment at the workplace, disciplinary action policy, etc. to foster a professional, open and trusting workplace.

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COVID-19 perspective: Employees were faced with a pandemic that was characterised by both unfamiliarity and uncertainty. Mastek was quick to respond through its precautionary measures that were stringently followed throughout all its offices. Company went the extra mile to meet and exceed the guidelines laid down by the WHO, State and Central Government authorities, to prevent exposure to the virus and ensure the safety of employees. Company made an extensive use of technology and social media platforms to engage and communicate with employees. Senior leadership often speak through **"All Hands Meet"**, and other forums to share business updates and keep employees abreast with the latest happenings. Further, during the lockdown, significant amount of training content was shared with employees via Digital learning platform - **Udemy** as well as Knowledge Management (**K Vault**). Apart from encouraging employees to learn and grow, the Company has also conducted various virtual physical activities viz; Yoga, Zumba, workshops on financial health and mental health emotional wellbeing sessions for employees globally. A COVID Response Team was also formed to provide assistance on Covid related aspects to Mastekers globally. Customized section on Masteknet for COVID related advisories, updates and travel guidelines. A Covid allowance was also provided to all employees globally every month. Vaccination drive was conducted for all employees and up to three dependents in the family. The drive was conducted at certain office locations and offsite drives in collaboration with hospitals were also provided to Mastekers all over India. To support Mastekers and their family members during this crisis, expenses relating to home quarantine were covered for all Mastekers based out of India.

➤ Questionnaire:

| 1. Please indicate the Total number of employees. | Global employee count stands at 3,792 as on March 31, 2021 (Including temporary / contractual) | |
|--|---|---|
| 2. Please indicate the Total number of employees hired on temporary / contractual / casual basis | Global temporary / contractual employee count stands at 384 as on March 31, 2021 | |
| 3. Please indicate the Number of permanent women employees. | Global Full time permanent women employee count stands at 925 as on March 31, 2021 | |
| 4. Please indicate the Number of permanent employees with Disabilities | Being an equal opportunity employer, the Company does not discriminate specially abled people at the time of recruitment. As per Company's policies, disclosure of special ability is not mandatory. However, as on March 31, 2021, 8 specially-abled people have voluntarily declared their status | |
| 5. Do you have an employee association that is recognised by management? | No | |
| 6. What percentage of your permanent employees is members of this recognised employee association? | NA | |
| 7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the Financial Year. | | |
| Category | No. of complaints filed during the Financial Year | No. of complaints pending as on end of the Financial Year |
| Child labour / forced labour / involuntary Labour | 0 | 0 |
| Sexual harassment | 0 | 0 |
| Discriminatory employment | 0 | 0 |
| 8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year? - Safety training is given to each employee as a process at the time of mock evacuation drills. Overall Skill up-gradation training data which considers any of the learning interventions including technical, soft-skills and compliance trainings are as below: | | |
| (a) Permanent Employees | 98% | |
| (b) Permanent Women Employees | 98% | |
| (c) Casual / Temporary / Contractual Employees | 70% | |
| (d) Employees with Disabilities | 100% | |

BUSINESS RESPONSIBILITY REPORT

Principle 4: Business should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

Mastek is committed to spend up to 2% of the average net profits of the immediately preceding 3 Financial Years on CSR projects or programmes related activities specified in Schedule VII to the Companies Act, 2013.

Mastek Foundation: Founded in 2002, Mastek Foundation is the CSR arm of Mastek. Its mission is – ‘**Informed Giving, Responsible Receiving**’. Mastek Foundation was established with the objective of “The relief of poor, education, medical and advancement of any other object of general public utility in India, not involving the carrying on of any activity for profit” among other charitable objectives. The foundation works towards sensitising and inspiring individuals, employees, & corporate professionals and encourages them to contribute to society as informed givers. It also provides them opportunities for participation in community and social work. The foundation also works with Non Profit Organisations for capacity building of information through consulting. Through the foundation, Mastek evaluates its social value and accountability towards its stakeholders and creates an impact.

➤ Questionnaire:

1. Internal and external stakeholders? Yes/ No

Yes. The Company has mapped its internal and external stakeholders and their mode of engagement is as below:

| Stakeholders | Mode of engagement |
|---------------------------------------|--|
| Government and regulatory authorities | Industry body / forums |
| Employees | Newsletters, employee satisfaction survey and various trainings, rewards and recognitions, meeting with eminent personalities and team building activities |
| Local community | CSR activities |
| Investors and shareholders | Analyst calls, Annual General Meeting and Annual Report |
| Bankers, customers & vendors | Visits |

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

Yes

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.?

Mastek through its **Mastek Foundation** and in collaboration with credible Non-Profit Organisations identifies underprivileged beneficiaries (stakeholders). The foundation drives social initiatives and undertake community development projects focused on providing grant support towards health, education, women empowerment, disaster relief, livelihood and animal welfare and thematic areas etc.

Principle 5: Business should respect and promote Human Rights.

The Code of Business Conduct & Ethics (COBCE) has been introduced by the Company to ensure consistency of standards of business conduct on a worldwide basis. The Company is an equal opportunity employer and unlawful harassment of any kind (including but not limited to sexual harassment) is strictly forbidden. Code aims to promote diversity and equality in the workplace, as well as compliance with all laws, while encouraging the adoption of international best practices

Mastek encourages diversity and constantly ensures that the business culture as well as activities are more inclusive and all encompassing. While specific policies are present to address areas like Anti Bribery and Corruption Policy, equality and diversity, and others, ‘COBCE’ is fortified and supplemented by the ‘Employee Workplace Behaviour Guideline’, which outlines behaviour in resonance with Company’s reputation, vision and core organisational values.

Mastek believes in conducting itself in conformity with professional standards of personal integrity, honesty and ethical conduct. Company is committed to provide and maintain a work environment that is free of harassment and any kind of discrimination based on caste, creed, race, religion, national origin, age, gender, sexual orientation, region, appearance or any disability or other protected classifications while in India or abroad.

BUSINESS RESPONSIBILITY REPORT

To encourage professional growth at the workplace, Company has a Promotion Policy which provides Mastekers the opportunity to nominate themselves and be evaluated for the next level by a neutral panel.

Numerous learning platforms are made available to employees to self-learn and apply for relevant opportunities that may be available through the job board. Onsite opportunities are also available to employees' basis the skills displayed, availability of role and requirement from the client.

➤ Questionnaire:

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures/ Suppliers / Contractors / NGOs / Others?

The principles stated in Code of Business Conduct & Ethics, which includes respect for human rights, and dignity of all stakeholders, extends to the entire group and its contractors.

2. How many stakeholder complaints have been received in the past financial year and what percent the management satisfactorily resolved?

The Company has not received any complaint regarding violation of human rights.

Principle 6: Business should respect, protect and make efforts to restore the environment.

Energy conservation has been the major pillar of Company's sustainability strategies. Mastek believes that responsible growth is just as important as profitable growth to drive success as a global corporate. Led by this belief, Company has made sustainability one of the central agendas of its business model and is constantly trying to do its bit by integrating sustainability into day-to-day operations at Mastek.

➤ Questionnaire:

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors/ NGOs / others.

The policy and practices related to Principle 6 extends to the Company and its Subsidiaries.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes. Office at Mahape, which is a main office, is accredited by DNV-GL for EMS i.e. ISO 14001:2015 and OHSAS 18001:2007. Best practices are adopted in facility management operations to conserve the environment and continual efforts are made to improve health and safety standards.

"Energy Conserved is Energy Generated" Mastekers are very much focused about electrical consumption and various energy savings initiatives are implemented across Mastek facilities. Apart from energy conservation, Company is also committed towards reduction in GHG emission by way of implementing various green initiatives.

- Replacement of CFL lights with energy efficient LED Lights, which has helped to reduce 3 lacs KWH units per year.
- Replacement of old conventional UPS systems with new energy efficient modular UPS systems.
- Reduction in usage of Plastic water bottles.
- Eliminating R22 refrigerant gas by implementing energy efficient VRV AC systems, which are using R410 eco-friendly refrigerant gas.
- Company is encouraging all employees across India for using carpooling services option for office commute.
- Optimum utilisation of water by using measures like aerators for faucets.
- Upgradation / Upkeep of electrical supply system and thereby achieving reduction in Generator Diesel consumption.

BUSINESS RESPONSIBILITY REPORT

- All company vehicles are compliant with government laid pollution control norms.
- Reduction in business travel by using technology like video conferencing.
- Economy class air travel is encouraged for employees to reduce carbon emissions.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes. The Company is taking various measures to mitigate the identified environmental risks.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Not Applicable, since Company is not into software development business.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

Yes.

- Installed solar water heater at office canteen.
- Most of the initiatives are mentioned above in response to question no. 2.

6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. Company submits the reporting for the Emissions / Waste generated i.e. Form V to SPCB wherever applicable.

7. Number of show cause / legal notices received from CPCB/SPCB, which are pending (i.e. not resolved to satisfaction), as on end of Financial Year.

Nil

Principle 7: Business when engaged in influencing public and regulatory policy, should do so in responsible manner.

The Company has always welcomed public initiatives and have been pro-active on compliance with the relevant regulatory requirements. While at the design stage or during implementation of a public policy, if any difficulty has been foreseen or experienced by the industry, the same has been brought to the notice of the regulators through industry bodies for seeking required clarification or resolution. However, ensuring that any such representation is not or cannot be prejudicial to public interest.

➤ Questionnaire:

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is a member of the following major trade associations in addition to other chambers or associations, to name a few;

- The National Association of Software and Service Companies (NASSCOM)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Confederation of Indian Industry (CII)
- Computer Society of India
- Bombay Chamber of Commerce & Industry (BCCI)

The main objectives of the above associations are knowledge sharing and providing consultative and representative services to the organisation. These forums operate through multi-lateral councils. There is no spending by the Company towards lobbying or influencing public policies.

BUSINESS RESPONSIBILITY REPORT

2. **Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

No

Principle 8: Business should support inclusive growth and equitable development.

As a responsible corporate citizen, inclusivity is key to Mastek's Corporate Social Responsibility delivery which focuses on Education, Empowerment and Environment. As a business, Mastek is also conscious of the carbon footprint it creates. Tree plantation and water conservation initiatives help sustain the planet while also creating opportunities for equitable development.

➤ **Questionnaire:**

1. **Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof**

Details of the various initiatives undertaken at Mastek include:

Health

- Supported blindness control program for tribal patients
- Supported provision of medicines under various medical programs for tribal patients
- Sponsored nutrition program for specially abled children
- Supported Ante Natal Care (ANC) program for pregnant women
- Sponsored nutrition and counselling program for children battling with cancer
- Sponsored ration and fruit kits to urban poor families impacted by COVID-19 lockdown
- Number of beneficiaries: 30,815

Livelihood

- Support provided to enhance livelihood of workers impacted by COVID-19
- Supported underprivileged women artisans for sustainable livelihood opportunities
- Support provided towards livelihood enhancement of distressed farmer community through irrigation development and management with community participation
- Number of beneficiaries: 51,605

Education

- Supported construction of a residential education institution for underprivileged girls
- Supported formal secondary schooling of underprivileged children
- Sponsored life skills and creativity development interventions for underprivileged village children
- Supported capacity building program for school head teachers of government schools
- Sponsored the education acceleration program for tribal and destitute children
- Sponsored education and holistic development program of underprivileged children through residential care giving
- Number of beneficiaries: 930

BUSINESS RESPONSIBILITY REPORT

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation?

CSR projects are implemented by Mastek Foundation through credible and accredited NGO's with a good track record of delivering community development projects.

3. Have you done any impact assessment of your initiative?

- Mastek Foundation monitors outcome of each CSR activities through project reports and assessments conducted by NGOs / implementing agencies.
- Mastek contributed ₹ 178.50 lakhs in Financial Year 2020-21 towards community development projects under their CSR which is much higher than statutorily required under the Companies Act 2013, which benefitted 83,350 beneficiaries.
- The contributions were made to support various initiatives under health, education and livelihood.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken

Total amount spent on community development projects during Financial Year 2020-21 is ₹178.50 lakhs. Details of projects undertaken are given in **Annexure 6** of the Directors' Report which forms part of the Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. The CSR initiatives driven are monitored to ensure the outcomes are achieved and the communities are impacted. Mastek Foundation drives and monitors all CSR activities. Internal monitoring mechanism, periodic reports, telephonic, email communications are regularly carried out. However, field visits were impacted due to COVID-19. Mastek's CSR interventions are focused on 6 thematic areas i.e. health, education, women empowerment, livelihood, disaster relief, and animal welfare. Mastek also contributed towards COVID-19 relief operations in Financial Year 2020-21.

Principle 9: Business should engage with and provide value to their customers and consumers in responsible manner.

Quality Policy: The aim of this policy is **"Building and delivering systems, services and processes that help customers deliver their Digital vision"**. The same is achieved through

- Aligning to customer customers' objectives, being proactive and taking actions to exceed their business impact.
- Providing innovative digital solutions and building software using latest delivery methodology & engineering practices to deliver superior value to customers.
- Effective practice of "Quality Management System" ensuring quality standards of products and services are met prior to delivery through appropriate quality assurance and quality control.
- Practicing risk management as inherent part of operations with appropriate mitigation planning and regular risk tracking.
- Striving for continual improvement of the Quality Management System.

Customers trust Mastek because it delivers what it promises, no matter how challenging the task. Company has proven excellence in engineering innovation solutions and delivery track record spanning over more than 3 decades. Customers trust the Company to deliver innovative technology solutions that make their businesses more efficient, competitive and service orientated. From the commercial sector to the public sector, Mastek creates, Mastek modernises and Mastek recovers IT projects when they go wrong. Company is consistently delivering game changing results, exceeding customers' expectations. Company believes that digital transformation should be defined by customer experience and quality of innovation, and not by the race to develop technology at a low cost.

BUSINESS RESPONSIBILITY REPORT

➤ Questionnaire:

1. What percentage of customer complaints / consumer cases are pending as on the end of Financial Year.

The customer complaints are technology specific and are resolved at the delivery of the software and before contract closure. There are no customer complaints that are material in nature and giving rise to the litigations. Customers have raised no consumer cases during the year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes No / N.A. / Remarks (additional information)

Since the Company is in the business of software development services and products, this requirement does not strictly apply to the Company. The Company makes necessary disclosures about the software products being developed to its clients as per its contractual obligations.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There is no anti-competitive behaviour, abuse of dominant position or unfair trade practices case pending against the Company.

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

Mastek carries out periodical client satisfaction surveys for its own clients only.



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Standalone Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of **Mastek Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **Mastek Limited** ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2021, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements (the 'financial statements') give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| Revenue from contracts with customers (Refer note 2d(xi) and 15 to the accompanying standalone financial statements) | Our responses |
| Revenue is recognised basis the terms of each contract with customers wherein certain commercial arrangements involve complexity and significant judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation and the appropriateness of basis used to measure revenue recognised over the time period is applied in selecting the accounting basis in each case. | Our audit procedures relating to revenue recognition included, but were not limited to the following : <ul style="list-style-type: none">• Evaluated the design and operating effectiveness of internal controls relating to the revenue recognition of the Company.• Selected samples from all streams of contracts and performed detailed analysis on recognition of revenue as per the requirement of Ind AS 115, Revenue from contracts with customers which involved testing of inputs to revenue recognition including estimates used. |
| We identified revenue of the Company as a key audit matter in the audit of standalone financial statements of current year because of the significant judgment / estimates used in accounting of revenue contracts. | <ul style="list-style-type: none">• Evaluated appropriateness and adequacy of disclosures made in the standalone financial statements with respect to revenue in accordance with the requirements of applicable accounting standards. |

INDEPENDENT AUDITOR'S REPORT

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

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to

INDEPENDENT AUDITOR'S REPORT

financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine

that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in

INDEPENDENT AUDITOR'S REPORT

conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per Annexure B expressed unmodified opinion; and

- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the standalone financial statements disclose the impact of pending litigations on the standalone financial position of the Company as at 31 March 2021;
 - ii. the Company has made provision as at 31 March 2021, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Adi P. Sethna

Partner

Membership No.: 108840

UDIN: 21108840AAAAABX6415

Place: Mumbai

Date: 28 April 2021

Annexure A

to the Independent Auditor's Report of even date to the members of Mastek Limited, on the standalone financial statements for the year ended 31 March 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment (PPE).
- (b) All assets under PPE have not been physically verified by the management during the year, however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties are held in the name of the Company.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Sections 186 of the Act in respect of investments, guarantees and security. Further, in our opinion, the Company has not entered into any transaction covered under Section 185, nor any transaction under section 186 of the Act in respect of loan given.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) The dues outstanding in respect of income-tax, sales-tax and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

| Name of the statute | Nature of dues | Amount (₹ in Lakhs) | Amount paid under Protest (₹ in Lakhs) | Period to which the amount relates | Forum where dispute is pending | Remarks, if any |
|---|----------------------------------|------------------------|---|--|---|-----------------|
| The Maharashtra Value Added Tax Act, 2002 | VAT liability including Interest | 895 | 91 | F.Y. 2006-07, F.Y. 2009-10, F.Y. 2012-13, F.Y. 2013-14 | Joint Commissioner of Sales Tax (Appeals), Mumbai | |
| The Maharashtra Value Added Tax Act, 2002 | VAT liability including Interest | 24 | 1 | F.Y. 2015-16 | Deputy Commissioner of Sales Tax, Mumbai | |
| The Central Sales Tax Act, 1956 | CST liability including Interest | 22 | 4 | F.Y. 2009-10, F.Y. 2012-13, F.Y. 2013-14 | Joint Commissioner of Sales Tax (Appeals), Mumbai | |
| Income Tax Act, 1961 | Income tax and Interest | 445 | - | F.Y. 2012-13, F.Y. 2013-14 | CIT (A) | |
| Income Tax Act, 1961 | Income tax and Interest | 84 | - | F.Y. 2014-15, F.Y. 2017-18 | Assessing Officer | |

Annexure A

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company did not have any borrowings from financial institutions, government or outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid (and)/ provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188

of Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS.

- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Adi P. Sethna

Partner

Membership No.: 108840

UDIN: 21108840AAAAABX6415

Place: Mumbai

Date: 28 April 2021

Annexure B

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

1. In conjunction with our audit of the standalone financial statements of Mastek Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

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

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

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or

Annexure B

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial

controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Adi P. Sethna

Partner

Membership No.: 108840

UDIN: 21108840AAAABX6415

Place: Mumbai

Date: 28 April 2021

Standalone Balance Sheet

as at March 31, 2021

(₹ in lakhs)

| | Note | As at March 31, 2021 | As at March 31, 2020 |
|--|----------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property plant and equipment, net | 3(a)(i) | 2,828 | 3,184 |
| Capital work-in-progress | | 154 | 167 |
| Right-of-use assets | 3(b) | 82 | 134 |
| Investment Property | 3(c) | 450 | 485 |
| Intangible assets, net | 3(a)(ii) | 200 | 200 |
| Investment in subsidiaries | 3(d) | 1,403 | 1,403 |
| Financial assets | | | |
| Investments | 4(a) | 4,119 | 3,844 |
| Loans | 4(b) | 106 | 88 |
| Other financial assets | 4(c) | 319 | 772 |
| Deferred tax assets, net | 24 | 2,899 | 2,816 |
| Current tax assets, net | | 85 | 1,269 |
| Other non-current assets | 5 | 116 | 105 |
| Total non-current assets | | 12,761 | 14,467 |
| Current assets | | | |
| Financial assets | | | |
| Investments | 6(a) | 15,865 | 12,190 |
| Trade receivables | 6(b) | 4,476 | 2,561 |
| Cash and Cash equivalents | 6(c) | 2,393 | 2,018 |
| Bank balances, other than cash and cash equivalents | 6(c) | 51 | 64 |
| Loans | 6(d) | 17 | 13 |
| Other financial assets | 6(e) | 832 | 1,333 |
| Other current assets | 7 | 1,575 | 980 |
| Total current assets | | 25,209 | 19,159 |
| Total Assets | | 37,970 | 33,626 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity share capital | 8 | 1,262 | 1,214 |
| Other equity | 9 | 27,292 | 25,698 |
| Total Equity | | 28,554 | 26,912 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 10(a) | 80 | 113 |
| Other financial liabilities | 10(b) | 920 | 987 |
| Provisions | 11 | 648 | 364 |
| Total non-current liabilities | | 1,648 | 1,464 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Trade payables | 33 | | |
| Dues of micro and small enterprises | | 27 | 1 |
| Dues of creditors other than micro and small enterprises | | 107 | 111 |
| Other financial liabilities | 12 | 5,669 | 3,746 |
| Other current liabilities | 13 | 1,046 | 555 |
| Provisions | 14 | 919 | 837 |
| Total current liabilities | | 7,768 | 5,250 |
| Total Liabilities | | 9,416 | 6,714 |
| Total Equity and Liabilities | | 37,970 | 33,626 |

See accompanying notes to the Standalone financial statements
This is the Balance Sheet referred to in our report of even date

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

Adi P. Sethna
Partner
Membership No.: 108840
Place: Mumbai
Date: April 28, 2021

For and on behalf of the Board of Directors of **Mastek Limited**

Ashank Desai
Vice Chairman and
Managing Director
DIN: 00017767

S. Sandilya
Non-Executive Chairman
and Independent Director
DIN: 00037542

Arun Agarwal
Vice President - Finance
Place: Mumbai
Date: April 28, 2021

Dinesh Kalani
Company Secretary

Standalone Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in lakhs)

| | Note | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------|------------------------------|------------------------------|
| INCOME | | | |
| Revenue from operations | 15 | 18,714 | 16,344 |
| Other income | 16 | 3,487 | 4,886 |
| Total Income(1) | | 22,201 | 21,230 |
| EXPENSES | | | |
| Employee benefits expenses | 17 | 14,120 | 12,364 |
| Finance costs | 18 | 58 | 45 |
| Depreciation and amortisation expenses | 19 | 1,079 | 1,113 |
| Other expenses | 20 | 2,848 | 3,642 |
| Total Expenses (2) | | 18,105 | 17,164 |
| Profit before exceptional items and tax (3) = (1)-(2) | | 4,096 | 4,066 |
| Exceptional items - loss (4) | | 700 | 683 |
| Profit before tax (5) = (3)-(4) | | 3,396 | 3,383 |
| Tax expense / (credit) | | | |
| Current tax | 24 | 1,040 | 869 |
| Deferred tax | | (20) | (231) |
| Income tax relating to earlier years | 24.1 | 730 | - |
| Total tax expense (6) | | 1,750 | 638 |
| Profit after tax for the year (7) = (6)-(5) | | 1,646 | 2,745 |
| Other comprehensive income (OCI) | | | |
| Items that will not be reclassified subsequently to the statement of profit and loss: | | | |
| Defined benefit plan actuarial (losses) / gains | | (27) | 8 |
| Income tax relating to items that will not be reclassified to profit and loss - credit / (expense) | | 8 | (3) |
| Items that will be reclassified subsequently to the statement of profit and loss: | | | |
| Net change in fair value of forward contracts designated as cash flow hedges-(loss) | | (635) | (111) |
| Net change in fair value of financial instruments-gain | | 221 | 319 |
| Income tax relating to items that will be reclassified to profit and loss - credit / (expense) | | 120 | (61) |
| Total other comprehensive (loss)/ income for the year (8) | | (313) | 152 |
| Total comprehensive income for the year (7)+(8) | | 1,333 | 2,897 |
| Earnings per share | | | |
| (Equity shares of face value ₹ 5/- each) | 22 | | |
| Basic | | 6.67 | 11.40 |
| Diluted | | 6.44 | 10.82 |

See accompanying notes to the Standalone financial statements
This is the Statement of Profit and Loss referred to in our report of even date

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

Adi P. Sethna
Partner
Membership No.: 108840
Place: Mumbai
Date: April 28, 2021

For and on behalf of the Board of Directors of **Mastek Limited**

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Vice Chairman and
Managing Director
DIN: 00017767

S. Sandilya
Non-Executive Chairman
and Independent Director
DIN: 00037542

Arun Agarwal
Vice President - Finance
Place: Mumbai
Date: April 28, 2021

Dinesh Kalani
Company Secretary

Standalone Statement of Cash Flow

for the year ended March 31, 2021

(₹ in lakhs)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Cash flows from operating activities | | |
| Profit for the year | 1,646 | 2,745 |
| Adjustments for : | | |
| Interest income | (434) | (300) |
| Guarantee Commission | (285) | (104) |
| Employee stock compensation expenses | 312 | 370 |
| Finance costs | 58 | 37 |
| Depreciation and amortisation | 1,079 | 1,113 |
| Provision/ (Reversal) for doubtful debts including Bad debts written off, net | 60 | 191 |
| Provision made for cost overrun on contracts, net | - | 45 |
| Tax Expense | 1,750 | 638 |
| Exceptional item (Refer note 21) | 700 | 683 |
| Dividend from subsidiary | (1,345) | (3,142) |
| (Profit)/ Loss on sale of property, plant and equipment, net | (17) | 19 |
| Profit on sale of current investments & gain on fair valuation of investments | (658) | (616) |
| Rental income including maintenance charges | (463) | (300) |
| Operating profit before working capital changes | 2,403 | 1,379 |
| (Increase) / Decrease in trade receivables | (1,975) | 181 |
| Decrease / (Increase) in loans and advances and other assets | 722 | (370) |
| Increase in trade payables, other liabilities and provisions | 1,648 | 1,287 |
| Cash generated from operating activities before taxes | 2,798 | 2,477 |
| Income taxes paid, net of refunds | (522) | (899) |
| Net cash generated from operating activities | 2,276 | 1,578 |
| Cash flows from investing activities | | |
| Proceeds from sale of property, plant & equipment | 17 | 18 |
| Purchase of property, plant & equipment and software | (597) | (576) |
| Interest received | 216 | 192 |
| Dividend from subsidiary | 1,345 | 3,142 |
| Rental income including maintenance charges | 442 | 238 |
| Guarantee Commission received | 397 | 164 |
| Purchase of current investments | (10,281) | (11,649) |
| Proceeds from sale of current investments | 7,206 | 10,738 |
| Net cash (used in)/ generated from investing activities | (1,255) | 2,267 |
| Cash flows from financing activities | | |
| Proceeds from issue of shares under the employee stock option schemes | 845 | 213 |
| Proceeds and repayment of borrowings, net | (26) | (10) |
| Dividends paid including dividend distribution tax and unclaimed dividends | (1,362) | (3,148) |
| Payment of lease liabilities | (45) | (38) |
| Interest paid on finance lease and other finance charges | (58) | (16) |
| Net cash (used in) financing activities | (646) | (2,999) |
| Net increase in cash and cash equivalents during the year | 375 | 846 |
| Cash and cash equivalents at the beginning of the year | 2,018 | 1,172 |
| Cash and cash equivalents at the end of the year | 2,393 | 2,018 |

The above Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Statement of Cash Flow. This is the Statement of Cash Flow referred to in our report of even date.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place: Mumbai

Date: April 28, 2021

For and on behalf of the Board of Directors of **Mastek Limited**

Ashank Desai

Vice Chairman and

Managing Director

DIN: 00017767

S. Sandilya

Non-Executive Chairman

and Independent Director

DIN: 00037542

Arun Agarwal

Vice President - Finance

Place: Mumbai

Date: April 28, 2021

Dinesh Kalani

Company Secretary

Statement of Changes in Equity
for the year ended March 31, 2021
(₹ in lakhs)

A. Equity share capital (Refer note 8)

| | |
|---|--------------|
| Balance as at April 1, 2019 | 1,199 |
| Add: Shares issued on exercise of stock options and restricted shares | 15 |
| Balance as at March 31, 2020 | 1,214 |
| Balance as at April 1, 2020 | 1,214 |
| Add: Shares issued on exercise of stock options and restricted shares | 48 |
| Balance as at March 31, 2021 | 1,262 |

B. Other equity (Refer note 9)

| Particulars | Reserve & Surplus | | | | Other Comprehensive Income (OCI) | | | Total other equity |
|---|----------------------------|--------------------|-----------------------------------|-------------------|----------------------------------|-------------------------------|--|--------------------|
| | Capital redemption reserve | Securities premium | Share options outstanding account | Retained earnings | Employee benefit expenses | Fair value of cash flow hedge | Fair value of changes in other financial instruments | |
| Balance as at April 1, 2019 | 1,539 | 2,255 | 1,542 | 18,386 | 260 | 257 | 556 | 24,795 |
| Issue of share capital on exercise of employee share option | - | 193 | - | - | - | - | - | 193 |
| Employee share-based compensation | - | - | 991 | - | - | - | - | 991 |
| Transferred to securities premium | - | 268 | (268) | - | - | - | - | - |
| Profit for the year | - | - | - | 2,745 | - | - | - | 2,745 |
| Cash dividends and tax thereon | - | - | - | (3,148) | - | - | - | (3,148) |
| ESOP Adjustments * | - | - | (42) | 12 | - | - | - | (30) |
| Other comprehensive income (net of taxes) | - | - | - | - | 5 | (79) | 226 | 152 |
| Balance as at March 31, 2020 | 1,539 | 2,716 | 2,223 | 17,995 | 265 | 178 | 782 | 25,698 |
| Balance as at April 1, 2020 | 1,539 | 2,716 | 2,223 | 17,995 | 265 | 178 | 782 | 25,698 |
| Issue of share capital on exercise of employee share option | - | 788 | - | - | - | - | - | 788 |
| Employee share-based compensation | - | - | 847 | - | - | - | - | 847 |
| Transferred to securities premium | - | 1,284 | (1,284) | - | - | - | - | - |
| Profit for the year | - | - | - | 1,646 | - | - | - | 1,646 |
| Cash dividends and tax thereon | - | - | - | (1,362) | - | - | - | (1,362) |
| ESOP Adjustments * | - | - | (23) | 10 | - | - | - | (13) |
| Other comprehensive income (net of taxes) | - | - | - | - | (19) | (451) | 157 | (313) |
| Balance as at March 31, 2021 | 1,539 | 4,788 | 1,763 | 18,289 | 246 | (273) | 939 | 27,292 |

*ESOP adjustment reflects lapse of vested stock options during the year.

See accompanying notes to the Standalone financial statements
This is the Statement of Changes in Equity referred to in our report of even date

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

Adi P. Sethna
Partner
Membership No.: 108840
Place: Mumbai
Date: April 28, 2021

For and on behalf of the Board of Directors of **Mastek Limited**

Ashank Desai
Vice Chairman and
Managing Director
DIN: 00017767

S. Sandilya
Non-Executive Chairman
and Independent Director
DIN: 00037542

Arun Agarwal
Vice President - Finance
Place: Mumbai
Date: April 28, 2021

Dinesh Kalani
Company Secretary

1 Company overview

Mastek Limited (the 'Company') is a public limited company domiciled in India and is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company is a provider of vertically-focused enterprise technology solutions.

The portfolio of the Company's offerings includes business and technology services comprising of Application Development, Application Maintenance, Business Intelligence and Data Warehousing, Testing & Assurance and Legacy Modernisation. The Company carries out its operations in India and has its software development centres in India at Mumbai, Pune, Chennai and Mahape.

2 Basis of Preparation and Presentation

a. Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable.

These standalone financial statements of the Company(financial statements) as at and for the year ended March 31, 2021 were approved and authorized by the Company's board of directors on April 28, 2021.

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

b. Basis of Preparation

The financial statements have been prepared 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 Ind AS:

- i. Derivative financial instruments;
- ii. Certain financial assets and liabilities measured at fair value;
- iii. Share based payment transactions and
- iv. Defined benefit and other long-term employee benefits

All the assets and liabilities have been classified as current and non-current as per the company's normal operating cycle which does not exceed 12 months.

c. Use of estimate and judgement

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are 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 standalone financial statements is included in the following notes:

- (i) Revenue recognition: The Company applies the percentage of completion method in accounting for its fixed price contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.
- (ii) Income taxes: Significant judgments are involved in determining the provision for income taxes, including judgement on whether tax provisions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Significant accounting policies and Notes to accounts

for the year ended March 31, 2021

(₹ in lakhs)

- (iii) Defined benefit plans and compensated absences: The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- (iv) Property, plant and equipment: Property, plant and equipment represents a significant proportion of the asset base of the Company. The charge 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.
- (v) Expected credit losses on financial assets: On application of Ind AS 109, the impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's credit-worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.
- (vi) Deferred taxes: Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, 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 Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement obligation and compensated expenses) are not discounted to its 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 adjusted to reflect the current best estimates.
- (viii) Share-based payments: At the Grant date, fair value of options granted to employees is recognised as employee expense, with corresponding increase in equity, over the period that the employee become unconditionally entitled to the option. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under share option outstanding account. The amount recognised as expense is adjusted to reflect the impact of the revision in estimates based on number of options that are expected to vest, in the statement of profit and loss with a corresponding adjustment to equity.
- (ix) Leases: Determining the lease term of contracts with renewal and termination options – Company as lessee Ind AS 116 requires the lessee to determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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

Significant accounting policies and Notes to accounts for the year ended March 31, 2021 (₹ in lakhs)

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

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

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

d. Summary of Significant accounting policies

(i) Functional and Presentation Currency

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

(ii) Foreign currency transactions and balances

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

(iii) Financial instruments

A. Initial Recognition and Measurement

The Company 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 measured at fair value through profit or loss are added to the fair value on initial recognition. Regular purchase and sale of financial assets are recognised on the trade date.

B. Subsequent Measurement

1. Non-Derivative Financial Instruments
 - a. Financial Assets Carried at Amortised Cost

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

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual

Significant accounting policies and Notes to accounts

for the year ended March 31, 2021

(₹ in lakhs)

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.

The Company has made an irrevocable election to present subsequent change in the fair value of certain mutual funds in Other Comprehensive Income.

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.

e. Derivative Instruments

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

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

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

C. Derecognition of Financial Instruments

The Company derecognises a financial asset when the contractual right to receive the cash flows from the financial asset expire or it transfers the financial asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

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

(iv) Property, Plant and Equipment (PPE)

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

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

Significant accounting policies and Notes to accounts

for the year ended March 31, 2021
(₹ in lakhs)

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

| Category | Useful Life |
|------------------------|--|
| Building | 25 - 30 years |
| Computers | 2 - 4 years |
| Plant and equipment | 2 - 5 years |
| Furniture and fixtures | 5 years |
| Office equipment | 5 years |
| Vehicles | 4 - 5 years |
| Leasehold improvement | 5 years or the primary period of lease whichever is less |
| Leasehold land | Lease Term ranging from 95-99 years |

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

(v) Intangible assets

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

The estimated useful life 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 |

(vi) Leases

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

As a lessee:

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

i. Right of Use assets

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

ii. Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate the lease.

Significant accounting policies and Notes to accounts

for the year ended March 31, 2021

(₹ in lakhs)

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

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

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

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

As a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(vii) Impairment of Assets

a. Non Financial 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 recognised 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.

b. Financial instrument

The Company recognise loss allowances using the expected credit loss (ECL) model for financial assets. Loss allowances for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

(viii) Employee benefits

A. Long Term employee benefits

(a) Defined contribution plan

The Company has defined contribution plans for post employment benefits in the form of provident fund, employees' state insurance, labour welfare fund and superannuation fund in India which are administered through Government of India and/or Life Insurance Corporation of India (LIC). Under the defined contribution plans, the Company has no further obligation beyond making the contributions. Such contributions are charged to the Statement of Profit and Loss as incurred.

(b) Defined Benefit Plan

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

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

(c) Other long-term employee benefits

The employees of the Company are also entitled for other long-term benefit in the form of compensated absences as per the policy of the Company. Employees are entitled to accumulate leave balance up to the upper limit as per the Company's policies which can be carried forward perpetually. Leave encashment for employees gets triggered on an annual basis, if the accumulated leave balance exceeds the upper limit of leave. Further, at the time of retirement, death while in employment or on termination of employment, leave encashment vests equivalent to salary payable for number of days of accumulated leave balance. Liability for such benefits is provided on the basis of actuarial valuations, as at the Balance Sheet date, carried out by an independent actuary using the projected unit credit method.

B) Short-term employee benefits

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

C) Termination benefits

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

(ix) Share based payments

The Company determines the compensation cost based on the fair value method in accordance with Ind AS 102 Share Based Payment. The Company grants options to its employees which will be vested in a graded manner

Significant accounting policies and Notes to accounts

for the year ended March 31, 2021

(₹ in lakhs)

and are to be exercised within a specified period. The compensation cost is amortised on a graded basis over the vesting period. The share based compensation expense is determined based on the Company's estimate of equity instrument that will eventually vest.

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

(x) Provisions & Contingent Liabilities

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

(xi) Revenue recognition

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

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

Fixed Price contracts related to Application development, consulting and other services are single performance obligation or a stand-ready performance obligation, which in either case is comprised of a series of distinct services that are substantially the same and have the same pattern of transfer to the customer (i.e. distinct days or months of service). Revenue is recognised in accordance with the methods prescribed for measuring progress i.e. percentage of completion method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimates are evaluated at every reporting period and that the revision on account of changes in estimates are recognised prospectively in the period in which the changes are affected. Revenues relating to time and material contracts are recognised as the related services are rendered.

Multiple element arrangements-

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

IT support and maintenance-

Contracts related to maintenance and support services are either fixed price or time and material. In these

Significant accounting policies and Notes to accounts for the year ended March 31, 2021 (₹ in lakhs)

contracts, the performance obligations are satisfied, and revenues are recognised, over time as the services are provided. Revenue from maintenance contracts is recognised rateably over the period of the contract because the Company transfers the control evenly by providing standard services.

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

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

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

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

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

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

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

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

(xii) Income Tax

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

Significant judgements are involved in determining the provision for income taxes including judgement on whether tax position are probable of being sustained in tax assessments. A tax assessment can involve complex issues which can only be resolved over extended time periods. The recognition of taxes which are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. Though the Company has considered all these issues in estimating its income taxes, there could be an unfavourable resolution of such issues that may affect results of Company's operations.

Deferred income tax asset is recognised using the balance sheet approach. Deferred income tax assets and

Significant accounting policies and Notes to accounts

for the year ended March 31, 2021

(₹ in lakhs)

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

Deferred income tax asset (including asset for Minimum Alternative Tax (MAT) credit) is recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognised for all taxable temporary differences.

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

(xiii) Other Income

Other income comprises interest income on deposits, dividend income and gains / (losses) on disposal of investments except investments fair value through OCI. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

(xiv) Finance/ Borrowing costs

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

(xv) 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."

(xvi) Cash and cash equivalents

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

(xvii) Investment Property

Property that is held either for long term rental yield or for capital appreciation or both, but not for sale in ordinary course of the business, use in the production or supply of goods or services or for administrative purposes is classified as investment property. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment, if any. Depreciation is provided in the same manner as property, plant and equipment. Any gain or loss on disposal of an investment property is recognised in profit and loss.

(xviii) Investment in Subsidiaries

Investments in subsidiaries are recognised at cost as per Ind AS 27 – 'Separate Financial Statements'. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105-' Non-current Assets Held for Sale and Discontinued Operations', when they are classified as held for sale. Provision for impairment in carrying value is evaluated and recognised in a manner similar to impairment mentioned in (vii) above.

(xix) Recent Indian Accounting Standards (Ind AS)

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

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

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

| | Gross Value (at cost) | | | Depreciation / Amortisation | | | Net Value | |
|---------------------------|-----------------------|------------|------------------------|-----------------------------|---------------------|-------------------------|----------------------|----------------------|
| | As at April 1, 2020 | Additions | Deletions / adjustment | As at March 31, 2021 | As at April 1, 2020 | For the year adjustment | As at March 31, 2021 | As at March 31, 2020 |
| a. Own assets : | | | | | | | | |
| Buildings * | 3,601 | - | - | 3,601 | 1,635 | 130 | 1,765 | 1,836 |
| Computers | 2,135 | 280 | (382) | 2,033 | 2,092 | 113 | 1,823 | 210 |
| Plant and equipment | 2,187 | 33 | (66) | 2,154 | 2,007 | 81 | 2,022 | 132 |
| Furniture and fixtures | 4,388 | - | (56) | 4,332 | 4,082 | 157 | 4,183 | 149 |
| Vehicles | 399 | 23 | (27) | 395 | 210 | 72 | 255 | 140 |
| Office equipment | 1,684 | 8 | (55) | 1,637 | 1,270 | 137 | 1,352 | 285 |
| Total (A) | 14,394 | 344 | (586) | 14,152 | 11,296 | 690 | 11,400 | 3,098 |
| b. Leased assets : | | | | | | | | |
| Leasehold land | 386 | - | - | 386 | 311 | 4 | 315 | 71 |
| Leasehold improvements | 328 | - | - | 328 | 323 | 1 | 324 | 4 |
| Vehicles | 77 | - | (19) | 58 | 71 | 5 | 57 | 1 |
| Total (B) | 791 | - | (19) | 772 | 705 | 10 | 696 | 86 |
| Total (A + B) | 15,185 | 344 | (605) | 14,924 | 12,001 | 700 | 12,096 | 3,184 |

3(a)(ii) Intangible assets

| | Gross Value (at cost) | | | Depreciation / Amortisation | | | Net Value | |
|-------------------|-----------------------|------------|------------------------|-----------------------------|---------------------|-------------------------|----------------------|----------------------|
| | As at April 1, 2020 | Additions | Deletions / adjustment | As at March 31, 2021 | As at April 1, 2020 | For the year adjustment | As at March 31, 2021 | As at March 31, 2020 |
| Computer software | 3,377 | 307 | (2,807) | 877 | 3,177 | 307 | 677 | 200 |
| Total | 3,377 | 307 | (2,807) | 877 | 3,177 | 307 | 677 | 200 |

3(b) Right-of-use assets

| | Gross Value (at cost) | | | Depreciation / Amortisation | | | Net Value | |
|--------------|-----------------------|-----------|------------------------|-----------------------------|---------------------|-------------------------|----------------------|----------------------|
| | As at April 1, 2020 | Additions | Deletions / adjustment | As at March 31, 2021 | As at April 1, 2020 | For the year adjustment | As at March 31, 2021 | As at March 31, 2020 |
| Building | 164 | - | (22) | 142 | 30 | 37 | 60 | 82 |
| Total | 164 | - | (22) | 142 | 30 | 37 | 60 | 134 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

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

For previous year ended March 31, 2020

| | Gross Value (at cost) | | | Depreciation / Amortisation | | Net Value | |
|---------------------------|-----------------------|------------|------------------------|-----------------------------|----------------------------------|----------------------|----------------------|
| | As at April 1, 2019 | Additions | Deletions / adjustment | As at March 31, 2020 | For the year ended April 1, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| a. Own assets : | | | | | | | |
| Buildings *@ | 4,737 | - | (1,136) | 3,601 | 2,116 | 1,635 | 2,621 |
| Computers | 2,185 | 16 | (66) | 2,135 | 2,046 | 2,092 | 139 |
| Plant and equipment | 2,269 | 13 | (95) | 2,187 | 2,013 | 2,007 | 256 |
| Furniture and fixtures | 4,735 | 17 | (364) | 4,388 | 4,230 | 4,082 | 505 |
| Vehicles | 409 | 38 | (48) | 399 | 173 | 210 | 236 |
| Office equipment | 1,820 | 107 | (243) | 1,684 | 1,373 | 1,270 | 447 |
| Total (A) | 16,155 | 191 | (1,952) | 14,394 | 11,951 | 11,296 | 4,204 |
| b. Leased assets : | | | | | | | |
| Leasehold land | 386 | - | - | 386 | 311 | 311 | 75 |
| Leasehold improvements | 328 | - | - | 328 | 322 | 323 | 6 |
| Vehicles | 88 | - | (11) | 77 | 76 | 71 | 12 |
| Total (B) | 802 | - | (11) | 791 | 709 | 705 | 93 |
| Total (A + B) | 16,957 | 191 | (1,963) | 15,185 | 12,660 | 12,001 | 4,297 |

3(a)(ii) Intangible assets

| | Gross Value (at cost) | | | Depreciation / Amortisation | | Net Value | |
|-------------------|-----------------------|------------|------------------------|-----------------------------|----------------------------------|----------------------|----------------------|
| | As at April 1, 2019 | Additions | Deletions / adjustment | As at March 31, 2020 | For the year ended April 1, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Computer software | 3,101 | 276 | - | 3,377 | 2,876 | 3,177 | 225 |
| Total | 3,101 | 276 | - | 3,377 | 301 | 3,177 | 225 |

3(b) Right-of-use assets

| | Gross Value (at cost) | | | Depreciation / Amortisation | | Net Value | |
|--------------|-----------------------|------------|------------------------|-----------------------------|----------------------------------|----------------------|----------------------|
| | As at April 1, 2019 | Additions | Deletions / adjustment | As at March 31, 2020 | For the year ended April 1, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Building | - | 164 | - | 164 | - | 30 | - |
| Total | - | 164 | - | 164 | 30 | 30 | 134 |

* For the year ended March 31, 2021 and year ended March 31, 2020, Buildings includes Chennai and Pune property mortgaged as security for loan availed by subsidiary.

@ During the year ended March 31, 2020, Pune property has been sublet, accordingly Gross Value of ₹ 1,134 lakhs and accumulated depreciation of ₹ 613 lakhs is disclosed under investment property.

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

Non-current assets

3(c). Investment property

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| (A) Investment property (at cost less accumulated depreciation) * | | |
| Gross Value (at cost) | | |
| Opening | 1,136 | 2 |
| Additions | - | 1,134 |
| Closing | 1,136 | 1,136 |
| Accumulated depreciation | | |
| Opening | 651 | 2 |
| Depreciation on transfer from property, plant and equipment | - | 613 |
| Depreciation for the year | 35 | 36 |
| Closing | 686 | 651 |
| Net value | 450 | 485 |

Aggregate amount of investment property

* Fair Value of the investment property as at March 31, 2021 is ₹ 4,603 lakhs (₹ 4,975 March 31, 2020).

* During the year ended March 31, 2020 the Pune property had been sublet, accordingly Gross block of ₹ 1,134 lakhs and accumulated depreciation of ₹ 613 lakhs has been re-classified from property, plant and equipment.

(d). Investment in Subsidiaries at cost (unquoted)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Mastek (UK) Limited | | |
| 200,000 (March 31, 2020 - 200,000) equity shares of £ 1 each, fully paid up | 216 | 216 |
| Trans American Information Systems Private Limited | | |
| 34,520 (March 31, 2020 - 34,520) equity shares of ₹ 10 each, fully paid up | 1,187 | 1,187 |
| | 1,403 | 1,403 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

4 Financial assets

a. Investments

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| (A) Investment in share warrant at FVTPL (unquoted): | | |
| Investment in Cashless Technologies India Private Limited | - | - |
| Nil Share warrants (March 31, 2020- 8,000,000) | | |
| (B) Investment in mutual funds at FVOCI (unquoted): | | |
| Kotak Corporate Bond Fund - Standard Growth (Regular Plan) (17,391 units, March 31, 2020 - 17,391 units) | 504 | 468 |
| ICICI Prudential Corporate Bond Fund - Growth (6,291,134 units, March 31, 2020 - 6,291,134 units) | 1,427 | 1,310 |
| HDFC Short Term Debt Fund - Regular Plan - Growth (5,949,282 units, March 31, 2020 - 5,949,282 units) | 1,462 | 1,347 |
| HDFC Ultra Short Term Fund - Regular Growth (133,410 units, March 31, 2020 - 133,410 units) | 16 | 15 |
| IDFC Low Duration Fund -Growth (1,987,665 units, March 31, 2020 - 1,987,665 units) | 601 | 568 |
| | 4,010 | 3,708 |
| (C) Investment in bonds at cost (unquoted): | | |
| 9.21% Bond with Punjab National Bank | - | 50 |
| 10.90% Bond with Punjab & Sind Bank | 56 | 56 |
| 8.5% - Bond with State Bank of India | 53 | - |
| | 109 | 106 |
| (D) Investment in term deposit at cost (unquoted): | | |
| Term Deposit with Bank of India | - | 30 |
| | - | 30 |
| Aggregate amount of unquoted investments (A + B + C +D) | 4,119 | 3,844 |

b. Loans

| | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------------|-------------------------|-------------------------|
| Unsecured, Considered good | | |
| Security deposits | 106 | 88 |
| | 106 | 88 |

c. Other financial assets

| | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------------|-------------------------|-------------------------|
| Advances to employees | 3 | 4 |
| Foreign exchange forward contract | - | 116 |
| Guarantee commission receivable | 316 | 652 |
| | 319 | 772 |

5 Other non-current assets

| | As at March 31, 2021 | As at March 31, 2020 |
|------------------|-------------------------|-------------------------|
| Capital advances | - | 8 |
| Prepaid expenses | 20 | 1 |
| Other advances | 96 | 96 |
| | 116 | 105 |

Current assets

6 Financial assets

a. Investments

| | As at March 31, 2021 | | As at March 31, 2020 | |
|--|----------------------|---------------|----------------------|--------------|
| | Units | Amount | Units | Amount |
| (i) Investment in mutual funds | | | | |
| Investment in mutual funds at FVTPL (unquoted): | | | | |
| ICICI Prudential Liquid Fund - Regular - Growth | - | - | 109,722 | 321 |
| Kotak Liquid - Regular Plan - Growth | 1,390 | 58 | 1,390 | 56 |
| Axis Liquid Fund - Growth | - | - | 1,358 | 30 |
| HDFC Liquid Fund - Growth | - | - | 995 | 39 |
| UTI Money Market Fund IP -Growth | 5,876 | 140 | 5,876 | 132 |
| Aditya Birla Sun Life Liquid Fund - Regular - Growth | - | - | 126,015 | 400 |
| IDFC Cash Fund -Growth- Regular Plan | - | - | 9,882 | 236 |
| HDFC Money Market Fund-Growth | 55,114 | 2,435 | 38,881 | 1,623 |
| ICICI Prudential Money Market Fund - Regular Growth | 379,689 | 1,113 | 143,812 | 399 |
| Aditya Birla Sun Life Money Manager Fund-Regular | 587,018 | 1,672 | 224,930 | 605 |
| Kotak Money Market Scheme-Regular-Growth | 61,587 | 2,135 | 55,783 | 1,841 |
| Aditya Birla Sun Life Overnight Fund - Growth | - | - | 10,754 | 116 |
| Total (A) | | 7,553 | | 5,798 |
| Investment in mutual funds at FVOCI (unquoted): | | | | |
| Kotak Savings Fund-Growth | 2,017,768 | 680 | 2,017,768 | 648 |
| Aditya Birla Sun Life Floating Rate Fund - Long Term Plan - Regular - Growth | 122,776 | 326 | 122,776 | 305 |
| Kotak Corporate Bond Fund Standard Growth (Regular Plan) | 41,894 | 1,215 | 41,894 | 1,127 |
| IDFC Corporate Bond Fund Regular Plan Growth | 1,499,617 | 225 | 1,499,617 | 207 |
| ICICI Prudential Savings Fund | - | - | 459,480 | 1,780 |
| HDFC Corporate Bond Fund - Regular Plan - Growth | 1,859,914 | 464 | - | - |
| Kotak Bond Fund (Short Term) Growth (Regular Plan) | 1,981,675 | 810 | - | - |
| HDFC Ultra Short Term Fund - Regular Growth | 1,720,936 | 204 | - | - |
| Total (B) | | 3,924 | | 4,067 |
| Total (A+B) | | 11,477 | | 9,865 |
| (ii) Investment in term deposit at cost (unquoted): | | | | |
| Term deposit with PNB Housing Finance Limited | | - | | 700 |
| Term deposit with Ujjivan Small Finance Bank Limited | | - | | 250 |
| Term deposit with Housing Development Finance Corporation Limited | | 700 | | 1,100 |
| Term deposit with Standard Chartered Bank Limited | | 25 | | 25 |
| Term deposit with ICICI Bank Limited | | 599 | | - |
| Term deposit with ICICI Home Finance Co. Limited | | 636 | | - |
| Term deposit with LIC Housing Finance Limited | | 1,950 | | 250 |
| Term deposit with Bank of India | | 30 | | - |
| Term deposit with HDFC Bank Limited | | 398 | | - |
| Total (C) | | 4,338 | | 2,325 |
| (iii) Investment in bonds at amortised cost (unquoted) : | | | | |
| 9.21% Bond with Punjab National Bank | | 50 | | - |
| Total (D) | | 50 | | - |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

| | As at March 31, 2021 | | As at March 31, 2020 | |
|--|----------------------|---------------|----------------------|---------------|
| | Units | Amount | Units | Amount |
| Aggregate amount of unquoted investments in mutual funds (A + B) | | 11,477 | | 9,865 |
| Aggregate amount of unquoted investment in term deposits (C) | | 4,338 | | 2,325 |
| Aggregate amount of unquoted Investment in bonds at cost (D) | | 50 | | - |
| Grand Total | | 15,865 | | 12,190 |

b. Trade receivables (Unsecured)

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Trade receivables, considered good | 4,794 | 3,621 |
| Trade receivables which have significant increase in Credit Risk | - | - |
| Trade receivables- Credit impaired | - | - |
| Less: Allowance for doubtful receivables | (318) | (1,060) |
| Total trade receivables | 4,476 | 2,561 |
| Current portion | 4,476 | 2,561 |
| Non-current portion | - | - |
| Break-up of security details | | |
| Unsecured, considered good | 4,476 | 2,561 |
| Doubtful | 318 | 1,060 |
| Total | 4,794 | 3,621 |
| Allowance for doubtful trade receivables | (318) | (1,060) |
| Total trade receivables | 4,476 | 2,561 |

c. Cash and cash equivalents

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| (i) Cash and cash equivalents | | |
| Cash on hand | 1 | 1 |
| Bank balances | | |
| In current accounts | 2,392 | 2,017 |
| | 2,393 | 2,018 |
| (ii) Bank balances, other than cash and cash equivalents | | |
| Bank balances in unclaimed dividend account | 51 | 64 |
| | 51 | 64 |

d. Loans

| | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------------|-------------------------|-------------------------|
| Unsecured, Considered good | | |
| Security deposits | 17 | 13 |
| | 17 | 13 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

e. Other financial assets

| | As at March 31, 2021 | As at March 31, 2020 |
|---------------------------------------|-------------------------|-------------------------|
| Advances to employees | 20 | 42 |
| Interest accrued on fixed deposits | 156 | 121 |
| Deposit | 2 | 2 |
| Foreign exchange forward contract | - | 121 |
| Guarantee Commission Receivable | 251 | 345 |
| Rent receivables | 98 | 100 |
| Other receivable from subsidiary, net | 274 | 569 |
| Other receivables | 31 | 33 |
| | 832 | 1,333 |

7 Other current assets

| | As at March 31, 2021 | As at March 31, 2020 |
|--------------------------------|-------------------------|-------------------------|
| Unbilled Revenue | 263 | 227 |
| Prepaid expenses | 163 | 157 |
| Input tax credit receivable | 468 | 337 |
| Advances to suppliers | 392 | 39 |
| Interest on Income tax refunds | 175 | 110 |
| Others | 114 | 110 |
| | 1,575 | 980 |

8 Equity share capital

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Authorised: | | |
| 40,000,000 (March 31, 2020: 40,000,000) equity shares of ₹ 5/- each | 2,000 | 2,000 |
| 2,000,000 (March 31, 2020: 2,000,000) preference shares of ₹ 100/- each | 2,000 | 2,000 |
| | 4,000 | 4,000 |
| Issued, subscribed and fully paid up : | | |
| 25,232,889 (March 31, 2020 :24,289,472) equity shares of ₹ 5/- each fully paid | 1,262 | 1,214 |
| | 1,262 | 1,214 |

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

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|--|----------------------|--------------|----------------------|--------------|
| | No. of shares | Amount | No. of shares | Amount |
| Equity Shares | | | | |
| Balance as at the beginning of the year | 24,289,472 | 1,214 | 23,972,803 | 1,199 |
| Add: On account of exercise of employee stock option plans | 943,417 | 48 | 316,669 | 15 |
| Balance as at the end of the year | 25,232,889 | 1,262 | 24,289,472 | 1,214 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a face value of ₹ 5/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

| Name of the shareholder | As at March 31, 2021 | | As at March 31, 2020 | |
|-------------------------|----------------------|--------------|----------------------|--------------|
| | No. of shares | % of holding | No. of shares | % of holding |
| Ashank Desai | 3,329,552 | 13.2% | 3,099,552 | 12.8% |
| Sudhakar Ram | - | 0.0% | 1,588,680 | 6.5% |
| Girija Ram | 1,753,280 | 6.9% | - | 0.0% |
| Ketan Mehta | 2,274,100 | 9.0% | 2,274,100 | 9.4% |
| Radhakrishnan Sundar | 1,340,800 | 5.3% | 1,340,800 | 5.5% |

(d) Shares reserved for issue under options

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Number of shares to be issued under the Employee Stock Option Plans (Refer note 31) | 1,147,212 | 1,975,692 |

9 Other equity

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| a) Capital redemption reserve | 1,539 | 1,539 |
| Non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares. | | |
| b) Securities premium | 4,788 | 2,716 |
| Amount received (on issue of shares) in excess of the face value has been classified as securities premium. | | |
| c) Share options outstanding account | 1,763 | 2,223 |
| The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share capital and securities premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to retained earnings. | | |
| d) Retained earnings | 18,289 | 17,995 |
| Retained earnings comprises of the prior year's undistributed earning after taxes increased by undistributed profits for the year. | | |
| e) Other items of other comprehensive income | 913 | 1,225 |
| Other items of other comprehensive income consist of FVOCI financial assets and financial liabilities and remeasurement of defined benefit assets and liability. | | |
| | 27,292 | 25,698 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

9.1 Distributions made and proposed

The Board of Directors at its meeting held on October 30, 2020 had declared an interim dividend of 110% (₹ 5.5 per equity share of par value of ₹ 5 each). This has resulted in cash outflow of ₹ 1,362 Lakhs. Further, the Board of Directors at its meeting held on April 28, 2021 had recommended a final dividend of 180% (₹ 9 per equity share of par value of ₹ 5 each), which is subject to approval by the shareholders at their ensuing Annual General Meeting.

Non-current Liabilities

10 Financial liabilities

a. Borrowings

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Secured | | |
| Vehicle loans from bank [Refer note (i) below] | 80 | 113 |
| | 80 | 113 |

- (i) Loans from bank are secured by hypothecation of assets (Vehicles) purchased there against.

Monthly payment of equated monthly instalments beginning from the month subsequent to taking the loan along with interest at 7.80% - 9.35% per annum is payable till November 2025.

- (ii) The Company has, during the year ended March 31, 2021, availed / renewed certain working capital facilities from banks against which the security has been created on current assets specified by the bankers. However, no amounts are outstanding against the same as at March 31, 2021.

b. Other financial liabilities

| | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------------|-------------------------|-------------------------|
| Security and other deposits | 154 | 127 |
| Guarantee Liability payable | 404 | 771 |
| Foreign exchange forward contract | 304 | - |
| Lease liability (Refer note 32) | 58 | 89 |
| | 920 | 987 |

11 Provisions

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Provision for employee benefits | | |
| Provision for gratuity (Refer note 23) | 648 | 364 |
| | 648 | 364 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

Current liabilities

Financial liabilities

12 Other financial liabilities

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Current maturities of vehicle loans from bank (Secured) (Refer note 10 (a)) | 54 | 47 |
| Unclaimed dividends (Refer note (a) below) | 51 | 64 |
| Security and other deposits | 2 | 2 |
| Lease liability (Refer note 32) | 31 | 50 |
| Other payables | | |
| Employee benefits payable | 2,112 | 1,282 |
| Accrued expenses | 3,095 | 2,070 |
| Foreign exchange forward contract | 94 | - |
| Guarantee Liability payable | 230 | 231 |
| | 5,669 | 3,746 |

Note:

- (a) There is no amount due for payment to Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2021.

13 Other current liabilities

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Contract liabilities | 398 | 103 |
| Statutory dues (including stamp duty, provident fund and tax deducted at source) | 563 | 394 |
| Deferred rent | 40 | 47 |
| Others | 45 | 11 |
| | 1,046 | 555 |

14 Provisions

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Provision for employee benefits | | |
| Provision for leave entitlement | 664 | 517 |
| Provision for cost overrun on contracts* | 255 | 320 |
| | 919 | 837 |

*Provision for cost overrun on contracts

| Particulars | March 31, 2021 | March 31, 2020 |
|--|----------------|----------------|
| Balance as at beginning of the year | 320 | 275 |
| Add: Provision made / (reversed) during the year | (65) | 45 |
| Balance as at end of the year | 255 | 320 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

15 Revenue from operations

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---------------------------------|---|---|
| Information technology services | 18,714 | 16,344 |
| | 18,714 | 16,344 |

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

Revenue by geography

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--------------------------|---|---|
| UK & Europe operations | 16,102 | 14,376 |
| North America operations | 1,066 | 598 |
| Middle East | 14 | - |
| Others | 1,532 | 1,370 |
| | 18,714 | 16,344 |

Remaining performance obligation

As of March 31, 2021 the aggregate amount of transaction price allocated to remaining performance obligations, was ₹ 569 lakhs, of which approximately 85% is expected to be recognised as revenues within 4 years. (March 31, 2020 ₹ 1,269 lakhs)

16 Other income

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Interest income | | |
| - On fixed deposits | 274 | 240 |
| - On income tax refunds | 65 | - |
| - On others | 6 | 4 |
| - On guarantee given | 89 | 60 |
| Profit on sale of current investments | 398 | 417 |
| Gain on fair valuation of investments | 259 | 199 |
| Rental income | 418 | 264 |
| Profit on sale of property, plant and equipment | 17 | - |
| Net gain on foreign currency transactions and translation | 218 | 127 |
| Dividend income from Mastek UK Limited, subsidiary | 1,345 | 3,142 |
| Guarantee commission | 244 | 104 |
| Others | 154 | 329 |
| | 3,487 | 4,886 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

17 Employee benefits expenses

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--|---|---|
| Salaries, wages and performance incentives | 12,849 | 11,009 |
| Gratuity (Refer Note 23) | 259 | 235 |
| Contribution to provident and other funds | 475 | 457 |
| Employee stock compensation expenses | 312 | 370 |
| Staff welfare expense | 225 | 293 |
| | 14,120 | 12,364 |

18 Finance costs

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---------------------------------|---|---|
| Interest on lease liabilities | | |
| Finance lease | 13 | 16 |
| Operating lease (Refer note 32) | 12 | 13 |
| Bank charges | 21 | 9 |
| Other finance charges | 12 | 7 |
| | 58 | 45 |

19 Depreciation and amortisation expenses

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|-------------------------------|---|---|
| Property, plant and equipment | 700 | 746 |
| Right-of-use assets | 37 | 30 |
| Investment property | 35 | 36 |
| Intangible assets | 307 | 301 |
| | 1,079 | 1,113 |

20 Other expenses

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Recruitment and training expenses | 365 | 181 |
| Travelling and conveyance | 162 | 450 |
| Communication charges | 115 | 135 |
| Electricity | 116 | 200 |
| Consultancy and sub-contracting charges | 238 | 279 |
| Audit fees (Refer note 36) | 38 | 36 |
| Rates and taxes | 78 | 99 |
| Repairs to buildings | 223 | 337 |
| Repairs : others | 371 | 462 |
| Insurance | 113 | 83 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|--|--|
| Printing and stationery | 2 | 14 |
| Purchase of software license | 137 | 366 |
| Professional fees | 558 | 418 |
| Rent | 51 | 42 |
| Advertisement and publicity | 24 | 87 |
| Provision made/ (written back) against receivable, loans and advances doubtful of recovery, net | 60 | 191 |
| Hire charges | 15 | 71 |
| Provision for cost overrun on contracts, net (Refer note 14) | - | 45 |
| Expenditure towards corporate social responsibility (CSR) activities (Refer note 39) | 179 | 113 |
| Loss on sale of property, plant and equipment | - | 19 |
| Miscellaneous expenses | 3 | 14 |
| | 2,848 | 3,642 |

21 Exceptional items, net

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--|--|--|
| a. Legal and professional cost | - | 32 |
| b. Provision for doubtful debts | - | 651 |
| c. Settlement provision relating to revenue contract | 700 | - |
| | 700 | 683 |

- a. Legal and professional cost relates to a business combination consummated during the quarter ended March 2020. (Refer note 37).
- b. Represents trade receivables from a customer that was facing financial difficulty, as a result of which the total amount outstanding as on March 31, 2020 was provided for.
- c. Settlement provision relating to one revenue contracts ₹ 700 lakhs for the year ended March 31, 2021.

22 Earnings Per Share (EPS)

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|--|--|
| The components of basic and diluted earnings per share for total operations are as follows: | | |
| (a) Net profit attributable to equity shareholders | 1,646 | 2,745 |
| (b) Weighted average number of outstanding equity shares | | |
| Considered for basic EPS | 24,652,243 | 24,077,384 |
| Add : Effect of dilutive potential equity shares arising from outstanding stock options | 916,427 | 1,281,709 |
| Considered for diluted EPS | 25,568,670 | 25,359,093 |
| (c) Earnings per share in ₹ (Face value ₹ 5/- each) | | |
| Basic | 6.67 | 11.40 |
| Diluted | 6.44 | 10.82 |

23 Employee benefit plans

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

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Gratuity cost | | |
| Service cost | 242 | 233 |
| Net interest on net defined liability | 17 | 2 |
| Net gratuity cost | 259 | 235 |
| Actuarial gain / (loss) recognised in other comprehensive income | (27) | 8 |
| Interest rate | 6.35% | 6.50% |
| Salary increase | 10% | 10% |

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

Mortality rate is considered as per the published rates under the Indian Assured Lives Mortality (2012-14) Ult table. Attrition rate varies between 10% to 21%. Mortality and attrition rates were same for the year ended March 31, 2020.

The following table sets out the status of gratuity plan.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Obligation at the beginning of the year | 2,050 | 1,925 |
| Service cost | 242 | 233 |
| Interest cost | 120 | 125 |
| Actuarial loss / (gain) - financial assumption | 21 | 89 |
| Actuarial loss / (gain) - experience | 17 | (90) |
| Benefits paid | (218) | (233) |
| Obligation at the end of the year | 2,232 | 2,050 |
| Change in plan assets (maintained by LIC) | | |
| Plan assets at the beginning of the year, at fair value | 1,687 | 1,790 |
| Employer contribution | 1 | 0 |
| Interest income on plan assets | 103 | 123 |
| Remeasurement on plan assets less interest on plan assets | 11 | 7 |
| Benefits paid | (218) | (233) |
| Plan assets at the end of the year, at fair value | 1,584 | 1,687 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

Historical information

| Particulars | As at | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2019 | March 31, 2018 | March 31, 2017 |
| Present value of defined benefit obligation | 2,232 | 2,050 | 1,925 | 1,740 | 1,920 |
| Fair value of plan assets | 1,584 | 1,687 | 1,790 | 1,813 | 1,835 |
| (Liability)/asset recognised | (648) | (363) | (135) | 73 | (85) |

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

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| | | |
| Experience adjustment on plan liabilities - (loss) / gain | (38) | 1 |
| Experience adjustment on plan assets - gain | 11 | 7 |

Sensitivity analysis

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

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|-----------------------|----------------------|----------|----------------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount Rate(50 bps) | (67) | 76 | (58) | 66 |
| Salary Growth(50 bps) | 73 | (66) | 63 | (57) |

Maturity profile of defined benefit obligation:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---------------------|----------------------|----------------------|
| | | |
| 1 year | 299 | 394 |
| 2 year | 301 | 239 |
| 3 year | 272 | 247 |
| 4 year | 244 | 221 |
| 5 year | 226 | 195 |
| 6 year | 216 | 181 |
| 7 year | 230 | 174 |
| 8 year | 182 | 187 |
| 9 year | 181 | 147 |
| 10 years and beyond | 1,466 | 1,305 |

- i) The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. Expected contribution to the Fund in FY 2021-22 is ₹ 200 lakhs. (FY 2020-21 ₹ 200 lakhs)
- ii) Plan assets are investment in unquoted insurer managed funds.

(b) Defined contribution plan

The Company contributed ₹ 475 lakhs for the year ended March 31, 2021 (₹ 457 lakhs March 31, 2020) for the defined contribution plan.

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

24 Income taxes

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

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Current tax | 1,040 | 869 |
| Income tax relating to earlier years (refer note 24.1) | 730 | - |
| Deferred tax | (20) | (231) |
| Income tax expense recognised in the statement of profit or loss | 1,750 | 638 |
| Income tax (expense) recognised in other comprehensive income | 128 | (64) |

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

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--|---|---|
| Profit before tax | 3,396 | 3,383 |
| Enacted income tax rate in India | 29.12% | 29.12% |
| Computed expected tax expense | 989 | 985 |
| Effect of: | | |
| Expenses that are not deductible in determining taxable profit | 21 | 7 |
| Dividend income subject to different tax rates | (392) | (366) |
| Tax provision related to Advance Pricing Arrangement | 1,143 | - |
| Others | (11) | 12 |
| Total income tax expense recognised in the statement of profit and loss | 1,750 | 638 |

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

| Particulars | Carrying value as at April 1, 2020 | Changes through profit and loss | Additions through business transfer | Changes through OCI | Utilisation of MAT credit* | Carrying value as at March 31, 2021 |
|---|---|--|--|---------------------------|----------------------------------|--|
| Property, plant and equipment and intangible assets | 638 | (11) | - | - | - | 627 |
| Provision for doubtful debts | 307 | (216) | - | - | - | 91 |
| Provision for compensated absence/gratuity | 256 | 118 | - | 8 | - | 382 |
| Net gain on fair value of mutual funds | (321) | (134) | - | (64) | - | (519) |
| Cash flow hedge | (69) | - | - | 184 | - | 115 |
| MAT Credit entitlement | 1,977 | - | - | - | (65) | 1,912 |
| Others | 28 | 263 | - | - | - | 291 |
| Total | 2,816 | 20 | - | 128 | (65) | 2,899 |

* Adjusted in Current tax

Significant accounting policies and Notes to accounts

for the year ended March 31, 2021

(₹ in lakhs)

The movement in gross deferred income tax assets and liabilities (before set-off) for the year ended March 31, 2020 is as follows:

| Particulars | Carrying value as at April 1, 2019 | Changes through profit and loss | Additions through business transfer | Changes through OCI | Utilisation of MAT credit [^] | Carrying value as at March 31, 2020 |
|---|------------------------------------|---------------------------------|-------------------------------------|---------------------|--|-------------------------------------|
| Property, plant and equipment and intangible assets | 649 | (11) | - | - | - | 638 |
| Provision for doubtful debts | 75 | 232 | - | - | - | 307 |
| Provision for compensated absence/gratuity | 247 | 12 | - | (3) | - | 256 |
| Net gain on fair value of mutual funds | (228) | - | - | (93) | - | (321) |
| Cash flow hedge | (101) | - | - | 32 | - | (69) |
| MAT Credit entitlement | 2,130 | - | - | - | (153) | 1,977 |
| Others | 30 | (2) | - | - | - | 28 |
| Total | 2,802 | 231 | - | (64) | (153) | 2,816 |

[^] Adjusted in Current tax

24.1 During the year, the company has recognised a provision towards the possible impact of an uncertain tax position based on the present status of the on-going proceedings of its Advance Pricing Arrangement with the tax authorities. Accordingly, ₹ 730 Lakhs was provided as an impact for prior years, which will be adjusted based on additional facts and / or ultimate outcome. Current tax expense for the year ended March 31, 2021 includes impact of the same amounting to ₹ 413 lakhs, recognised on a similar basis. The matter is under discussion between the revenue authorities of the respective countries and pending ultimate conclusion, the Company has recognised the provision on a best estimate basis.

25 Related Party disclosures, as per Ind AS 24

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

| Name of Related Party | Nature of relationship | Country of Incorporation |
|--|------------------------|--------------------------|
| Mastek (UK) Limited | Subsidiary | United Kingdom |
| Trans American Information Systems Private Limited | Subsidiary | India |
| Indigo Blue Consulting Limited (merged with Mastek (UK) Limited with effect from June 30, 2018) | Step-down Subsidiary | United Kingdom |
| Mastek, Inc. (formerly known as Digility, Inc.) | Step-down Subsidiary | United States of America |
| Trans American Information Systems, Inc. | Step-down Subsidiary | United States of America |
| Taistech LLC (merged with Trans American Information Systems, Inc. with effect from December 31, 2019) | Step-down Subsidiary | United States of America |
| Mastek Digital, Inc. | Step-down Subsidiary | Canada |
| Acquired through Business Transfer Agreement (BTA) (Refer note 37(i) for manner and date of acquisition) | | |
| Mastek Arabia FZ LLC | Step-down Subsidiary | United Arab Emirates |
| Evolutionary Systems Consultancy LLC | Step-down Subsidiary | United Arab Emirates |
| Evolutionary Systems Egypt (Limited) | Step-down Subsidiary | Egypt |
| Evosys Kuwait WLL | Step-down Subsidiary | Kuwait |
| Evolutionary Systems Saudi LLC | Step-down Subsidiary | Kingdom of Saudi Arabia |
| Evolutionary Systems Bahrain WLL | Step-down Subsidiary | Bahrain |
| Acquired through Demerger Co-operation Agreement (DCA) (Refer note 37(ii) for manner and date of acquisition) | | |
| Evolutionary Systems Private Limited | Step-down Subsidiary | India |
| Evolutionary Systems Company Limited-UK | Step-down Subsidiary | United Kingdom |
| Newbury Cloud, Inc. | Step-down Subsidiary | United States of America |
| Evolutionary Systems Corp. | Step-down Subsidiary | United States of America |
| Evosys Consultancy Services (Malaysia) | Step-down Subsidiary | Malaysia |

Significant accounting policies and Notes to accounts

for the year ended March 31, 2021

(₹ in lakhs)

| | | |
|--|---|-------------|
| Evolutionary Systems Qatar WLL | Step-down Subsidiary | Qatar |
| Evolutionary Systems Pty Ltd | Step-down Subsidiary | Australia |
| Evolutionary Systems BV | Step-down Subsidiary | Netherlands |
| Evolutionary Systems (Singapore) Pte. Ltd. | Step-down Subsidiary | Singapore |
| Key Management Personnel (KMP): | | |
| | Sudhakar Ram, Vice Chairman and Managing Director (Upto November 8, 2020) | |
| | Ashank Desai, Vice Chairman and Managing Director (From November 8, 2020) | |
| | John Owen, Group Chief Executive Officer (Upto January 18, 2021) | |
| | Ketan Mehta, Non Executive Director (From December 29, 2020) | |
| | Atul Kanagat, Non Executive Director | |
| | Keith Bogg, Non Executive Director (Upto October 15, 2019) | |
| | Priti Rao, Non Executive Director | |
| | S. Sandilya, Non Executive Director | |
| | Rajeev Grover, Non Executive Director | |
| | Abhishek Singh, Chief Financial Officer (Upto November 30, 2020) | |
| | Dinesh Kalani, Company Secretary | |
| Enterprise where KMP has control | Cashless Technologies India Private Limited (Upto November 8, 2020) | |

Transactions with above related parties during the year were:-

| Name of Related Party | Nature of transactions | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--|---|---|---|
| | | | |
| Mastek (UK) Limited | Information Technology Services ^ | 16,102 | 14,376 |
| | Other Income | 80 | 146 |
| | Dividend received from subsidiary | 1,345 | 3,142 |
| | Reimbursable / Other expenses recoverable | 501 | 994 |
| | Guarantee commission ^ | 333 | 164 |
| | Guarantee given for loan availed by subsidiary ^ | - | 28,290 |
| | Guarantee reduced for loan availed by subsidiary ^ | 9,879 | - |
| Mastek, Inc. | Information Technology Services ^ | 1,013 | 575 |
| | Reimbursable / other expenses recoverable | 83 | 33 |
| | Other income | - | 0 |
| Trans American Information Systems, Inc. | Information Technology Services ^ | 53 | 23 |
| | Other income | 23 | 23 |
| | Reimbursable / other expenses recoverable | 1 | 6 |
| Trans American Information Systems Private Limited | Other Income | - | 5 |
| | Reimbursable / other expenses recoverable (excluding GST) | 11 | 319 |
| Mastek Arabia FZ LLC | Information Technology Services ^ | 4 | - |
| Evolutionary Systems Consultancy LLC | Information Technology Services ^ | 10 | - |
| Evosys Consultancy Services (Malaysia) | Information Technology Services ^ | 11 | - |
| Evolutionary Systems (Singapore) Pte. Ltd. | Information Technology Services ^ | 11 | - |
| Evolutionary Systems Private Limited | Information Technology Services (excluding GST) | 220 | - |
| | Reimbursable / other expenses recoverable (excluding GST) | 7 | - |
| Compensation of key management personnel (Refer note 25.1) | | 745 | 444 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

Balances outstanding are as follows:-

| Name of Related Party | Nature of balances | As at March 31, 2021 | As at March 31, 2020 |
|--|--|-------------------------|-------------------------|
| Mastek (UK) Limited | Trade receivables | 3,437 | 2,140 |
| | Other receivables | 254 | 256 |
| | Guarantee commission receivable ^ | 567 | 997 |
| | Guarantee commission liability (at fair value) ^ | 634 | 1,002 |
| | Guarantee given against Loan availed by subsidiary * | 25,818 | 33,193 |
| Mastek, Inc. | Trade receivables | 200 | 135 |
| | Other receivable from subsidiary / (payable) | 9 | (18) |
| Trans American Information Systems, Inc. | Other receivables | 9 | 7 |
| | Trade receivables / (payables) | 25 | (8) |
| Trans American Information Systems Private Limited | Trade receivables | 1 | 0 |
| | Other receivables | 2 | 324 |
| Mastek Arabia FZ LLC | Trade receivables | 4 | - |
| Evolutionary Systems Consultancy LLC | Trade receivables | 10 | - |
| Evosys Consultancy Services (Malaysia) | Trade receivables | 11 | - |
| Evolutionary Systems (Singapore) Pte. Ltd. | Trade receivables | 11 | - |
| Evolutionary Systems Private Limited | Trade receivables | 156 | - |

* The guarantees/security [refer notes 3(a)(*) and 35B] have been given for loans availed by the subsidiary for acquisitions.

^ This includes foreign exchange adjustment and fair value adjustment.

25.1 Compensation of key management personnel of the Company

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--|---|---|
| Salaries and other employee benefits * | 442 | 293 |
| Share based payment transactions | 202 | 37 |
| Director sitting fees | 79 | 84 |
| Director commission | 22 | 30 |
| Compensation to key management personnel | 745 | 444 |

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

26 Segment reporting

The Company has opted to present information relating to its segments in its consolidated financial statements which are included in the same annual report. In accordance with Ind AS 108 - 'Operating Segments', no disclosures related to segment are therefore presented in these standalone financial statements.

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

27 Financial instrument

The carrying value and fair value of financial instruments by categories as at March 31, 2021 and March 31, 2020 is as follows:

| Particulars | Carrying Value | | Fair Value | |
|--------------------------------------|----------------|----------------|----------------|----------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Financial asset | | | | |
| Amortised Cost | | | | |
| Loans | 123 | 101 | 123 | 101 |
| Trade receivable (net of provisions) | 4,476 | 2,561 | 4,476 | 2,561 |
| Cash and cash equivalents | 2,393 | 2,018 | 2,393 | 2,018 |
| Other bank balance | 51 | 64 | 51 | 64 |
| Other assets | 1,151 | 1,868 | 1,151 | 1,868 |
| Investment in term deposits | 4,338 | 2,355 | 4,338 | 2,355 |
| Investment in bonds | 159 | 106 | 159 | 106 |
| FVOCI | | | | |
| Investment in mutual funds | 7,934 | 7,775 | 7,934 | 7,775 |
| Derivative Assets | - | 237 | - | 237 |
| FVTPL | | | | |
| Investment in liquid mutual fund | 7,553 | 5,798 | 7,553 | 5,798 |
| Total assets | 28,178 | 22,883 | 28,178 | 22,883 |
| Financial liabilities | | | | |
| Amortised cost | | | | |
| Loans and borrowing | 134 | 160 | 134 | 160 |
| Trade payables | 134 | 112 | 134 | 112 |
| Lease liabilities | 89 | 139 | 89 | 139 |
| Other liabilities | 6,048 | 4,547 | 6,048 | 4,547 |
| FVOCI | | | | |
| Derivative Liabilities | 398 | - | 398 | - |
| Total liabilities | 6,803 | 4,958 | 6,803 | 4,958 |

28 Fair Value Hierarchy

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

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

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

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

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

| Particulars | Date of valuation | Total | Fair value measuring using | | |
|--|-------------------|-------|----------------------------|---------|---------|
| | | | Level 1 | Level 2 | Level 3 |
| FVOCI financial assets designated at fair value | | | | | |
| Investment in mutual fund | March 31, 2021 | 7,934 | 7,934 | - | - |
| FVTPL financial assets designated at fair value | | | | | |
| Investment in liquid mutual fund | March 31, 2021 | 7,553 | 7,553 | - | - |
| Financial liabilities measuring at fair value | | | | | |
| Derivative liabilities | | | | | |
| Foreign exchange forward contract | March 31, 2021 | 398 | - | 398 | - |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

Quantitative disclosures of fair value measurement hierarchy for financial assets as at March 31, 2020:

| Particulars | Date of valuation | Total | Fair value measuring using | | |
|--|-------------------|-------|----------------------------|---------|---------|
| | | | Level 1 | Level 2 | Level 3 |
| Financial assets measuring at fair value | | | | | |
| Derivative Assets | | | | | |
| Foreign exchange forward contract | March 31, 2020 | 237 | - | 237 | - |
| FVTOCI financial assets designated at fair value | | | | | |
| Investment in mutual fund | March 31, 2020 | 7,775 | 7,775 | - | - |
| FVTPL financial assets designated at fair value | | | | | |
| Investment in liquid mutual fund | March 31, 2020 | 5,798 | 5,798 | - | - |

29 Financial Risk Management

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

Market Risk

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

Foreign Currency Risk

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

Derivative financial instrument

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

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

| Designated derivative instrument | As at | |
|--|----------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| Forward contract (Amount in GBP lakhs) | 305 | 161 |
| Number of contracts | 462 | 237 |
| Fair value (loss)/gain | (398) | 237 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

Forward Contracts covers part of the exposure during the period April 2021 - January 2025

| Mark-to-Market gains / (losses) | As at | |
|--|----------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| Opening balance of Mark-to-market gains receivable on outstanding derivative contracts | 237 | 348 |
| Less: Released from Hedging reserve account to statement of profit and loss under revenue upon occurrence of forecasted sales transactions | (10) | (396) |
| Add: Changes in the value of derivative instrument recognised in Hedging reserve account | (625) | 285 |
| Closing balance of Mark-to-market (losses payable) / gains receivable on outstanding derivative contracts | (398) | 237 |
| Disclosed under: | | |
| Other current financial asset (Refer note 6(e)) | - | 121 |
| Other non-current financial asset (Refer note 4(c)) | - | 116 |
| Other current financial liabilities (Refer note 12) | 94 | - |
| Other non-current financial liabilities (Refer note 10(b)) | 304 | - |
| | 398 | 237 |

Non-Derivative Financial Instruments

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

| Particulars | As at March 31, 2021 | | | As at March 31, 2020 | | |
|-----------------------------------|----------------------|--------------|--------------|----------------------|--------------|------------|
| | USD in lakhs | GBP in lakhs | ₹ in lakhs | USD in lakhs | GBP in lakhs | ₹ in lakhs |
| Financial assets | 4 | 18 | 2,071 | 2 | 7 | 735 |
| Financial liabilities | (4) | - | (280) | (2) | - | (184) |
| Net assets / (liabilities) | (0) | 18 | 1,791 | - | 7 | 551 |

As at March 31, 2021 and March 31, 2020 respectively, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact results by approximately ₹ 18 lakhs and ₹ 6 lakhs, respectively.

^ This does not include contingent liability of guarantee commission (Refer note 35B).

Credit Risk

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

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment and accordingly the Company's accounts for the expected credit loss. There is only one customer which contributes for more than 10% of outstanding total accounts receivables aggregating 76.80% as at March 31, 2021 (73.29%, March 31, 2020).

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

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

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|------------------------------|---|---|
| Revenue from Top Customer | 86% | 86% |
| Revenue from Top 5 Customers | 95% | 92% |

Liquidity Risk

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

The Working Capital position of the Company is given below

| Particulars of current financial assets | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Cash and cash equivalent | 2,393 | 2,018 |
| Other bank balances | 51 | 64 |
| Investment in mutual funds | 11,477 | 9,865 |
| Investment in term deposits | 4,338 | 2,325 |
| Investment in bonds | 50 | - |
| Total | 18,309 | 14,272 |

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 and March 31, 2020:

| Particulars | As at March 31, 2021 | |
|-----------------------------|----------------------|------------------|
| | Less than 1 Year | 1 Year and above |
| Borrowings | 54 | 80 |
| Trade payables | 134 | - |
| Other financial liabilities | 5,615 | 920 |

| Particulars | As at March 31, 2020 | |
|-----------------------------|----------------------|------------------|
| | Less than 1 Year | 1 Year and above |
| Borrowings | 47 | 113 |
| Trade payables | 112 | - |
| Other financial liabilities | 3,699 | 987 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

30 Capital Management

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

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Total Equity attributable to the Equity Share Holders of Company | 28,554 | 26,912 |
| As percentage of total Capital | 99.53% | 99.41% |
| Current loan and borrowing | 54 | 47 |
| Non Current loan and borrowing | 80 | 113 |
| Total loans and borrowings | 134 | 160 |
| As a percentage of total capital | 0.47% | 0.59% |
| Total capital (Loans and borrowings and equity) | 28,688 | 27,072 |

The Company is predominantly equity financed which is evident from capital structure table. Further, the Company has always been in a net cash position. Cash and bank balances along with current financial assets which is predominantly includes investment in liquid and short term mutual funds are in excess of debt.

31 Employee Stock Based Compensation

i) Plan IV

The Shareholders of the Company through Postal Ballot on August 9, 2007 approved the allocation of 1,000,000 stock options to the eligible employees of the Company and its subsidiaries. The Company subsequently established a new scheme in 2007 for granting 1,000,000 stock options to the employees referred to above, each option representing one equity share of the Company. The vesting period of stock options will range from one year to four years from the date of grant. The stock options are exercisable within a period of seven years from the date of vesting.

| Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|--|--------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|
| | No. of share options | Weighted average Exercise price | No. of share options | Weighted average Exercise price |
| Outstanding options at beginning of the year | - | - | 7,500 | 88 |
| Granted during the year | - | - | - | - |
| Exercised during the year | - | - | - | - |
| Lapsed/Cancelled during the year | - | - | (7,500) | 88 |
| Outstanding options at end of the year | - | - | - | - |
| Options exercisable, end of the year | - | - | - | - |

Significant accounting policies and Notes to accounts

for the year ended March 31, 2021

(₹ in lakhs)

ii) Plan V

The Company introduced a new scheme in 2008 for granting 1,500,000 stock options to the employees, each option representing one equity share of the Company. The vesting period of stock options will range from one year to four years from the date of grant. The stock options are exercisable within a period of seven years from the date of vesting.

| Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|--|--------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|
| | No. of share options | Weighted average Exercise price | No. of share options | Weighted average Exercise price |
| Outstanding options at beginning of the year | 32,225 | 68 | 37,225 | 69 |
| Granted during the year | - | - | - | - |
| Exercised during the year | (18,000) | 66 | (5,000) | 80 |
| Lapsed/Cancelled during the year | (3,750) | 91 | - | - |
| Outstanding options at end of the year | 10,475 | 63 | 32,225 | 68 |
| Options exercisable, end of the year | 10,475 | 63 | 32,225 | 68 |

iii) Plan VI

The Company introduced a new scheme in 2010 for granting 2,000,000 stock options to the employees, each option representing one equity share of the Company. The vesting period of stock options will range from one year to four years from the date of grant. The stock options are exercisable within a period of seven years from the date of vesting.

| Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|--|--------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|
| | No. of share options | Weighted average Exercise price | No. of share options | Weighted average Exercise price |
| Outstanding options at beginning of the year | 427,508 | 82 | 621,071 | 77 |
| Granted during the year | - | - | - | - |
| Exercised during the year | (258,606) | 71 | (182,069) | 63 |
| Lapsed/Cancelled during the year | (50,811) | 98 | (11,494) | 134 |
| Outstanding options at end of the year | 118,091 | 114 | 427,508 | 82 |
| Options exercisable, end of the year | 118,091 | 114 | 427,508 | 82 |

iv) Plan VII

The Company introduced a new scheme in 2013 for granting 2,500,000 stock options to its employees and employees of its subsidiaries, each option giving a right to apply for one equity share of the Company on its vesting. The vesting period of stock option will range from one year to four years from the date of grant. The stock options are exercisable within a period of seven years from the date of vesting.

| Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|--|--------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|
| | No. of share options | Weighted average Exercise price | No. of share options | Weighted average Exercise price |
| Outstanding options at beginning of the year | 1,515,959 | 92 | 1,538,623 | 102 |
| Granted during the year | 267,160 | 5 | 170,750 | 5 |
| Exercised during the year | (666,811) | 97 | (129,600) | 70 |
| Lapsed/Cancelled during the year | (97,662) | 63 | (63,814) | 126 |
| Outstanding options at end of the year | 1,018,646 | 69 | 1,515,959 | 92 |
| Options exercisable, end of the year | 559,943 | 96 | 798,418 | 115 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

The following tables summarize information about the options/ shares outstanding under various programs as at March 31, 2021 and March 31, 2020 respectively:

| Particulars | As at March 31, 2021 | | |
|---------------|----------------------|--|---------------------------------|
| | No. of share options | Weighted average remaining contractual life in years | Weighted average exercise price |
| Programme V | 10,475 | 0.3 | 63 |
| Programme VI | 118,091 | 2.6 | 114 |
| Programme VII | 1,018,646 | 6.7 | 69 |

| Particulars | As at March 31, 2020 | | |
|---------------|----------------------|--|---------------------------------|
| | No. of share options | Weighted average remaining contractual life in years | Weighted average exercise price |
| Programme V | 32,225 | 0.7 | 68 |
| Programme VI | 427,508 | 3.2 | 82 |
| Programme VII | 1,515,959 | 6.5 | 92 |

The weighted average fair value of each unit under the plan, granted during the year ended was ₹ 441 using the Black-Scholes model with the following assumptions:

| Particulars | As at March 31, 2021 |
|---|----------------------|
| Weighted average grant date share price | 505 |
| Weighted average exercise price | 5 |
| Dividend yield % | 0.78% |
| Expected life | 3-7 |
| Risk free interest rate | 5.40 |
| Volatility | 52.04 |

Volatility : Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure of volatility is used in Black Scholes option pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. Company considered the daily historical volatility of the Company's stock price on NSE over the expected life of each vest.

Risk free rate : The risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on zero coupon yield curve for government securities.

Expected life of the options: Expected life of the options is the period for which the Company expects the options to be live. The minimum life of stock options is the minimum period before which the options can't be exercised and the maximum life of the option is the maximum period after which the options can't be exercised. The Company has calculated expected life as the average of the minimum and the maximum life of the options.

Dividend yield: Expected dividend yield has been calculated as a total of interim and final dividend declared in last year preceding date of grant.

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

32 Leases

Company as a lessor

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

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

Company as lessee

The Company's leased assets primarily consist of leases for office premises, guest houses, laptops, lease lines, furniture and equipment. Leases of office premises and guest houses generally have lease term between 2 to 45 years. The Company has applied low value exemption for leases of laptops, lease lines, furniture and equipment and accordingly these are excluded from accounting as per Ind AS 116, at present.

- i) **The carrying amounts of right-of-use assets recognised and the movements during the period (Refer note 3 (b))**
- ii) **Below are the carrying amounts of operating lease liabilities (included under financial liabilities) and the movements during the period:**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Balance at the beginning of the year | 139 | - |
| Additions during the year | - | 164 |
| Deletion during the year | (17) | - |
| Finance expense | 12 | 13 |
| Payments | (45) | (38) |
| Balance at the end of the year | 89 | 139 |
| Current | 31 | 50 |
| Non-current | 58 | 89 |

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

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--------------------------------------|-------------------------|-------------------------|
| Less than one year | 89 | 98 |
| More than one year less than 5 years | 94 | 195 |
| More than 5 years | 350 | 349 |

The effective interest rate for lease liabilities is 11%.

- iii) **The following are the amounts recognised in profit or loss:**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--|---|---|
| Depreciation expense of right-of-use assets | 37 | 30 |
| Interest expense on lease liabilities | 12 | 13 |
| Expense relating to short-term leases (included in other expenses) | 51 | 42 |
| Total amount recognised in profit or loss | 100 | 85 |

The Company had total cash outflows for leases of ₹ 96 Lakhs in FY 2020-21 (₹ 80 Lakhs in FY 2019-20).

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ in lakhs)

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

The maturity analysis of lease income are disclosed herein-

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Future minimum lease income under non-cancellable operating lease (in respect of properties): | | |
| Due within one year | 405 | 404 |
| Due later than one year but not later than five years | 897 | 1,301 |
| Total | 1,301 | 1,705 |

33 Micro, Small and Medium Enterprises

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

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| a) The principal amount remaining unpaid to any supplier at the end of the year | 27 | 1 |
| b) Interest due remaining unpaid to any supplier at the end of the year | - | - |
| c) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year | - | - |
| d) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006 | - | - |
| e) the amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006 | - | - |

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

34 Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2021 is ₹ 18 lakhs (March 31, 2020: ₹ 61 lakhs).

35 Contingent liabilities

A. Claims against Company not acknowledged as debts

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| 1. Claims against Company not acknowledged as debts | | |
| Sales tax matter | 941 | 927 |

2. Provident Fund

Based on the judgement by the Honourable Supreme Court dated February 28, 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the Company with respect to timing and the components of its compensation structure. In absence of further clarification, the Company has been advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.

- (i) The Company does not expect any cash outflows or any reimbursements in respect of the above contingent liabilities.
- (ii) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above, pending occurrence of the default event or resolution of respective proceedings.

3. Social Security Code

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

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| B. Guarantee given to lenders for loan availed by subsidiary (to the extent of amount outstanding) | 25,818 | 33,193 |

36 Payments to the Auditor

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|----------------|---|---|
| As auditor | 36 | 34 |
| Other expenses | 2 | 2 |
| Total | 38 | 36 |

37 Note on acquisition

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

- i. Mastek (UK) Limited, a wholly-owned subsidiary of Mastek Limited, entered into a Business Transfer Agreement ("BTA") on February 8, 2020 to acquire the business of Evosys Arabia FZ LLC and Share Transfer Agreements (STA) to acquire Middle East Companies ("MENA Acquisition") by paying a cash consideration (net of cash & cash equivalents) of USD 64.9 million i.e. ₹ 48,204 lakhs. The closing of such transaction occurred on March 17, 2020, which is considered to be the date of transfer of control or the date of acquisition, as per Ind AS 103, and necessary effects have been recognised in the standalone financial statements of the respective entities and consolidated financial statements of the Company and its subsidiaries. While the acquisition has been effected and full consideration has been paid, procedures to complete the legal processes like registering sale of shares in two geographies is ongoing. The legal procedures are delayed because of COVID-19 pandemic related lockdown. The Company has been legally advised that such legal procedures are administrative in nature and the parties to the BTA expect to complete these after the lockdown is relaxed / lifted i.e. by September 2021.

Significant accounting policies and Notes to accounts

for the year ended March 31, 2021

(₹ in lakhs)

- ii. With respect to a business undertaking of ESPL (including investments in certain subsidiaries of ESPL), the parties entered into a Demerger Co-operation Agreement (DCA) and Shareholders Agreement on February 8, 2020. The manner of discharge of the non-cash consideration and the acquisition of legal ownership, is decided to be achieved through a demerger scheme filed before the NCLT ("the Scheme"), or, as per DCA between Mastek and the sellers of Evosys, the parties 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 provides for the relevant activities of ESPL and its subsidiaries to be decided by a majority vote of such board of directors, thereby resulting in transfer of control of business of ESPL and its subsidiaries to Mastek Group. 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. February 8, 2020. Discharge of consideration for demerger will be done through issue of 4,235,294 equity shares of Mastek Limited (face value ₹ 5 each) and balance through Compulsorily Convertible Preference Shares (CCPS) of Trans American Information Systems Private Limited (a subsidiary of Mastek Limited) which carry a Put Option to be discharged at agreed EBITDA multiples, based on actual EBITDA of 3 years commencing from financial year ending March 31, 2021. Pending completion of legal acquisition, this transaction has only been considered for disclosure in the standalone financial statements for the years ended March 31, 2020 and 2021 and will be given effect to on receiving NCLT approval or on executing the alternate arrangement in accordance with the DCA. Accordingly, the equity shares which are proposed to be issued have not been considered for calculating the earnings per share till such time that the acquisition is recognised in the standalone financial statements.

38 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 year ended March 31, 2021 and up to the date of approval of its financial statements. While assessing the impact, Company has considered all internal and external sources of information like industry reports, economic forecast, credit reports and company's business forecast basis the global economic condition. Company expects to recover the carrying amount of its assets and retain effectiveness of its hedge transactions. Further, there have been no material changes in the financial control/process followed by the company. However, the impact of COVID-19 may be different from that estimated as on the date of approval of these financial statements and the Company will continue to closely monitor any material changes to the business due to future economic conditions.

39 Expenditure on Corporate Social Responsibilities

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Amount required to be spent as per Section 135 of the Companies Act | 71 | 62 |
| Amount spent during the year | 179 | 113 |

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

These are the notes to the financial statements referred to in our report of even date

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

Adi P. Sethna
Partner
Membership No.: 108840
Place: Mumbai
Date: April 28, 2021

For and on behalf of the Board of Directors of **Mastek Limited**

Ashank Desai
Vice Chairman and
Managing Director
DIN: 00017767

Arun Agarwal
Vice President - Finance
Place: Mumbai
Date: April 28, 2021

S. Sandilya
Non-Executive Chairman
and Independent Director
DIN: 00037542

Dinesh Kalani
Company Secretary



A Resilient Future: Driven by
Humane@Work



Consolidated Financial Statements



Independent Auditor's Report

To the Members of **Mastek Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Mastek Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements (the 'financial statements') give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, as at 31 March 2021, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditor's Report

| Key audit matter | How our audit addressed the key audit matter |
|--|--|
| <p>(I) Carrying value of Goodwill on Business Combination:</p> <p>Refer note 2e(viii) and note 3(c) to the accompanying consolidated financial statements</p> <p>As at 31 March 2021, the Group's assets include goodwill aggregating to ₹ 10,276 lakhs on account of acquisition of Taistech US group. The Group has performed annual impairment test for the goodwill as per the applicable accounting standard Ind AS 36, Impairment of Assets.</p> <p>The determination of the recoverable value requires management to make certain key estimates and assumptions including forecast of future cash flows, long-term growth rates, including the impact of COVID 19, profitability levels and discount rates. Changes in these assumptions could lead to an impairment to the carrying value of the goodwill.</p> <p>Considering goodwill balance is significant to the consolidated financial statements and auditing management judgement and estimates as stated above involves high degree of subjectivity and require significant auditor judgement, assessment of carrying value of goodwill is considered as a key audit matter for the current year audit.</p> | <p>Our responses</p> <p>Our audit procedures in relation to testing of impairment of goodwill included but were not limited to the following:</p> <ul style="list-style-type: none"> Assessed the reasonability of the assumptions used by the management for cash flow forecasts and verified the historical trend of business to evaluate the past performance for consistency including the possible impact of COVID 19. Obtained the management's external valuation specialist's report on determination of recoverable amount and also assessed the competence and objectivity of the management expert. Involved our auditor's experts to assess the valuation assumptions used and methodology considered by the management's expert to calculate the recoverable amount and the mathematical accuracy of these calculations. Performed the sensitivity analysis on the key assumptions to evaluate the possible variation on the current recoverable amount to ascertain the sufficiency of headroom available. Evaluated the appropriateness and adequacy of disclosures given in the consolidated financial statements, including disclosure of significant assumptions and judgements used by management, in accordance with applicable accounting standards. |
| <p>(II) Revenue from contracts with customers</p> <p>(Refer notes 2e (xiii) and 15 to the accompanying consolidated financial statements)</p> <p>Revenue is recognised basis the terms of each contract with customers wherein certain commercial arrangements involve complexity and significant judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation and the appropriateness of basis used to measure revenue recognised over the time period is applied in selecting the accounting basis in each case.</p> <p>We identified revenue of the Group as a key audit matter in the audit of consolidated financial statements of current year because of the significant judgement/ estimates used in accounting of revenue contracts.</p> | <p>Our responses</p> <p>Our audit procedures relating to revenue recognition included, but were not limited to the following:</p> <ul style="list-style-type: none"> Evaluated the design and operating effectiveness of internal controls relating to the revenue recognition. Selected samples from all streams of contracts and performed detailed analysis on recognition of revenue as per the requirement of Ind AS 115, Revenue from contracts with customers which involved testing of inputs to revenue recognition including estimates used. Evaluated appropriateness and adequacy of disclosures made in the consolidated financial statements with respect to revenue in accordance with the requirements of applicable accounting standards. |

Independent Auditor's Report

(III) Put option liability

As described in note 2e(viii) and 33 to the accompanying consolidated financial statements, the holding company has written a put option over the equity instrument of a subsidiary, where the holders (non-controlling interests) of that instrument have the right to put their instrument back to the Group at its fair value on specified dates. The amount that may become payable at each reporting date under the option on exercise is recognised at present value as a written put option financial liability with a corresponding charge directly to equity. The valuation of put option liability as at 31 March 2021 is ₹ 50,035 lakhs.

Considering put option liability is significant to the consolidated financial statements and auditing management judgement and estimates as stated above involves high degree of subjectivity and require significant auditor judgement, assessment of carrying value of goodwill is considered as a key audit matter for the current year audit.

Our responses

Our audit procedures in relation to valuation of put option liability included but were not limited to the following:

- Assessed the reasonability of the assumptions used by the management in valuing the put option liability.
- Obtained the management's external valuation specialist's report on determination of put option liability and also assessed the competence and objectivity of the management expert.
- Involved our auditor's experts to assess the valuation assumptions used and methodology considered by the management's expert to calculate the put option liability and the mathematical accuracy of these calculations.
- Evaluated the appropriateness and adequacy of disclosures given in the consolidated financial statements, including disclosure of significant assumptions and judgements used by management, in accordance with applicable accounting standards.

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

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with

Independent Auditor's Report

the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of 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 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; and
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its associates and joint ventures, to express an opinion on the financial statements. We

Independent Auditor's Report

are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit, we report that the Holding Company, and its subsidiary companies covered under the Act, paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
16. As required by Section 143 (3) of the Act, based on our audit, we report, to the extent applicable, that:
 - a) we have sought and obtained all the information and explanations which to the best

of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

- b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
- c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and its subsidiary companies, covered under the Act, none of the directors of the Group companies, covered under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;
- f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us;
 - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
 - ii. provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts;

Independent Auditor's Report

- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies covered under the Act, during the year ended 31 March 2021; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these

consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Adi P. Sethna

Partner

Membership No.: 108840

UDIN: 21108840AAAABY6084

Place: Mumbai

Date: 28 April 2021

Independent Auditor's Report

Annexure 1

The details of subsidiaries including step-down subsidiaries considered in this audit report on Consolidated Financial Statements are:

1. Trans American Information Systems Private Limited
2. Mastek (UK) Limited
3. Evolutionary Systems Private Limited
4. Indigo Blue Consulting Limited (merged in to Mastek (UK) Limited w.e.f. 30 June 2018)
5. Mastek, Inc. (formally known as Digility, Inc)
6. Taistech LLC (merged in to Trans American Information Systems, Inc. w.e.f. 31 December 2019)
7. Trans American Information Systems, Inc.
8. Mastek Digital, Inc.
9. Evolutionary System Consultancy LLC
10. Evolutionary Systems Pty. Ltd.
11. Evolutionary Systems Bahrain WLL
12. Mastek Arabia FZ-LLC
13. Evolutionary Systems Egypt (Limited)
14. Evosys Kuwait Company for Designing and equipping computer centers L.L.C (Evosys Kuwait WLLC)
15. Evosys Consultancy Services (Malaysia) Sdn. Bhd.
16. Newbury Cloud, Inc.
17. Evolutionary Systems B.V.
18. Evolutionary Systems Qatar W.L.L.
19. Evolutionary Systems Saudi LLC
20. Evolutionary Systems (Singapore) Pte Ltd
21. Evolutionary Systems Company Ltd. (UK)
22. Evolutionary Systems, Corp.

Annexure A

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

1. In conjunction with our audit of the consolidated financial statements of **Mastek Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

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

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

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

3. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and

perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial

Annexure A

Controls with Reference to Consolidated Financial Statements

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

Opinion

8. In our opinion, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to

consolidated financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Adi P. Sethna

Partner

Membership No.: 108840

UDIN: 21108840AAAAABY6084

Place: Mumbai

Date: 28 April 2021

Consolidated Balance Sheet

as at March 31, 2021

(₹ in lakhs)

| | Note | As at March 31, 2021 | As at March 31, 2020 |
|--|----------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property plant and equipment, net | 3(a)(i) | 4,762 | 5,142 |
| Capital work-in-progress | | 154 | 167 |
| Right-of-use assets | 3(b) | 1,143 | 1,991 |
| Investment property | 3(d) | 450 | 485 |
| Goodwill | 3(c) | 66,012 | 67,667 |
| Other intangible assets, net | 3(a)(ii) | 8,313 | 10,389 |
| Financial assets | | | |
| Investments | 4(a) | 4,119 | 12,182 |
| Loans | 4(b) | 277 | 190 |
| Other financial assets | 4(c) | 1,866 | 459 |
| Deferred tax assets, net | 24(c) | 5,320 | 3,776 |
| Income tax (Current-tax) assets, net | | - | 1,221 |
| Other non-current assets | 5 | 131 | 119 |
| Total non-current assets | | 92,547 | 103,788 |
| Current assets | | | |
| Financial assets | | | |
| Investments | 6(a) | 21,454 | 15,376 |
| Trade receivables | 6(b) | 37,488 | 31,572 |
| Cash and cash equivalents | 6(c)(i) | 59,089 | 22,033 |
| Bank balances, other than cash and cash equivalents | 6(c)(ii) | 51 | 64 |
| Loans | 6(d) | 307 | 218 |
| Other financial assets | 6(e) | 607 | 900 |
| Other current assets | 7 | 18,032 | 16,289 |
| Total current assets | | 137,028 | 86,452 |
| Total Assets | | 229,575 | 190,240 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity share capital | 8 | 1,262 | 1,214 |
| Other equity | 9 | 84,592 | 77,832 |
| Equity attributable to owners | 9 | 85,854 | 79,046 |
| Non Controlling interest | | 18,203 | 13,705 |
| Total Equity | | 104,057 | 92,751 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 10(a) | 19,024 | 24,085 |
| Other financial liabilities | 10(b) | 29,118 | 22,546 |
| Provisions | 11 | 2,367 | 1,588 |
| Deferred tax liabilities, net | 24(c) | 1,831 | 1,473 |
| Total non-current liabilities | | 52,340 | 49,692 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 12(a) | - | 7,480 |
| Trade payables | 36 | | |
| Dues of micro and small enterprises | | 27 | 1 |
| Dues of creditors other than micro and small enterprises | | 3,042 | 10,538 |
| Other financial liabilities | | 50,289 | 17,052 |
| Other current liabilities | | 13,219 | 9,428 |
| Provisions | | 2,323 | 2,032 |
| Current tax liabilities, net | | 4,278 | 1,266 |
| Total current liabilities | | 73,178 | 47,797 |
| Total Liabilities | | 125,518 | 97,489 |
| Total Equity & Liabilities | | 229,575 | 190,240 |

See accompanying notes to the consolidated financial statements
This is the Balance Sheet referred to in our report of
even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place: Mumbai

Date: April 28, 2021

For and on behalf of the Board of Directors of **Mastek Limited**

Ashank Desai

Vice Chairman and

Managing Director

DIN: 00017767

S. Sandilya

Non-Executive Chairman

and Independent Director

DIN: 00037542

Arun Agarwal

Vice President- Finance

Place: Mumbai

Date: April 28, 2021

Dinesh Kalani

Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in lakhs)

| | Note | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|-------|------------------------------|------------------------------|
| INCOME | | | |
| Revenue from operations | 15 | 172,186 | 107,148 |
| Other income | 16 | 2,791 | 4,130 |
| Total Income (1) | | 174,977 | 111,278 |
| EXPENSES | | | |
| Employee benefits expenses | 17 | 88,272 | 58,414 |
| Finance costs | 18 | 810 | 362 |
| Depreciation and amortisation expenses | 19 | 4,495 | 2,489 |
| Other expenses | 20 | 47,467 | 33,198 |
| Total expenses (2) | | 141,044 | 94,463 |
| Profit before exceptional item and tax (3) = (1) - (2) | | 33,933 | 16,815 |
| Exceptional items - (loss) / gain (4) | 21 | - | (2,407) |
| Profit before tax (5) = (3) - (4) | | 33,933 | 14,408 |
| Tax expense / (credit) | 24(a) | | |
| Current tax | | 8,136 | 4,081 |
| Deferred tax | | (131) | (1,091) |
| Income tax relating to earlier years | | 753 | 37 |
| Total tax expense (net) (6) | | 8,758 | 3,027 |
| Profit after tax for the year (7) = (5) - (6) | | 25,175 | 11,381 |
| Other comprehensive income (OCI) | | | |
| Items that will not be reclassified subsequently to the statement of profit and loss: | | | |
| Defined benefit plan actuarial losses | | (307) | (48) |
| Net change in fair value of financial instruments through OCI - gain | | 15,371 | 105 |
| Income tax relating to items that will not be reclassified to profit and loss - credit | | 46 | 11 |
| Items that will be reclassified subsequently to the statement of profit or loss: | | | |
| Foreign currency translation differences - (loss) / gain | | (1,391) | 739 |
| Net change in fair value of forward contracts designated as cash flow hedges - losses | | (257) | (362) |
| Net change in fair value of financial instruments - gain | | 221 | 320 |
| Income tax relating to items that will be reclassified to profit and loss - credit | | 26 | 2 |
| Total other comprehensive income for the year (8) | | 13,709 | 767 |
| Total comprehensive income for the year (7) + (8) | | 38,884 | 12,148 |
| Profit attributable to | | | |
| Owners of the Company | | 20,935 | 10,886 |
| Non-controlling interests | | 4,240 | 495 |
| Profit after tax for the year | | 25,175 | 11,381 |
| Other comprehensive income (OCI) attributable to | | | |
| Owners of the Company | | 13,451 | 831 |
| Non-controlling interests | | 258 | (64) |
| Total other comprehensive income for the year | | 13,709 | 767 |
| Total Comprehensive income for the year attributable to | | | |
| Owners of the Company | | 34,386 | 11,717 |
| Non-controlling interests | | 4,498 | 431 |
| Total comprehensive income for the year | | 38,884 | 12,148 |
| Earnings per equity share | 22 | | |
| (Equity shares of face value ₹ 5/- each) | | | |
| Basic | | 84.92 | 45.21 |
| Diluted | | 81.88 | 42.93 |

See accompanying notes to the consolidated financial statements
This is the Statement of Profit and Loss referred to in our report of even date

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

Adi P. Sethna
Partner
Membership No.: 108840
Place: Mumbai
Date: April 28, 2021

For and on behalf of the Board of Directors of **Mastek Limited**

Ashank Desai
Vice Chairman and
Managing Director
DIN: 00017767

Arun Agarwal
Vice President- Finance
Place: Mumbai
Date: April 28, 2021

S. Sandilya
Non-Executive Chairman
and Independent Director
DIN: 00037542

Dinesh Kalani
Company Secretary

Consolidated Statement of Cash Flow

for the year ended March 31, 2021

(₹ in lakhs)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Cash flows from operating activities | | |
| Profit for the year | 25,175 | 11,381 |
| Adjustments for : | | |
| Interest income | (429) | (354) |
| Employee stock compensation expenses | 836 | 991 |
| Finance costs | 810 | 332 |
| Depreciation and amortisation | 4,495 | 2,489 |
| Provision made/(written back) for cost overrun on contracts, net | - | 45 |
| Tax expense | 8,758 | 3,027 |
| Dividend Income from current investment | - | (6) |
| Exceptional Items (Refer note 21) | - | 2,407 |
| Provision for settlement against revenue contracts | 700 | - |
| Provision made/(written-back) against receivables, loans and advances doubtful of recovery, net | (344) | 144 |
| (Profit) / Loss on sale of property plant and equipment, net | (18) | 19 |
| Profit on sale of current investments & gain on fair value of investments | (750) | (667) |
| Rental income including maintenance charges | (470) | (300) |
| Changes in operating assets and liabilities; net of effect from acquisitions | 38,763 | 19,508 |
| (Increase)/Decrease in trade receivables | (4,485) | 11,161 |
| (Increase) in loans and advances and other assets | (1,549) | (10,025) |
| Increase in trade payables, other liabilities and provisions | 780 | 2,512 |
| Cash generated from operating activities before taxes | 33,509 | 23,156 |
| Income taxes paid, net of refunds | (4,794) | (4,709) |
| Net cash generated from operating activities | 28,715 | 18,447 |
| Cash flows from investing activities | | |
| Proceeds from sale of property, plant and equipment | 18 | 18 |
| Purchase of property, plant and equipment and software | (1,175) | (1,565) |
| Interest received | 258 | 205 |
| Rental income including maintenance charges | 442 | 238 |
| Earnout payment on account of Business Combination | - | (1,568) |
| Dividend Income from current investment | - | 6 |
| Proceeds from sale of investment in Majesco | 23,709 | 16,510 |
| Purchase consideration paid for acquisition of subsidiaries, net of cash and cash equivalents | - | (40,989) |
| Purchase of other investments | (24,657) | (12,719) |
| Proceeds from sale of other investments | 19,536 | 12,999 |
| Net cash generated / (used in) investing activities | 18,131 | (26,865) |
| Cash flows from financing activities | | |
| Proceeds from issue of shares under the employee stock option schemes | 845 | 213 |
| (Repayment) / Proceeds from borrowings, net | (9,407) | 24,274 |
| Payment of lease liabilities | (935) | (663) |
| Dividends paid including dividend distribution tax and unclaimed dividend | (1,362) | (3,148) |
| Interest paid on finance lease and other finance charges | (346) | (16) |
| Interest paid on term loan | (561) | (164) |
| Net cash (used in) / generated from financing activities | (11,765) | 20,496 |
| Effect of changes in exchange rates for cash and cash equivalents | 1,975 | 660 |
| Net increase in cash and cash equivalents during the year | 37,056 | 12,738 |
| Cash and cash equivalents at the beginning of the year | 22,033 | 9,295 |
| Cash and cash equivalents at the end of the year | 59,089 | 22,033 |

The above Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Statement of Cash Flow. This is the Statement of Cash Flow referred to in our report of even date.

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

Adi P. Sethna
Partner
Membership No.: 108840
Place: Mumbai
Date: April 28, 2021

For and on behalf of the Board of Directors of **Mastek Limited**

Ashank Desai
Vice Chairman and
Managing Director
DIN: 00017767

S. Sandilya
Non-Executive Chairman
and Independent Director
DIN: 00037542

Arun Agarwal
Vice President- Finance
Place: Mumbai
Date: April 28, 2021

Dinesh Kalani
Company Secretary

Consolidated Statement of Changes in Equity
for the year ended March 31, 2021
(₹ in lakhs)

A. Equity share capital

| | |
|---|--------------|
| Balance as at April 1, 2019 | 1,199 |
| Add: Shares issued on exercise of stock options and restricted shares | 15 |
| Balance as at March 31, 2020 | 1,214 |
| Balance as at April 1, 2020 | 1,214 |
| Add: Shares issued on exercise of stock options and restricted shares | 48 |
| Balance as at March 31, 2021 | 1,262 |

B. Other Equity

| Particulars | Capital reserve | | Reserve & Surplus | | General reserve | Retained earnings | Employee benefit expenses | Other Comprehensive Income (OCI) | | | | | Equity Shares proposed to be issued (Refer note 33) | Put option written on Non-Controlling Interest (Refer note 33) | Non-Controlling Interest (preference shares proposed to be issued) (Refer note 33) | Total other equity |
|--|----------------------------|-----------------|--------------------|--|-----------------|-------------------|---------------------------|----------------------------------|--|---|--------------------------------------|---------------|---|--|--|--------------------|
| | Capital redemption reserve | Capital reserve | Securities premium | Share options outstanding account (net of taxes) | | | | Fair value of cash flow hedge | Fair value of changes in other financial instruments | Fair value of non current investment in majesco USA | Foreign currency translation reserve | | | | | |
| Balance as at April 1 2019 | 21 | 1,539 | 2,255 | 1,818 | 362 | 41,994 | 247 | 258 | 555 | 22,944 | (1,552) | - | - | - | - | 70,441 |
| Issue of share capital on exercise of employee share option | - | - | 193 | - | - | - | - | - | - | - | - | - | - | - | - | 193 |
| Employee share-based compensation | - | - | - | 991 | - | - | - | - | - | - | - | - | - | - | - | 991 |
| Transferred to securities premium | - | - | 268 | (268) | - | - | - | - | - | - | - | - | - | - | - | - |
| Profit for the year | - | - | - | - | - | 10,886 | - | - | - | - | - | - | - | - | 495 | 11,381 |
| Cash dividends and tax thereon | - | - | - | - | - | (3,148) | - | - | - | - | - | - | - | - | - | (3,148) |
| ESOP Adjustments* | - | - | - | (42) | - | 42 | - | (208) | 227 | 105 | 731 | - | - | - | - | - |
| Other comprehensive income (net of taxes) | - | - | - | - | - | - | (24) | - | - | - | - | - | - | - | (64) | 767 |
| Excess tax benefits from exercise of share-based options | - | - | - | (412) | - | - | - | - | - | - | - | - | - | - | - | (412) |
| Sale of equity instruments recognised through other comprehensive income (net of taxes), and presented within equity | - | - | - | - | - | 15,630 | - | - | - | (15,630) | - | - | - | - | - | - |
| Equity Shares proposed to be issued (Refer note 33) | - | - | - | - | - | - | - | - | - | - | - | 19,169 | - | - | - | 19,169 |
| Non-Controlling Interest (preference shares proposed to be issued) (Refer note 33) | - | - | - | - | - | - | - | - | - | - | - | - | - | 13,274 | - | 13,274 |
| Put option written on Non-Controlling Interest (Refer note 33) | - | - | - | - | - | - | - | - | - | - | - | - | (21,119) | - | - | (21,119) |
| Balance as at March 31, 2020 | 21 | 1,539 | 2,716 | 2,087 | 362 | 65,404 | 223 | 50 | 782 | 7,419 | (821) | 19,169 | (21,119) | 13,705 | 91,537 | |
| Balance as at April 1, 2020 | 21 | 1,539 | 2,716 | 2,087 | 362 | 65,404 | 223 | 50 | 782 | 7,419 | (821) | 19,169 | (21,119) | 13,705 | 91,537 | |
| Issue of share capital on exercise of employee share option | - | - | 788 | - | - | - | - | - | - | - | - | - | - | - | - | 788 |

B. Other Equity (Contd....)

Consolidated Statement of Changes in Equity for the year ended March 31, 2020 (₹ in lakhs)

| Particulars | Reserve & Surplus | | | | | Other Comprehensive Income (OCI) | | | | Equity Shares proposed to be issued (Refer note 33) | Put option written on Non-Controlling Interest (Refer note 33) | Non-Controlling Interest (preference shares proposed to be issued) (Refer note 33) | Total other equity | | |
|--|-------------------|----------------------------|--------------------|--|-----------------|----------------------------------|---------------------------|-------------------------------|--|---|--|--|--------------------|---|--------------------------------------|
| | Capital reserve | Capital redemption reserve | Securities premium | Share options outstanding account (net of taxes) | General reserve | Retained earnings | Employee benefit expenses | Fair value of cash flow hedge | Fair value of changes in other financial instruments | | | | | Fair value of non current investment in majesco USA | Foreign currency translation reserve |
| Employee share-based compensation | - | - | - | 847 | - | - | - | - | - | - | - | - | - | 847 | |
| Transferred to securities premium | - | - | 1,284 | (1,284) | - | - | - | - | - | - | - | - | - | - | |
| Profit for the year | - | - | - | - | - | 20,935 | - | - | - | - | - | - | 4,240 | 25,175 | |
| Cash dividends and taxes thereon | - | - | - | - | - | (1,362) | - | - | - | - | - | - | - | (1,362) | |
| ESOP Adjustments* | - | - | - | (23) | - | 23 | - | - | - | - | - | - | - | - | |
| Other comprehensive income (net of taxes) | - | - | - | - | - | - | (230) | 155 | 15,371 | (1,594) | - | - | 258 | 13,709 | |
| Excess tax benefits from exercise of share-based options | - | - | - | 1,017 | - | - | - | - | - | - | - | - | - | 1,017 | |
| Sale of equity instruments recognised through other comprehensive income (net of taxes), and presented within equity | - | - | - | - | - | 22,790 | - | - | (22,790) | - | - | - | - | - | |
| Equity shares proposed to be issued (Refer note 33) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Non-Controlling Interest (preference shares proposed to be issued) (Refer note 33) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Put options written on Non-Controlling Interest (Refer note 33) | - | - | - | - | - | - | - | - | - | - | - | (28,916) | - | (28,916) | |
| Balance as at March 31, 2021 | 21 | 1,539 | 4,788 | 2,644 | 362 | 107,790 | (7) | (201) | 937 | - | (2,415) | 19,169 | (50,035) | 18,203 | 102,795 |

*ESOP adjustment reflects lapse of vested stock options during the year.

See accompanying notes to the consolidated financial statements

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

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

For and on behalf of the Board of Directors of **Mastek Limited**

Ashank Desai
Vice Chairman and
Managing Director
DIN: 00017767

S. Sandilya
Non-Executive Chairman
and Independent Director
DIN: 00037542

Arun Agarwal
Vice President- Finance
Place: Mumbai
Date: April 28, 2021

Dinesh Kalani
Company Secretary

Adi P. Sethna
Partner
Membership No.: 108840
Place: Mumbai
Date: April 28, 2021

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

1 Company overview

Mastek Limited (the 'Company'/'Holding Company') is a public limited company domiciled in India and is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company and its subsidiaries (collectively referred hereinunder as the Group) are providers of vertically-focused enterprise technology solutions.

The portfolio of the group's offerings includes business and technology services comprising of Application Development, Application Maintenance, Business Intelligence and Data Warehousing, Testing & Assurance, Digital Commerce, Agile Consulting and Legacy Modernisation, Oracle Cloud, Oracle ERP Cloud, product-as-a-service solutions and machine learning. The Group carries out its operations in India, UK, USA, EMEA (Europe, the Middle East and Africa), APAC (Asia-Pacific) and has its offshore software development centres in India at Mumbai, Gurugram, Noida, Pune, Chennai, Mahape & Ahmedabad.

2 Basis of Preparation and Presentation

a. Statement of Compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable.

These consolidated financial statements of the Group (Financial Statements) as at and for the year ended March 31, 2021 were approved and authorized by the Company's board of directors as on April 28, 2021.

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

b. Basis of Preparation

The consolidated financial statements have been prepared on an accrual basis using the 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 Ind AS:

- i. Derivative financial instruments;
- ii. Certain financial assets and liabilities measured at fair value;
- iii. Share based payment transactions;
- iv. Defined benefit and other long-term employee benefits;
- v. Contingent Consideration
- vi. All assets and liabilities have been classified as current and non-current as per the company's normal operating cycle which does not exceed 12 months.

c. Use of estimate and judgement

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are 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

Significant accounting policies and Notes to accounts for the year ended March 31, 2021 (₹ In lakhs)

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: The Group's major tax jurisdictions are India, UK, USA, EMEA and APAC. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.
- iii) Business combination: Business combinations are accounted for using Ind AS 103. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets and their estimated useful life. These valuations are conducted by independent valuation experts.
- iv) Defined benefit plans and compensated absences: The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- v) Property, plant and equipment: Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge 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 Group'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.
- vi) 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.
- vii) Expected credit losses on financial assets: On application of Ind AS 109, the impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The 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.
- viii) Research and development credit: Research and development credit, in accordance with Ind AS 20 are recognised only to the extent there is reasonable assurance that the related conditions will be met and amounts will be received.
- ix) 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 realisation 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 realisable, however,

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

- x) 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 retirement obligation and compensated expenses) are not discounted to its 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 adjusted to reflect the current best estimates.
- xi) Share-based payments: At the grant date, fair value of options granted to employees is recognised as employee expense, with corresponding increase in equity, over the period that the employee become unconditionally entitled to the option. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under share option outstanding account. The amount recognised as expense is adjusted to reflect the impact of the revision in estimates based on number of options that are expected to vests, in the statement of profit and loss with a corresponding adjustment to equity.

- xii) Leases: Determining the lease term of contracts with renewal and termination options – Group as lessee

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

The 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 Ind AS 116 calculation purposes.

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

d. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control exists when the parent has power over an investee, exposure or rights

Significant accounting policies and Notes to accounts for the year ended March 31, 2021 (₹ In lakhs)

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 and extent of control is considered based on participative/beneficial rights.

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.

e. Summary of Significant 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 Indian Rupee (INR), the national currency of India, which is also the functional currency of the Company.

ii) Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit and loss and reported within foreign exchange gains/ (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

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. INR 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 other comprehensive income and accumulated in 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 recognizes 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 measured at fair value through profit or loss are added to the fair value on initial recognition. Regular purchase and sale of financial assets are recognised on the trade date.

B. Subsequent Measurement

1. Non-Derivative Financial Instruments

a. Financial Assets Carried at Amortised Cost

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

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The group has made an irrevocable election to present subsequent changes in the fair value of certain mutual funds in other comprehensive income.

Further in cases where the Company has made an irrevocable election based on its business model, for its investment which are classified as equity instruments, the subsequent changes in fair value are recognised in OCI. On sale of such equity instruments the accumulated balance of 'OCI' is transferred to retained earnings.

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, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

e. Derivative Financial Instruments

The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

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

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

Derivative financial instruments which are not designated as hedge are recognised initially at fair value and subsequently any changes to the fair value are recognised in statement of profit and loss.

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.

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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) 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 capitalised 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 |
|------------------------|---|
| Building | 25-30 years |
| Computers | 2-4 years |
| Plant and equipment | 2-5 years |
| Furniture and fixtures | 5 years |
| Office equipment | 5 years |
| Vehicles | 4-5 years |
| Leasehold improvement | 5-15 years or the primary period of lease whichever is less |
| Leasehold land | Lease Term ranging from 95-99 years |

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.

v) Intangible assets

Intangible assets (having a finite useful life) are stated at cost less accumulated amortisation and impairment if any. Intangible assets are amortised over their respective estimated useful life on a straight line basis.

Estimated useful life reflects the manner in which the economic benefit is expected to be generated from that individual intangible asset.

The estimated useful life 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 | 1-3 years |
| Customer Relationships | 7-15 years |

Refer (viii) below for goodwill

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vi) Investment Property

Property that is held either for long term rental yield or for capital appreciation or both, but not for sale in ordinary course of the business, use in the production or supply of goods or services or for administrative purposes is classified as investment property. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment, if any. Depreciation is provided in the same manner as property, plant and equipment.

Any gain or loss on disposal of an investment property is recognised in profit and loss.

vii) Leases

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

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 machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement

Significant accounting policies and Notes to accounts for the year ended March 31, 2021 (₹ In lakhs)

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 in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

viii) Business combination

Business combinations are accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the 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 the actual acquisition date result in material changes in the amounts recognised. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Contingent consideration is remeasured at fair value at each reporting date and any changes in the fair value are recognised in the Consolidated Statement of Profit and Loss.

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

Put option: The holding company has written a put option over the equity instrument of a subsidiary, where the holders (non-controlling interests) of that instrument have the right to put their instrument back to the Group at its fair value on specified dates. The amount that may become payable at each reporting date under the option on exercise is recognised at present value as a written put option financial liability with a corresponding charge directly to equity.

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

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 at least annually or whenever there is an indication that goodwill may be impaired. 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.

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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.

ix) Impairment of assets

a. Non Financial 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 recognised 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.

b. Financial instrument

The Group recognise loss allowances using the expected credit loss (ECL) model for financial assets or group of financial assets. Loss allowances for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

x) Employee Benefits

A. Long Term Employee Benefits

(a) Defined Contribution Plan

The Group has defined contribution plans for post employment benefits in the form of provident fund, employees' state insurance, labour welfare fund and superannuation fund in India which are administered through Government of India and/or Life Insurance Corporation of India (LIC). The Group also makes contributions towards defined contribution plans in respect of its subsidiaries and branches in foreign jurisdictions, as applicable. Under the defined contribution plans, the Group has no further obligation beyond making the contributions. Such contributions are charged to the Statement of Profit and Loss as incurred.

(b) Defined Benefit Plan

The Group has defined benefit plans for post employment benefits in the form of gratuity for its employees in India. The gratuity scheme of the Group is administered through Life Insurance Corporation of India (LIC). Liability/Assets for defined benefit plans are recognised on the basis of actuarial valuations, as at the Balance Sheet date, carried out by an independent actuary which is the net of the present value of defined obligation and the fair value of the plan assets. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method.

Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The discount rate used is with reference to market yields on

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Government Bonds for a term approximating with the term of related obligation. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising of actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

The Group has other defined benefit plans for subsidiaries operating outside India as per respective local laws. The amount of liability in respect of these plans is recognised based on actuarial valuation.

(c) Other long-term employee benefits

The employees of the Group are also entitled for other long-term benefit in the form of compensated absences as per the policy of the Group. Employees are entitled to accumulate leave balance up to the upper limit as per the Group's policies which can be carried forward perpetually. Leave encashment for employees gets triggered on an annual basis, if the accumulated leave balance exceeds the upper limit of leave. Further, at the time of retirement or death while in employment or on termination of employment leave encashment vests equivalent to salary payable for number of days of accumulated leave balance. Liability for such benefits is provided on the basis of actuarial valuations, as at the Balance Sheet date, carried out by an independent actuary using the projected unit credit method.

B. Short-term employee benefits

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

C. Termination benefits

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

xi) Share Based Payment

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

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

xii) Provisions & 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

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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, over the period of the contract, on transfer control of deliverables (products, 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. The estimates are evaluated at every reporting period and the revisions on account of changes in estimates are recognised prospectively in the period in which the changes are effected. 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 and allocate the transaction price to each performance obligation based on its relative standalone selling price out of total consideration of the contract. Standalone selling price is determined 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 maintenance and support services are time and material based. 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 rateably over the period of the contract because the Group transfers the control evenly by providing a service.

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 rateably over the term.

Contracts may include incentives, service penalties and rewards from bonus. 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

Significant accounting policies and Notes to accounts for the year ended March 31, 2021 (₹ In lakhs)

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 are added to the existing contract or not. The distinct services are accounted for as a new contract and services which are not distinct are accounted for on a cumulative catch-up basis.

Trade Receivable, net is primarily comprised of billed and unbilled receivables (i.e. only the passage of time is required before payment is due) for which the group has an unconditional right to consideration, net of an allowance for doubtful accounts. A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets are presented in Other current assets to the financial statements and primarily relate to unbilled amounts on fixed-price contracts utilizing the cost to cost method i.e. percentage of completion method (POCM) of revenue recognition. Contract liabilities consist of advance payments and billings in excess of revenues recognised.

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

Cost to fulfil the contracts- Recurring operating costs for contracts with customers are recognised as incurred. Non recurring cost and additional cost like sales commission are due for payment only if related revenue is billed, these costs are expensed off in proportion to the revenue recognised during the year.

Revenue recognition excludes any government taxes but includes reimbursement of out of pocket expenses.

Provision of onerous contract are recognised when the expected benefits to be derived by the group from a contract are lower than the unavoidable cost of meeting the future obligation under the contract. The provision is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established group recognises impairment loss on the assets associated with the contract.

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

xiv) Income Tax

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

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. Though the Company has considered all these issues in estimating its income taxes, there could be an unfavourable resolution of such issues that may affect results of the Company's operations.

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

Deferred income tax asset (including Minimum Alternative Tax (MAT) credit) is recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities

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are recognised for all taxable temporary differences.

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

xv) Other Income

Other income comprises interest income on deposits, research and development credits, dividend income and gains / (losses) on disposal of investments except investments fair value through OCI. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

xvi) 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.

xvii) Government grants

Grants / assistance from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Grants related to income (revenue in nature) are presented as part of the profit or loss as a deduction while reporting the related expense.

xviii) 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 Group 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 Group and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

xvix) Cash and cash equivalent

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

xx) Restructuring provision

On an ongoing basis, management assesses the profitability of a business and possibly may decide to restructure the operations of such businesses.

Severance liabilities as a result of reduction in work force are recognised when they are determined to be probable and estimable and create a constructive obligation about the execution of plan. Other liabilities for costs associated with restructuring activity are recognised when the liability is incurred, instead of upon commitment of a plan.

Significant assumptions are used in determining the amount of the estimated liability for restructuring. If the assumptions regarding early termination and the timing prove to be inaccurate, Company may be required to record additional losses, or conversely, a future gain.

xxi) Recent Announcements

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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

| | Gross Value (at cost) | | | Depreciation / Amortisation | | | Net Value | |
|---------------------------|-----------------------|------------|--|-----------------------------|----------------------|---------------|----------------------|----------------------|
| | As at April 1, 2020 | Additions | Foreign Exchange Translation Adjustments | Deletions / adjustment | As at March 31, 2021 | For the year | As at March 31, 2021 | As at March 31, 2020 |
| a. Own assets : | | | | | | | | |
| Buildings*^ | 5,014 | 2 | 33 | - | 5,049 | 2,063 | 2,784 | 2,951 |
| Computers | 4,206 | 756 | 5 | (968) | 3,999 | 3,759 | 717 | 447 |
| Plant and equipment | 2,297 | 34 | 8 | (89) | 2,250 | 2,090 | 151 | 207 |
| Furniture and fixtures | 4,954 | 2 | 17 | (65) | 4,908 | 4,460 | 292 | 494 |
| Vehicles | 520 | 60 | (2) | (33) | 545 | 280 | 209 | 240 |
| Office equipment | 2,189 | 33 | 1 | (54) | 2,169 | 1,569 | 436 | 620 |
| Total (A) | 19,180 | 887 | 62 | (1,209) | 18,920 | 14,221 | 4,589 | 4,959 |
| b. Leased assets : | | | | | | | | |
| Leasehold land | 386 | - | - | - | 386 | 311 | 71 | 75 |
| Leasehold improvements | 468 | - | 6 | - | 474 | 368 | 79 | 100 |
| Vehicles | 104 | 23 | 5 | (19) | 113 | 96 | 23 | 8 |
| Total (B) | 958 | 23 | 11 | (19) | 973 | 775 | 173 | 183 |
| Total (A + B) | 20,138 | 910 | 73 | (1,228) | 19,893 | 14,996 | 4,762 | 5,142 |

3(a)(ii) Other intangible assets

| | Gross Value (at cost) | | | Depreciation / Amortisation | | | Net Value | |
|------------------------|-----------------------|------------|--|-----------------------------|----------------------|--------------|----------------------|----------------------|
| | As at April 1, 2020 | Additions | Foreign Exchange Translation Adjustments | Deletions / adjustment | As at March 31, 2021 | For the year | As at March 31, 2021 | As at March 31, 2020 |
| Computer softwares | 3,812 | 396 | 1 | (3,043) | 1,166 | 3,499 | 899 | 313 |
| Customer Contracts | 1,615 | - | (38) | - | 1,577 | 726 | 204 | 889 |
| Customer Relationships | 10,015 | - | (151) | - | 9,864 | 828 | 7,842 | 9,187 |
| Total | 15,442 | 396 | (188) | (3,043) | 12,607 | 5,053 | 8,313 | 10,389 |

3(b) Right-of-use assets

| | Gross Value (at cost) | | | Depreciation / Amortisation | | | Net Value | |
|--------------|-----------------------|------------|--|-----------------------------|----------------------|--------------|----------------------|----------------------|
| | As at April 1, 2020 | Additions | Foreign Exchange Translation Adjustments | Deletions / adjustment | As at March 31, 2021 | For the year | As at March 31, 2021 | As at March 31, 2020 |
| Building | 2,802 | 163 | 50 | (316) | 2,699 | 811 | 1,143 | 1,991 |
| Total | 2,802 | 163 | 50 | (316) | 2,699 | 811 | 1,143 | 1,991 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

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

For previous year ended March 31, 2020

| | Gross Value (at cost) | | | | Depreciation / Amortisation | | | Net Value | |
|---------------------------|-----------------------|----------------------------------|-----------------|--|-----------------------------|----------------------|---------------------|----------------------|----------------------|
| | As at April 1, 2019 | Addition on business acquisition | Other additions | Foreign exchange translation adjustments | Deletions / adjustment | As at March 31, 2020 | As at April 1, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| a. Own assets : | | | | | | | | | |
| Buildings*^ | 4,737 | 1,413 | - | - | (1,136) | 5,014 | 2,116 | 420 | 142 |
| Computers | 2,948 | 1,147 | 135 | 42 | (66) | 4,206 | 2,674 | 834 | 286 |
| Plant and equipment | 2,366 | 3 | 19 | 4 | (95) | 2,297 | 2,079 | 2 | 99 |
| Furniture and fixtures | 4,881 | 384 | 44 | 9 | (364) | 4,954 | 4,368 | 219 | 203 |
| Vehicles | 383 | 143 | 38 | 4 | (48) | 520 | 148 | 87 | 83 |
| Office equipment | 1,941 | 342 | 144 | 5 | (243) | 2,189 | 1,427 | 210 | 171 |
| Total (A) | 17,256 | 3,432 | 380 | 64 | (1,952) | 19,180 | 12,812 | 1,772 | 984 |
| b. Leased assets : | | | | | | | | | |
| Leasehold land | 386 | - | - | - | - | 386 | 311 | - | - |
| Leasehold improvements | 370 | - | 92 | 6 | - | 468 | 347 | - | 19 |
| Vehicles | 115 | - | - | - | (11) | 104 | 102 | - | 5 |
| Total (B) | 871 | - | 92 | 6 | (11) | 958 | 760 | - | 24 |
| Total (A + B) | 18,127 | 3,432 | 472 | 70 | (1,963) | 20,138 | 13,572 | 1,772 | 1,008 |
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3(a)(ii) Other intangible assets

| | Gross Value (at cost) | | | | Depreciation / Amortisation | | | Net Value | |
|------------------------|-----------------------|----------------------------------|-----------------|--|-----------------------------|----------------------|---------------------|----------------------|--|
| | As at April 1, 2019 | Addition on business acquisition | Other additions | Foreign exchange translation adjustments | Deletions / adjustment | As at March 31, 2020 | As at April 1, 2019 | As at March 31, 2019 | |
| Computer softwares | 3,358 | 32 | 408 | 14 | - | 3,812 | 3,078 | 280 | |
| Customer contracts | 595 | 964 | - | 56 | - | 1,615 | 595 | - | |
| Customer relationships | 2,586 | 7,188 | - | 241 | - | 10,015 | 434 | 2,152 | |
| Total | 6,539 | 8,184 | 408 | 311 | - | 15,442 | 4,107 | 2,432 | |

3(b) Right-of-use assets

| | Gross Value (at cost) | | | | Depreciation / Amortisation | | | Net Value | | | | | |
|----------|-----------------------|----------------------------------|-----------------|--|-----------------------------|----------------------|---------------------|--|--------------|--|------------------------|----------------------|----------------------|
| | As at April 1, 2019 | Addition on business acquisition | Other additions | Foreign exchange translation adjustments | Deletions / adjustment | As at March 31, 2020 | As at April 1, 2019 | Accumulated depreciation on business acquisition | For the year | Foreign exchange translation adjustments | Deletions / adjustment | As at March 31, 2020 | As at March 31, 2019 |
| Building | - | 768 | 1,964 | 70 | - | 2,802 | - | 141 | 644 | 26 | - | 811 | 1,991 |
| Total | - | 768 | 1,964 | 70 | - | 2,802 | - | 141 | 644 | 26 | - | 811 | 1,991 |

* For the year ended March 31, 2021 and March 31, 2020 Buildings include Pune and Chennai property mortgaged as security for loan availed by subsidiary.

[^] During the year ended March 31, 2020, the Pune property has been sublet, accordingly gross value of ₹ 1,134 lakhs and accumulated depreciation of ₹ 613 lakhs has been reclassified as investment property

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

3(c) Goodwill

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---------------------------------|---------------------------------|
| Carrying value at the beginning | 67,667 | 9,752 |
| Goodwill on acquisition | - | 56,419 |
| Translation differences including Adjustments | (1,655) | 1,496 |
| Carrying value at the end | 66,012 | 67,667 |

Impairment

- i) Goodwill having a carrying value of ₹ 66,012 lakhs includes Goodwill of ₹ 10,276 lakhs on Taistech US Group which has been allocated to the Mastek US business (CGU) and ₹ 55,736 lakhs which has been allocated to the Evosys business (CGU). The estimated value-in-use of both CGU, is based on the present value of the future cash flows using a 3% and 5% respectively, annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 11.70% and 15.75% respectively. 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.
- ii) Also refer note 33 for goodwill on business combinations during the year ended March 31, 2020.

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

Non-current assets

3(d). Investment property

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| (A) Investment property (at cost less accumulated depreciation) * | | |
| Gross value (at cost) | | |
| Opening | 1,136 | 2 |
| Additions | - | 1,134 |
| Closing | 1,136 | 1,136 |
| Accumulated depreciation | | |
| Opening | 651 | 2 |
| Depreciation on transfer from property, plant and equipment | - | 613 |
| Depreciation for the year | 35 | 36 |
| Closing | 686 | 651 |
| Net value | 450 | 485 |

Aggregate amount of investment property

* Fair Value of the investment property as at March 31, 2021 is ₹ 4,603 lakhs (₹ 4,975 lakhs as at March 31, 2020).

* During the year ended March 31, 2020 the Pune property had been sublet, accordingly Gross block of ₹ 1,134 lakhs and accumulated depreciation of ₹ 613 lakhs has been re-classified from property, plant and equipment.

4 Financial assets

a. Investments

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| (A) Investment in equity instrument (FVOCI) (quoted) | | |
| Investment in Majesco USA | - | 8,338 |
| NIL (March 31, 2020 - 2,018,192),- Equity Shares of US \$ 0.002 each, fully paid up | | |
| (B) Investment in share warrant at FVTPL (unquoted): | | |
| Investment in Cashless Technologies India Private Limited | - | - |
| Share warrants (March 31, 2021- 8,000,000, March 31, 2020 - 8,000,000) | | |
| (C) Investment in mutual funds (unquoted): | | |
| Kotak Corporate Bond Fund - Standard Growth (Regular plan) (17,391 units, March 31, 2020 - 17,391 units) | 504 | 468 |
| ICICI Prudential Corporate Bond Fund - Growth (6,291,134 units, March 31, 2020 - 6,291,134 units) | 1,427 | 1,310 |
| HDFC Short Term Debt Fund - Regular Plan - Growth (5,949,282 units, March 31, 2020 - 5,949,282 units) | 1,462 | 1,347 |
| HDFC Ultra Short Term Fund - Reg Growth (133,410 units, March 31, 2020 - 133,410 units) | 16 | 15 |
| IDFC Low Duration Fund -Growth (1,987,665 units, March 31, 2020 - 1,987,665 units) | 601 | 568 |
| | 4,010 | 3,708 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| (D) Investment in bonds at cost (unquoted): | | |
| 9.21% bond with Punjab National Bank | - | 50 |
| 10.90% bond with Punjab & Sind Bank | 56 | - |
| 8.50% bond with State Bank of India | 53 | 56 |
| | 109 | 106 |
| (E) Investment in term deposit at cost (unquoted): | | |
| Term deposit with Bank of India | - | 30 |
| | - | 30 |
| Total (A + B + C + D + E) | 4,119 | 12,182 |
| Aggregate market value of quoted investments (A) | - | 8,338 |
| Aggregate market value of unquoted investments (B+C+D+E) | 4,119 | 3,844 |

b. Loans

| | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------------|-------------------------|-------------------------|
| Unsecured, Considered good | | |
| Security deposits | 277 | 190 |
| | 277 | 190 |

c. Other financial assets

| | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------|-------------------------|-------------------------|
| Advances to employees | 38 | 38 |
| Margin money deposits | 1,828 | 421 |
| | 1,866 | 459 |

5 Other non-current assets

| | As at March 31, 2021 | As at March 31, 2020 |
|--------------------------|-------------------------|-------------------------|
| Capital advances | - | 8 |
| Prepaid expenses | 35 | 15 |
| Other loans and advances | | |
| Other advances | 96 | 96 |
| | 131 | 119 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

Current assets

6 Financial assets

a. Investments

| | As at March 31, 2021 | | As at March 31, 2020 | |
|--|----------------------|---------------|----------------------|---------------|
| | Units | Amount | Units | Amount |
| (i) Investment in mutual funds | | | | |
| Investment in mutual funds at FVTPL (unquoted): | | | | |
| Aditya Birla Sun Life Liquid Fund - Regular - Growth | 6,044 | 20 | 194,879 | 617 |
| Axis Liquid Fund - Growth | - | - | 1,358 | 30 |
| Kotak Liquid Regular Plan - Growth | 1,390 | 58 | 1,390 | 56 |
| HDFC Liquid Fund - Growth | - | - | 995 | 39 |
| Aditya Birla Sun Life Money Manager Fund-Regular | 830,342 | 2,366 | 391,113 | 1,053 |
| ICICI Prudential Money Market Fund - Regular Growth | 379,689 | 1,113 | 143,812 | 399 |
| ICICI Prudential Liquid Fund - Regular - Growth | - | - | 109,722 | 321 |
| Kotak Money Market Scheme-Regular-Growth | 61,587 | 2,135 | 55,783 | 1,841 |
| HDFC Money Market Fund-Growth | 59,378 | 2,623 | 43,145 | 1,801 |
| UTI Money Market Fund IP -Growth | 5,876 | 140 | 5,876 | 132 |
| IDFC Cash Fund -Growth- Regular Plan | - | - | 9,882 | 236 |
| Aditya Birla Sun Life Overnight Fund - Growth | - | - | 10,754 | 116 |
| Kotak Equity Arbitrage -Growth | 1,032,537 | 300 | - | - |
| Total (A) | | 8,755 | | 6,641 |
| Investment in mutual funds at FVOCI (unquoted): | | | | |
| Kotak Corporate Bond Fund Standard Growth (Regular Plan) | 41,894 | 1,215 | 41,894 | 1,127 |
| IDFC Corporate Bond Fund Regular Plan Growth | 1,499,617 | 225 | 1,499,617 | 207 |
| Aditya Birla Sun Life Floating Rate Fund - Long Term Plan - Regular - Growth | 122,776 | 326 | 122,776 | 305 |
| ICICI Prudential Saving fund | - | - | 459,480 | 1,780 |
| Kotak Savings Fund-Growth | 2,017,768 | 680 | 2,017,768 | 648 |
| Kotak Bond Fund - Short Term - Regular Plan - Growth | 1,981,675 | 810 | - | - |
| HDFC Corporate Bond Fund - Regular Plan - Growth | 1,859,914 | 464 | - | - |
| HDFC Ultra Short Term Fund - Reg Gr | 8,473,819 | 1,004 | - | - |
| ICICI Ultra Short Term Fund- Growth | 3,709,306 | 800 | - | - |
| Total (B) | | 5,524 | | 4,067 |
| Total (A+B) | | 14,279 | | 10,708 |
| (ii) Investment in term deposit (unquoted): | | | | |
| Term deposit with PNB Housing Finance Limited | | - | | 700 |
| Term deposit with Ujjivan Small Finance Bank Limited | | - | | 250 |
| Term deposit with HDFC Limited | | 1,298 | | 1,100 |
| Term deposit with Standard Chartered Bank Limited | | 25 | | 25 |
| Term deposit with LIC Housing Finance Limited | | 2,150 | | 250 |
| Term deposit with Bajaj Finance Limited | | - | | 400 |
| Term deposit with Commercial Bank of Dubai | | 492 | | 1,597 |
| Term deposit with Axis Bank | | 117 | | 337 |
| Term deposit with ICICI Bank Limited | | 699 | | 1 |
| Term deposit with Bank of America | | 7 | | 8 |
| Term deposit with ICICI Home Finance Co. Limited | | 636 | | - |
| Term Deposit with Australia and New Zealand Bank | | 1,671 | | - |
| Term Deposit with Bank of India | | 30 | | - |
| Total | | 7,125 | | 4,668 |
| (C) Investment in bonds at amortised cost (unquoted): | | | | |
| 9.21 % Bond with Punjab National Bank | | 50 | | - |
| | | 50 | | - |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

| | As at March 31, 2021 | | As at March 31, 2020 | |
|--|----------------------|---------------|----------------------|---------------|
| | Units | Amount | Units | Amount |
| Aggregate amount of unquoted investments in mutual funds (A+B) | | 14,279 | | 10,708 |
| Aggregate amount of unquoted investment in term deposits (C) | | 7,125 | | 4,668 |
| Aggregate amount of unquoted investment in bonds (D) | | 50 | | - |
| Grand Total | | 21,454 | | 15,376 |

b. Trade receivables (Unsecured)

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Trade receivables, considered good | 37,488 | 31,572 |
| Trade receivables which have significant increase in Credit Risk | 3,047 | 4,493 |
| Trade receivables- Credit impaired | - | - |
| Less: Allowance for doubtful debts | (3,047) | (4,493) |
| Total trade receivables (unsecured) | 37,488 | 31,572 |
| Current portion | 37,488 | 31,572 |
| Non-current portion | - | - |
| Break-up of security details | | |
| Unsecured, considered good | 37,488 | 31,572 |
| Doubtful | 3,047 | 4,493 |
| Total | 40,535 | 36,065 |
| Allowance for doubtful trade receivables | (3,047) | (4,493) |
| Total trade receivables | 37,488 | 31,572 |

c. Cash and cash equivalents

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| (i). Cash and cash equivalents | | |
| Cash on hand | 52 | 62 |
| Bank balances | | |
| In current accounts | 49,747 | 14,326 |
| Fixed deposits | 9,290 | 7,645 |
| | 59,089 | 22,033 |
| (ii). Bank balances, other than cash and cash equivalents | | |
| Bank balances in unclaimed dividend account | 51 | 64 |
| | 51 | 64 |

d. Loans

| | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------------|-------------------------|-------------------------|
| Unsecured, Considered good | | |
| Security deposits | 307 | 218 |
| | 307 | 218 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

e. Other financial assets

| | As at March 31, 2021 | As at March 31, 2020 |
|------------------------------------|-------------------------|-------------------------|
| Advances to employees | 68 | 154 |
| Interest accrued on fixed deposits | 173 | 152 |
| Deposits | 212 | 384 |
| Rent receivables | 98 | 100 |
| Reimbursable expenses receivable | 36 | 58 |
| Foreign exchange forward contract | - | 30 |
| Others | 20 | 22 |
| | 607 | 900 |

7 Other current assets

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Unbilled revenue | 13,039 | 13,054 |
| Prepaid expenses | 1,006 | 622 |
| Input tax credit receivable | 1,276 | 857 |
| Advances to suppliers | 432 | 142 |
| Prepaid rent | - | 18 |
| Interest accrued on income tax refunds | 175 | 110 |
| R&D credit receivable | 1,947 | 1,376 |
| Others | 157 | 110 |
| | 18,032 | 16,289 |

8 Equity share capital

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Authorised: | | |
| 40,000,000 (March 31, 2020: 40,000,000) equity shares of ₹ 5/- each | 2,000 | 2,000 |
| 2,000,000 (March 31, 2020: 2,000,000) preference shares of ₹ 100/- each | 2,000 | 2,000 |
| | 4,000 | 4,000 |
| Issued, subscribed and fully paid up : | | |
| 25,232,889 (March 31, 2020: 24,289,472) equity shares of ₹ 5/- each fully paid | 1,262 | 1,214 |
| Total | 1,262 | 1,214 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

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

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|--|----------------------|--------------|----------------------|--------------|
| | No. of shares | Amount | No. of shares | Amount |
| Equity shares | | | | |
| Balance as at the beginning of the year | 24,289,472 | 1,214 | 23,972,803 | 1,199 |
| Add: On account of exercise of employee stock option plans | 943,417 | 48 | 316,669 | 15 |
| Balance as at the end of the year | 25,232,889 | 1,262 | 24,289,472 | 1,214 |

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a face value of ₹ 5/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

| Name of the shareholder | As at March 31, 2021 | | As at March 31, 2020 | |
|-------------------------|----------------------|--------------|----------------------|--------------|
| | No. of shares | % of holding | No. of shares | % of holding |
| Ashank Desai | 3,329,552 | 13.2% | 3,099,552 | 12.8% |
| Sudhakar Ram | - | 0.0% | 1,588,680 | 6.5% |
| Girija Ram | 1,753,280 | 6.9% | - | 0.0% |
| Ketan Mehta | 2,274,100 | 9.0% | 2,274,100 | 9.4% |
| Radhakrishnan Sundar | 1,340,800 | 5.3% | 1,340,800 | 5.5% |

(d) Shares reserved for issue under options

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Number of shares to be issued under the employee stock option plans (Refer note 31) | 1,147,212 | 1,975,692 |

9 Other equity

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| a) Capital reserve | 21 | 21 |
| Any profit or loss on purchase, sale, issue or cancellation of the company's own equity instrument is transferred to capital reserve | | |
| b) Capital redemption reserve | 1,539 | 1,539 |
| Non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares. | | |
| c) Securities premium | 4,788 | 2,716 |
| Amount received (on issue of shares) in excess of the face value has been classified as securities premium | | |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| d) Share options outstanding account (net of taxes) | 2,644 | 2,087 |
| The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share capital and securities premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to retained earnings. | | |
| e) General reserve | 362 | 362 |
| This represents appropriation of profit by the company | | |
| f) Retained earnings | 107,790 | 65,404 |
| Retained earnings comprises of the prior year's undistributed earning after taxes increased by undistributed profits for the year | | |
| g) Foreign currency translation reserve | (2,415) | (821) |
| Exchange difference relating to the translation of the results and net assets of the Company'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. | | |
| h) Equity instrument through other comprehensive income | - | 7,419 |
| Changes in the fair value of equity instruments is recognised in equity instruments through other comprehensive income (net of taxes), and presented within equity | | |
| i) Other items of other comprehensive income | 729 | 1,055 |
| Other items of other comprehensive income consist of FVOCI financial assets and financial liabilities and remeasurement of defined benefit assets and liability | | |
| j) Equity Shares proposed to be issued (Refer note 33) | 19,169 | 19,169 |
| k) Put option written on Non-Controlling Interest (Refer note 33) | (50,035) | (21,119) |
| Other equity | 84,592 | 77,832 |
| l) Non-Controlling Interest (preference shares proposed to be issued) (Refer note 33) | 18,203 | 13,705 |
| | 102,795 | 91,537 |

9.1 Distributions made and proposed

The Board of Directors at its meeting held on October 30, 2020 had declared an interim dividend of 110% (₹ 5.5 per equity share of par value of ₹ 5 each). This has resulted in cash outflow of ₹ 1,362 Lakhs. Further, the Board of Directors at its meeting held on April 28, 2021 had recommended a final dividend of 180% (₹ 9 per equity share of par value of ₹ 5 each), which is subject to approval by the shareholders at their ensuing Annual General Meeting.

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

Non-current Liabilities

10 Financial liabilities

a. Borrowings

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Secured | | |
| Term loan from Standard Chartered bank (Refer note (a) below) | 3,778 | 5,260 |
| Term loan from Citi bank NA (Refer note (b) below) | 15,113 | 18,701 |
| Vehicle loans from bank (Refer note (c) below) | 133 | 124 |
| | 19,024 | 24,085 |

| Nature of security | | |
|--|--|--|
| Nature of security | Terms of repayment | |
| (a) (i) Secured by floating charges on Receivables of Mastek (UK) Ltd and their proceeds. | Payment in eight equal half yearly installments over a period of five years starting after the end of 18 months from the date of disbursement of loan i.e. October 2018 along with interest at 6 months LIBOR + 150 basis points | |
| (ii) Secured by mortgage of Pune property of Mastek Limited. | Rate of interest @ 1.58 % p.a. as at year end (March 31, 2020 : 2.35 % p.a.) | |
| (iii) Secured by corporate guarantee of GBP 17 million given by the parent company. | | |
| (b) (i) Secured by floating charges on Receivables of Mastek (UK) Ltd and their proceeds | Payment in eight equal half yearly installments over a period of five years starting after the end of 18 months from the date of disbursement of loan i.e. March 2020 along with interest at 1 month LIBOR + 190 basis points | |
| (ii) Secured by mortgage of Chennai property of Mastek Limited | Rate of interest @ 0.9% - 1.04 % p.a. as at year end (March 31, 2020 : 2.14% - 2.41 % p.a) | |
| (iii) Secured by corporate guarantee of GBP 28 million given by the company. | | |
| (c) Loans from bank are secured by hypothecation of assets (Vehicles) purchased there against. | Monthly payment of Equated monthly installments beginning from the month subsequent to taking the loan along with interest at 7.7% - 8.25% per annum is payable till May 2026. | |
| (d) The Company has, during the year ended 31 March 2021, availed / renewed certain working capital facilities from banks against which the security has been created on current assets specified by the bankers. However, no amounts are outstanding against the same as at 31 March 2021 | | |

b. Other financial liabilities

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Security and other deposits | 153 | 127 |
| Put option written on Non-Controlling Interest (Refer note 33) | 28,042 | 21,119 |
| Lease liability (Refer note 32) | 686 | 1,243 |
| Foreign exchange forward contract | 237 | 57 |
| | 29,118 | 22,546 |

11 Provisions

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Provision for employee benefits | | |
| Provision for gratuity (Refer note 23(a)) | 1,580 | 1,080 |
| Provision for other defined benefits (Refer note 23(b)) | 787 | 508 |
| | 2,367 | 1,588 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

Current liabilities

12 Financial liabilities

a. Borrowings

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Secured: | | |
| Loan from Citi bank NA (Refer note 10(b) above, for security) | - | 7,480 |
| | - | 7,480 |

b. Other financial liabilities

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Current maturities of long-term loan (Refer note 10 (a) and 10(b) above, for security) | 6,927 | 1,753 |
| Current maturities of vehicle loan from bank (Secured) (Refer note 10 (c) above, for security) | 71 | 54 |
| Lease liability (Refer note 32) | 597 | 857 |
| Interest accrued but not due on borrowings | 224 | 92 |
| Current portion of put option written on Non-Controlling Interest (Refer note 33) | 21,993 | - |
| Unclaimed dividends (Refer note (a) below) | 51 | 64 |
| Security and other deposits | 2 | 3 |
| Capital Creditors | 142 | 51 |
| Other payables | | |
| Employee benefits payable | 8,381 | 6,808 |
| Accrued expenses | 11,866 | 7,370 |
| Contingent consideration payable on business acquisition | 35 | - |
| | 50,289 | 17,052 |

Note:

- (a) There is no amount due for payment to Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2021 and March 31, 2020.

13 Other current liabilities

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Contract liabilities | 6,916 | 4,791 |
| Advances received from customers | 68 | - |
| Deferred rent | 40 | 47 |
| Statutory dues (including stamp duty, provident fund and tax deducted at source) | 6,195 | 4,590 |
| | 13,219 | 9,428 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

14 Provisions

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Provision for employee benefits | | |
| Provision for Gratuity (Refer note 23(a)) | 37 | - |
| Provision for other defined benefits (Refer note 23(b)) | 60 | - |
| Provision for leave entitlement | 1,971 | 1,712 |
| Other Provision | | |
| Provision for cost overrun on contracts* | 255 | 320 |
| | 2,323 | 2,032 |

*Provision for cost overrun on contracts

| Particulars | March 31, 2021 | March 31, 2020 |
|--|----------------|----------------|
| Balance as at beginning of the year | 320 | 275 |
| Add: Provision made / (reversed) during the year | (65) | 45 |
| Balance as at end of the year | 255 | 320 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

15 Revenue from operations

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---------------------------------|---|---|
| Information technology services | 172,077 | 106,993 |
| Other operating revenue | 109 | 155 |
| | 172,186 | 107,148 |

Disaggregated Revenue

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

Revenue by geography

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--------------------------|---|---|
| UK & Europe operations | 116,089 | 77,240 |
| North America operations | 28,755 | 24,886 |
| Middle East | 18,948 | 2,354 |
| Others | 8,394 | 2,668 |
| | 172,186 | 107,148 |

Revenue by service line

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|-----------------------------------|---|---|
| Application Development | 67,792 | 47,306 |
| Digital Commerce | 17,357 | 22,453 |
| Application Support & Maintenance | 17,561 | 17,495 |
| ERP & Cloud Migration | 60,132 | 8,694 |
| BI & Analytics | 6,635 | 8,230 |
| Assurance & Testing | 2,709 | 2,970 |
| | 172,186 | 107,148 |

Remaining performance obligation

As of March 31, 2021, the aggregate amount of transaction price allocated to remaining performance obligations, was ₹ 74,049 lakhs of which approximately 98% is expected to be recognised as revenues within 3 years. (March 31, 2020 ₹ 59,830 lakhs)

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

16 Other income

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Interest income - On fixed deposits | 347 | 354 |
| - On income tax refunds | 65 | - |
| - On others | 16 | 4 |
| Profit on sale of current investments | 478 | 471 |
| Gain on fair valuation of investments | 273 | 196 |
| Rental income | 424 | 264 |
| Profit on sale of property, plant and equipment | 18 | - |
| Net gain on foreign currency transactions and translation | - | 1,373 |
| Dividend Income from current investment | - | 6 |
| Research & Development credit | 972 | 1,293 |
| Others | 198 | 169 |
| | 2,791 | 4,130 |

17 Employee benefits expenses

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--|---|---|
| Salaries, wages and performance incentives | 79,253 | 52,666 |
| Gratuity (Refer note 23(a)) | 457 | 321 |
| Other Defined Benefits (Refer note 23(b)) | 206 | 3 |
| Contribution to provident and other funds | 5,817 | 3,026 |
| Employee stock compensation expenses | 836 | 991 |
| Staff welfare expense | 1,703 | 1,407 |
| | 88,272 | 58,414 |

18 Finance costs

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---------------------------------|---|---|
| Interest on term loan | 515 | 177 |
| Interest on lease liabilities | | |
| Finance lease | 13 | 15 |
| Operating lease (Refer note 32) | 132 | 97 |
| Bank charges | 138 | 30 |
| Other finance charges* | 12 | 43 |
| | 810 | 362 |

*This includes interest on fair value of contingent consideration for the year ended March 31, 2020

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

19 Depreciation and amortisation expenses

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|-------------------------------|---|---|
| Property, plant and equipment | 1,298 | 1,008 |
| Right-of-use assets | 849 | 644 |
| Investment property | 35 | 36 |
| Intangible assets | 2,313 | 801 |
| | 4,495 | 2,489 |

20 Other expenses

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Recruitment and training expenses | 1,682 | 707 |
| Travelling and conveyance | 2,123 | 3,899 |
| Communication charges | 538 | 364 |
| Electricity | 199 | 250 |
| Consultancy and sub-contracting charges | 32,085 | 20,945 |
| Purchase of hardware and software | 1,794 | 308 |
| Rates and taxes | 919 | 355 |
| Repairs to buildings | 501 | 524 |
| Repairs - others | 816 | 804 |
| Insurance | 518 | 200 |
| Printing and stationery | 17 | 65 |
| Professional fees | 3,088 | 2,658 |
| Rent | 615 | 421 |
| Advertisement and publicity | 317 | 363 |
| Net loss on foreign currency transactions and translation | 1,385 | - |
| Provision made/(written-back) against receivables, loans and advances doubtful of recovery, net | (344) | 144 |
| Hire Charges | 14 | 100 |
| Provision for cost overrun on contracts, net (Refer note 11) | - | 45 |
| Expenditure towards corporate social responsibility (CSR) activities | 226 | 148 |
| Loss on sale of property, plant and equipment, net | - | 19 |
| Miscellaneous expenses | 974 | 879 |
| | 47,467 | 33,198 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

21 Exceptional Items - (loss)/gain, net

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| a. Fair value of contingent consideration | - | 194 |
| b. Legal and professional cost on acquisition | - | (719) |
| c. Others - Provision for doubtful debts | - | (1,882) |
| | - | (2,407) |

a. Fair value of contingent consideration written back

During the year ended March 31, 2017, the Company had acquired Trans American Information Systems Inc. (TA USA) and Taistech LLC (TA LLC) for which contingent consideration payable as at March 31, 2018, March 31, 2019 and March 31, 2020 aggregated ₹ 5,698 lakhs, ₹ 1,685 lakhs and ₹ NIL respectively. On account of these operations achieving lower than the expected targets of revenue and earnings, the amount no longer payable has been written back during the previous year.

b. Legal and Professional Cost

Legal and professional cost relates to a business combination consummated during the year ended March 2020. (Refer note 33).

c. Others

Certain customers in India and US were facing financial difficulty, considering the same amount outstanding as on March 31, 2020 was provided for.

22 Earnings Per Share (EPS)

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| The components of basic and diluted earnings per share for total operations are as follows: | | |
| (a) Net income attributable to equity shareholders | 20,935 | 10,886 |
| (b) Weighted average number of outstanding equity shares | | |
| Considered for basic EPS | 24,652,243 | 24,077,384 |
| Add : Effect of dilutive potential equity shares arising from outstanding stock options | 916,427 | 1,281,709 |
| Considered for diluted EPS | 25,568,670 | 25,359,093 |
| (c) Earnings per share in ₹ (Face value per share ₹ 5/- each) | | |
| Basic | 84.92 | 45.21 |
| Diluted | 81.88 | 42.93 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

23 Employee benefit plans

(a) Defined benefit plans

Defined benefit plans includes Gratuity as per Indian law and a similar benefit plan in foreign jurisdiction.

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

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Gratuity cost | | |
| Service cost | 392 | 301 |
| Net interest on net defined liability/(asset) | 65 | 20 |
| Past service cost | - | - |
| Net gratuity cost | 457 | 321 |
| Actuarial loss charged to Other Comprehensive Income | 123 | 48 |
| Assumptions | | |
| Interest rate | 6.35%-6.85% | 6.5%-7.77% |
| Salary increase | 6%-10% | 6%-10% |

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

Mortality rate is considered as per the published rates under the Indian Assured Lives Mortality (2012-14) Ult table. Attrition rate varies between 10% to 21%. Mortality and attrition rates were same for the year ended March 31, 2020

The following table sets out the status of gratuity plan

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Obligation at the beginning of the year | 2,794 | 2,147 |
| Add: Balance transferred on account of acquisition | - | 409 |
| Service cost | 392 | 301 |
| Past service cost | - | - |
| Interest cost | 171 | 146 |
| Actuarial loss - financial assumptions | 25 | 146 |
| Actuarial (gain) - experience | 108 | (95) |
| Actuarial (gain)- demographic assumptions | (0) | - |
| Benefits paid | (259) | (260) |
| Obligation at the end of the year | 3,231 | 2,794 |
| Change in plan assets | | |
| Plan assets at the beginning of the year, at fair value | 1,714 | 1,814 |
| Employer contribution | 44 | 23 |
| Interest income on plan assets | 106 | 126 |
| Remeasurement on plan assets less interest on plan assets | 11 | 6 |
| Benefits paid | (261) | (255) |
| Plan assets at the end of the year, at fair value | 1,614 | 1,714 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

Historical information

| Particulars | As at | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2019 | March 31, 2018 | March 31, 2017 |
| Present value of defined benefit obligation | 3,231 | 2,794 | 2,147 | 1,905 | 2,017 |
| Fair value of plan assets | 1,614 | 1,714 | 1,814 | 1,837 | 1,855 |
| (Liability) / asset recognised | (1,617) | (1,080) | (333) | (68) | (162) |

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

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| | | |
| Experience adjustment on plan liabilities - loss / (gain) | 133 | 51 |
| Experience adjustment on plan assets - (gain) /loss | (11) | (6) |
| Other adjustment | - | 3 |

Sensitivity analysis

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

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|------------------------|----------------------|--------------|----------------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount Rate (50 bps) | (125) | 149 | (110) | 125 |
| Salary Growth (50 bps) | 130 | (114) | 114 | (103) |

The above sensitivity analysis are based on changes in assumptions while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may be correlated.

Maturity profile of defined benefit obligation:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--------------------|----------------------|----------------------|
| | | |
| 1 Year | 352 | 417 |
| 2 Year | 359 | 265 |
| 3 Year | 334 | 295 |
| 4 Year | 310 | 252 |
| 5 Year | 299 | 228 |
| 6 Year | 279 | 222 |
| 7 Year | 292 | 208 |
| 8 Year | 249 | 222 |
| 9 Year | 240 | 188 |
| 10 Year and beyond | 3,922 | 3,629 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

- i) The Company has setup an income tax approved irrevocable trust fund to finance the plan liability for funded benefits. The trustees of the trust fund are responsible for the overall governance of the plan. Expected contribution to the Fund in FY 2021-22 is ₹ 230 lakhs (FY 2020-21 - ₹ 230 lakhs).
- ii) Plan assets are investment in unquoted insurer managed fund

(b) Other benefit plans in foreign jurisdiction

The following table sets out the status of other benefit plans

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Balance transferred on account of acquisition | 508 | 475 |
| Add: Service cost, net of benefits paid | 206 | 3 |
| Add: Actuarial loss charged to Other Comprehensive Income | 184 | - |
| Add: Foreign exchange translation adjustments | (51) | 30 |
| Closing balance of other benefit plans | 847 | 508 |
| Assumptions | | |
| Interest rate | 2.52% | 2.5%-2.9% |
| Salary increase | 4% | 4% |

(c) Defined contribution plan

The Group contributed ₹ 5,817 lakhs for the year ended March 31, 2021 (₹ 3,026 lakhs March 31, 2020) for the defined contribution plan. Out of the total contributions, an amount of ₹ 5,171 lakhs for the year ended March 31, 2021 (₹ 2,504 lakhs March 31, 2020) is contributed in foreign jurisdictions as per applicable local laws.

24 Income taxes

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

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--|---|---|
| Current tax* | 8,136 | 4,081 |
| Income tax relating to earlier years* | 753 | 37 |
| Deferred tax | (131) | (1,091) |
| Income tax expense recognised in the statement of profit and loss | 8,758 | 3,027 |
| Income tax (credit) / expense recognised in other comprehensive income: | 72 | 13 |

- 24.1** * During the year ended March 31, 2021, 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. Accordingly, ₹ 730 Lakhs was provided as an impact for prior years, which will be adjusted based on additional facts and / or ultimate outcome. Current tax expense for the year ended March 31, 2021 includes impact of the same amounting to ₹ 413 lakhs recognised on a similar basis. The matter is under discussion between the revenue authorities of the respective countries and pending ultimate conclusion, the holding company has recognised the provision on a best estimate basis.

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

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

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--|---|---|
| Profit before tax | 33,933 | 14,408 |
| Enacted income tax rate in India | 29.1% | 29.1% |
| Computed expected tax expense | 9,881 | 4,196 |
| Effect of: | | |
| Income tax charge/write back for earlier years | 23 | 37 |
| Tax provision related to Advance Pricing Arrangement | 1,143 | - |
| Expenses that are not deductible in determining taxable profit | 44 | (10) |
| Tax on income at different tax rates as per respective jurisdictions | (2,380) | (1,269) |
| Others | 47 | 73 |
| Total income tax expense recognised in the statement of profit and loss | 8,758 | 3,027 |

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

| Particulars | Carrying value as at April 1, 2020 | Changes through profit and loss | Changes through OCI | Changes through Equity | Utilisation of MAT credit* | FCTR | Carrying value as at March 31, 2021 |
|--|---|--|---------------------------|------------------------------|----------------------------------|-----------|--|
| Property, plant and equipment and intangible assets | 141 | (108) | - | - | - | 17 | 50 |
| Provision for doubtful debts | 632 | (227) | - | - | - | (10) | 395 |
| Net gain on fair value of mutual funds | (379) | (75) | (64) | - | - | - | (518) |
| Cash flow hedge | (6) | - | 90 | - | - | - | 84 |
| MAT Credit entitlement | 1,977 | - | - | - | (65) | - | 1,912 |
| Undistributed Profits of Subsidiaries | (821) | - | - | - | - | - | (821) |
| Liabilities relating to employee benefits and bonus | 471 | 254 | 46 | - | - | (1) | 770 |
| Employee share based plan | 276 | 82 | - | - | - | 25 | 383 |
| Excess tax benefits from exercise of share-based options (OCI) | (137) | - | - | 1,017 | - | 1 | 881 |
| Others | 149 | 205 | - | - | - | (1) | 353 |
| Total | 2,303 | 131 | 72 | 1,017 | (65) | 31 | 3,489 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

25 Related Party Disclosures

| | |
|-----------------------------------|---|
| Key Management Personnel (KMP): | Sudhakar Ram , Vice Chairman and Managing Director (Upto November 8 , 2020) |
| | Ashank Desai, Vice Chairman and Managing Director (From November 8, 2020) |
| | John Owen, Group Chief Executive Officer (Upto January 18, 2021) |
| | Ketan Mehta (From December 29, 2020) |
| | Atul Kanagat, Non Executive Director |
| | Priti Rao, Non Executive Director |
| | S. Sandilya, Non Executive Chairman and Director |
| | Rajeev Grover, Non Executive Director |
| | Abhishek Singh, Chief Financial Officer (Upto November 30, 2020) |
| | Dinesh Kalani, Company Secretary |
| Enterprise where KMP has control: | Cashless Technologies India Private Limited (Upto November 8, 2020) |

i) Transaction with key managerial person

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Salaries and other employee benefits* | 656 | 862 |
| Share based payment transactions | 202 | 37 |
| Director sitting fees | 92 | 86 |
| Director commission paid | 18 | 30 |
| Total compensation paid to key management personnel | 968 | 1,015 |

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

26 Segment reporting

The CEO of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by geographical information. Accordingly, segment information has been presented for geographies where group operates.

The organisational and reporting structure of the Group is based on geographical concept. Geographies are the operating segments for which separate financial information is available and for which operating results are evaluated regularly by CODM in deciding how to allocate resources and in assessing performance. The Group's primary reportable segments consist of four different geographies which are based on the risks and returns in different geographies and the location of the customers: North America Operations, UK Operations, Middle-East and Others. Other segment includes India, Australia, Malaysia and Singapore.

Income and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while the remainder of costs are apportioned on an appropriate basis. Certain income and expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The management therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as "unallocated" and directly charged against total income.

Property, Plant and Equipment used in the Group's business or liabilities contracted have not been identified to any of the reportable segments, as the Property, Plant and Equipment and the support services are used interchangeably between segments. Accordingly disclosures relating to total segment assets and liabilities are not practicable. Geographical information on revenue and industry revenue information is collated based on individual customers invoices or in relation to which the revenue is otherwise recognised.

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--------------------------------|---|---|
| Segment Revenue | | |
| UK & Europe operations | 116,089 | 77,240 |
| North America operations | 28,755 | 24,886 |
| Middle East | 18,948 | 2,354 |
| Others | 8,394 | 2,668 |
| Revenue from operations | 172,186 | 107,148 |

Segment Results profit before exceptional item, tax and finance cost

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Segment Results profit before exceptional item, tax and finance cost | | |
| UK & Europe operations | 26,745 | 13,074 |
| North America operations | 4,312 | 2,117 |
| Middle East | 3,950 | 628 |
| Others | 1,520 | (1,289) |
| Total | 36,527 | 14,530 |
| Less : i Finance costs | 810 | 362 |
| Less : ii Other un-allocable expenditure net of un-allocable (income) | 1,784 | (2,647) |
| Profit from ordinary activities after finance costs but before exceptional Items | 33,933 | 16,815 |
| Exceptional items - (loss) / gain, net (Refer note 21) | | |
| UK & Europe operations | - | - |
| North America operations | - | (1,037) |
| Others | - | (1,370) |
| Exceptional (loss) / gain, net | - | (2,407) |
| Profit before tax | 33,933 | 14,408 |

Revenues and expenses directly attributable to segments are reported under each reportable segment. All other costs i.e. corporate costs and support function costs, which are not directly attributable or allocable to segments have been disclosed as common unallocable charges, net. Similarly revenues and income not allocable to segments are disclosed as net of unallocable expenditure. Property, Plant and Equipment used in the Group's business or liabilities contracted have not been identified to any of the reportable segments, as the Property, Plant and Equipment and the support services are used interchangeably between segments. Accordingly disclosures relating to total segment assets and liabilities are not practicable.

The accounting policies consistently used in the preparation of the consolidated financial statements are also applied to item of revenue and expenditure in individual segment.

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

27 Financial instrument

The carrying value and fair value of financial instruments by categories as at March 31, 2021 and March 31, 2020 as follows:

| Particulars | Carrying Value | | Fair Value | |
|---------------------------------------|----------------|----------------|----------------|----------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Financial assets | | | | |
| Amortised cost | | | | |
| Loans | 584 | 408 | 584 | 408 |
| Trade receivables (net of provisions) | 37,488 | 31,572 | 37,488 | 31,572 |
| Cash and cash equivalents | 59,089 | 22,033 | 59,089 | 22,033 |
| Other bank balance | 51 | 64 | 51 | 64 |
| Other assets | 2,474 | 1,329 | 2,474 | 1,329 |
| Investment in Bonds | 159 | 106 | 159 | 106 |
| Investment in term deposit | 7,125 | 4,698 | 7,125 | 4,698 |
| FVOCI | | | | |
| Investment in mutual fund | 9,534 | 7,775 | 9,534 | 7,775 |
| Derivative assets | - | 30 | - | 30 |
| Investment in equity shares | - | 8,338 | - | 8,338 |
| FVTPL | | | | |
| Investment in Mutual fund | 8,755 | 6,641 | 8,755 | 6,641 |
| Total assets | 125,259 | 82,994 | 125,259 | 82,994 |
| Financial liabilities | | | | |
| Amortised cost | | | | |
| Loans and borrowings | 26,022 | 33,372 | 26,022 | 33,372 |
| Lease liabilities | 1,283 | 2,100 | 1,283 | 2,100 |
| Trade payables | 3,069 | 10,539 | 3,069 | 10,539 |
| Other liabilities | 20,819 | 14,515 | 20,819 | 14,515 |
| FVOCI | | | | |
| Derivative liabilities | 50,307 | 21,176 | 50,307 | 21,176 |
| Total Liabilities | 101,500 | 81,702 | 101,500 | 81,702 |

28 Fair Value Hierarchy

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

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

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

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

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

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

| Particulars | Date of valuation | Total | Fair value measuring using | | |
|---|-------------------|--------|----------------------------|---------|---------|
| | | | Level 1 | Level 2 | Level 3 |
| FVOCI financial assets designated at fair value | | | | | |
| Investment in mutual funds | March 31, 2021 | 9,534 | 9,534 | - | - |
| FVTPL financial assets designated at fair value | | | | | |
| Investment in liquid funds | March 31, 2021 | 8,755 | 8,755 | - | - |
| Financial Liabilities measuring at fair value | | | | | |
| Derivative liabilities | | | | | |
| Derivative instrument (Put option) | March 31, 2021 | 50,035 | - | - | 50,035 |
| Foreign exchange forward contract | March 31, 2021 | 272 | - | 272 | |

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2020:

| Particulars | Date of valuation | Total | Fair value measuring using | | |
|---|-------------------|--------|----------------------------|---------|---------|
| | | | Level 1 | Level 2 | Level 3 |
| Financial assets measuring at fair value | | | | | |
| Derivative assets | | | | | |
| Foreign exchange forward contract | March 31, 2020 | 30 | - | 30 | - |
| FVOCI financial assets designated at fair value | | | | | |
| Investment in equity instrument | March 31, 2020 | 8,338 | 8,338 | - | - |
| Investment in mutual funds | March 31, 2020 | 7,775 | 7,775 | - | - |
| FVTPL financial assets designated at fair value | | | | | |
| Investment in liquid funds | March 31, 2020 | 6,641 | 6,641 | - | - |
| Financial liabilities measuring at fair value | | | | | |
| Derivative liabilities | | | | | |
| Derivative instrument (Put option) | March 31, 2020 | 21,119 | - | - | 21,119 |
| Foreign exchange forward contract | March 31, 2020 | 57 | - | 57 | - |

29 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 risks and formulates the policies, the Board of Directors and Audit Committee review and approve 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 currency 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. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The counter parties of these derivative instruments are primarily a bank. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivative for speculative purposes may be undertaken.

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

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

Designated derivative instrument

| | As at March 31, 2021 | As at March 31, 2020 |
|--|---------------------------------|---------------------------------|
| Forward contract (Amount in GBP lakhs) | 305 | 161 |
| Number of contracts | 462 | 237 |
| Fair value (loss)/gain | (398) | 235 |
| Forward contract (Amount in USD lakhs) | 60 | 83 |
| Number of contracts | 104 | 136 |
| Fair value gain/(loss) | 157 | (250) |

Non-designated derivative instrument

| | As at March 31, 2021 | As at March 31, 2020 |
|--|---------------------------------|---------------------------------|
| Forward contract (Amount in USD lakhs) | 58 | 4 |
| Number of contracts | 132 | 4 |
| Fair value (loss)/gain | (19) | (12) |

Forward Contracts covers part of the exposure during the period April 2021-January 2025

Mark-to-Market gains / (losses)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---------------------------------|---------------------------------|
| Opening balance of Mark-to-market gains receivable on outstanding derivative contracts | (27) | 349 |
| Less: Reclassified from Hedging reserve account to statement of profit and loss | (17) | (395) |
| Add: Changes in the fair value of designated derivative instrument recognised in OCI | (209) | 31 |
| Add: Changes in the fair value of non-designated derivative instrument recognised in statement of profit and loss | (19) | (12) |
| Closing balance of Mark-to-market (losses payable)/gains receivable on outstanding derivative contracts | (272) | (27) |
| Disclosed under: | | |
| Other current financial asset (Refer note 6(e)) | - | 30 |
| Other non-current financial asset (Refer note 4(c)) | (35) | - |
| Other non-current financial liabilities (Refer note 10(b)) | (237) | (57) |
| | (272) | (27) |

There was no ineffectiveness recognised in the Statement of profit and loss during the year.

Significant accounting policies and Notes to accounts

for the year ended March 31, 2021

(₹ In lakhs)

Non-Derivative Financial Instruments

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

| Currency | As at March 31, 2021 | | | | | |
|-------------------------|---|-----------------------|----------------------------|------------------------|-----------------------|----------------------------|
| | Amount in respective foreign currencies (in ₹ lakhs) | | | Amount (in ₹ lakhs) | | |
| | Financial assets | Financial liabilities | Net assets / (liabilities) | Financial assets | Financial liabilities | Net assets / (liabilities) |
| INR | - | - | - | - | - | - |
| GBP | 21 | (5) | 16 | 2,120 | (461) | 1,659 |
| USD | 62 | (12) | 50 | 4,356 | (846) | 3,690 |
| EURO | 6 | - | 6 | 513 | - | 513 |
| AED | 3 | (191) | (188) | 60 | (3,797) | (3,737) |
| AUD | 3 | - | 3 | 140 | - | 140 |
| QAR | - | - | - | - | - | - |
| BHD | 0 | - | 0 | 26 | - | 26 |
| SGD | 6 | (4) | 2 | 303 | (200) | 103 |
| PHP | 1 | - | 1 | 2 | - | 2 |
| EGP | - | (13) | (13) | - | (60) | (60) |
| NZD | - | - | - | - | - | - |
| SAR | 0 | (0) | 0 | 11 | (2) | 9 |
| KWD | 167 | - | 167 | 3,246 | - | 3,246 |
| CAD | 1 | (1) | 0 | 294 | (66) | 228 |
| Total (in ₹ INR) | | | | 11,251 | (5,432) | 5,819 |

| Currency | As at March 31, 2020 | | | | | |
|-------------------------|---|-----------------------|----------------------------|------------------------|-----------------------|----------------------------|
| | Amount in respective foreign currencies (in ₹ lakhs) | | | Amount (in ₹ lakhs) | | |
| | Financial assets | Financial liabilities | Net assets / (liabilities) | Financial assets | Financial liabilities | Net assets / (liabilities) |
| INR | - | (16) | (16) | - | (16) | (16) |
| GBP | 7 | (0) | 7 | 626 | (6) | 620 |
| USD | 66 | (8) | 57 | 4,961 | (612) | 4,349 |
| EURO | 10 | (0) | 10 | 813 | (7) | 806 |
| AED | - | (212) | (212) | - | (4,364) | (4,364) |
| AUD | 1 | - | 1 | 44 | - | 44 |
| QAR | 5 | - | 5 | 110 | - | 110 |
| BHD | 0 | - | 0 | 16 | - | 16 |
| SGD | - | - | - | - | - | - |
| PHP | 9 | - | 9 | 14 | - | 14 |
| Total (in ₹ INR) | | | | 6,584 | (5,005) | 1,579 |

As at March 31, 2021 and March 31, 2020 respectively, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact results by approximately ₹ 47 lakhs and ₹ 16 lakhs, respectively.

Significant accounting policies and Notes to accounts
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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 Company's receivables from customers and investment securities. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counter party credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

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 expected credit loss. No single customer contributes for more than 10% of outstanding total accounts receivables as at March 31, 2021 and March 31, 2020.

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

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--|---|---|
| Percentage of revenue from top customer | 11% | 15% |
| Percentage of revenue from top 5 customers | 31% | 39% |

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 managing and monitoring liquidity, funding as well as its settlement. In addition, processes and policies related to such risks are overseen by senior management. The management monitors the Group's net liquidation through rolling forecast on the basis of expected cash flows.

The Working Capital position of the Group is given below

| Particulars of current financial assets | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Cash and cash equivalent | 59,089 | 22,033 |
| Other bank balances | 51 | 64 |
| Investment in mutual fund | 14,279 | 10,708 |
| Investment in term deposit | 7,125 | 4,668 |
| Investment in bonds | 50 | - |
| Total | 80,594 | 37,473 |

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 and March 31, 2020:

| Particulars | As at March 31, 2021 | |
|---------------------------|----------------------|------------------|
| | Less than 1 Year | 1 Year and above |
| Borrowing | 6,998 | 19,024 |
| Trade payable | 3,069 | - |
| Other financial liability | 43,291 | 29,118 |

Significant accounting policies and Notes to accounts
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(₹ In lakhs)

| Particulars | As at March 31, 2020 | |
|---------------------------|----------------------|------------------|
| | Less than 1 Year | 1 Year and above |
| Borrowing | 9,287 | 24,085 |
| Trade payable | 10,539 | - |
| Other financial liability | 15,246 | 22,546 |

30 Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| | | |
| Total Equity attributable to the Equity Share Holders of Group | 104,057 | 92,751 |
| As a percentage of total capital | 80% | 74% |
| Current loan and borrowing | 6,998 | 9,287 |
| Non-current loan and borrowing | 19,024 | 24,085 |
| Total loan and borrowing | 26,022 | 33,372 |
| As a percentage of total capital | 20% | 26% |
| Total Capital(Loan, borrowing and equity) | 130,079 | 126,123 |

The Group is predominantly equity financed which is evident from capital structure table. Further, the Group has always been a net cash positive with cash and bank balances along with current financial assets which predominantly includes investment in liquid and short term mutual funds are in excess of debt.

31 Employee stock based compensation

i) Plan IV

The Shareholders of the Company through Postal Ballot on August 9, 2007 approved the allocation of 1,000,000 stock options to the eligible employees of the Company and its subsidiaries. The Company subsequently established a new scheme in 2007 for granting 1,000,000 stock options to the employees referred to above, each option representing one equity share of the Company. The vesting period of stock options will range from one year to four years from the date of grant. The stock options are exercisable within a period of seven years from the date of vesting.

| Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|--------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|
| | No. of share options | Weighted average Exercise price | No. of share options | Weighted average Exercise price |
| Outstanding options,beginnnng of the year | - | - | 7,500 | 88 |
| Granted during the year | - | - | - | - |
| Exercised during the year | - | - | 0 | 0 |
| Lapsed/Cancelled during the year | - | - | (7,500) | 88 |
| Outstanding options, end of the year | - | - | 0 | 0 |
| Options excercisable,end of the year | - | - | - | - |

Significant accounting policies and Notes to accounts
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ii) Plan V

The Company introduced a new scheme in 2008 for granting 1,500,000 stock options to the employees, each option representing one equity share of the Company. The vesting period of stock options will range from one year to four years from the date of grant. The stock options are exercisable within a period of seven years from the date of vesting.

| Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|--------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|
| | No. of share options | Weighted average Exercise price | No. of share options | Weighted average Exercise price |
| Outstanding options,beginning of the year | 32,225 | 68 | 37,225 | 69 |
| Granted during the year | - | - | - | - |
| Exercised during the year | (18,000) | 66 | (5,000) | 80 |
| Lapsed/Cancelled during the year | (3,750) | 91 | - | - |
| Outstanding options, end of the year | 10,475 | 63 | 32,225 | 68 |
| Options exercisable,end of the year | 10,475 | 63 | 32,225 | 68 |

iii) Plan VI

The Company introduced a new scheme in 2010 for granting 2,000,000 stock options to the employees, each option representing one equity share of the company. The vesting period of stock options will range from one year to four years from the date of grant. The stock options are exercisable within a period of seven years from the date of vesting.

| Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|--------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|
| | No. of share options | Weighted average Exercise price | No. of share options | Weighted average Exercise price |
| Outstanding options,beginning of the year | 427,508 | 82 | 621,071 | 77 |
| Granted during the year | - | - | - | - |
| Exercised during the year | (258,606) | 71 | (182,069) | 63 |
| Lapsed/Cancelled during the year | (50,811) | 98 | (11,494) | 134 |
| Outstanding options, end of the year | 118,091 | 114 | 427,508 | 82 |
| Options exercisable,end of the year | 118,091 | 114 | 427,508 | 82 |

iv) Plan VII

The Company introduced a new scheme in 2013 for granting 2,500,000 stock options to its employees and employees of its subsidiaries, each option giving a right to apply for one equity share of the Company on its vesting. The vesting period of stock option will range from one year to four years from the date of grant. The stock options are exercisable within a period of seven years from the date of vesting.

| Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|--------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|
| | No. of share options | Weighted average Exercise price | No. of share options | Weighted average Exercise price |
| Outstanding options,beginning of the year | 1,515,959 | 92 | 1,538,623 | 102 |
| Granted during the year | 267,160 | 5 | 170,750 | 5 |
| Exercised during the year | (666,811) | 97 | (129,600) | 70 |
| Lapsed/cancelled during the year | (97,662) | 63 | (63,814) | 126 |
| Outstanding options, end of the year | 1,018,646 | 69 | 1,515,959 | 92 |
| Options excercisable,end of the year | 559,943 | 96 | 798,418 | 115 |

Significant accounting policies and Notes to accounts
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The following tables summarize information about the options/ shares outstanding under various programs as at March 31, 2021 and March 31, 2020 respectively:

| Particulars | As at March 31, 2021 | | |
|---------------|----------------------|--|---------------------------------|
| | No. of share options | Weighted average remaining contractual life in years | Weighted average exercise price |
| Programme V | 10,475 | 0.3 | 63 |
| Programme VI | 118,091 | 2.6 | 114 |
| Programme VII | 1,018,646 | 6.7 | 69 |

| Particulars | As at March 31, 2020 | | |
|---------------|----------------------|--|---------------------------------|
| | No. of share options | Weighted average remaining contractual life in years | Weighted average exercise price |
| Programme V | 32,225 | 0.7 | 68 |
| Programme VI | 427,508 | 3.2 | 82 |
| Programme VII | 1,515,959 | 6.5 | 92 |

The weighted average fair value of each unit under the plan, granted during the year ended was ₹ 441 using the Black-Scholes model with the following assumptions:

| Particulars | As at March 31, 2021 |
|---|----------------------|
| Weighted average grant date share price | 505 |
| Weighted average exercise price | 5 |
| Dividend yield % | 0.78% |
| Expected life | 3-7 |
| Risk free interest rate | 5.4% |
| Volatility | 52.0% |

Volatility : Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure of volatility is used in Black Scholes option pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. Company considered the daily historical volatility of the Company's stock price on NSE over the expected life of each vest.

Risk free rate : The risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on zero coupon yield curve for government securities.

Expected life of the options: Expected life of the options is the period for which the the Company expects the options to be live. The minimum life of stock options is the minimum period before which the options can't be exercised and the maximum life of the option is the maximum period after which the options can't be exercised. The Company have calculated expected life as the average of the minimum and the maximum life of the options.

Dividend yield: Expected dividend yield has ben calculated as an total of interim and final dividend declared in last year preceding date of grant.

32 Leases

Company as lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on systematic basis over the lease term. If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

Company as lessee

The 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 2 to 46 years. The Company has applied low value exemption for leases of laptops, leaselines, furniture and equipment and accordingly these are excluded from Ind AS 116, at present.

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

Significant accounting policies and Notes to accounts
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ii) Below are the carrying amounts of operating lease liabilities (included under financial liabilities) and the movements during the period:

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|------------------------------|------------------------------|------------------------------|
| As at 1 April 2020 | 2,100 | - |
| Additions during the year | 157 | 2,732 |
| Deletion during the year | (209) | - |
| Finance expenses | 132 | 97 |
| Payments | (934) | (663) |
| Foreign Currency translation | 37 | (66) |
| As at 31 March 2021 | 1,283 | 2,100 |
| Current | 597 | 857 |
| Non-current | 686 | 1,243 |

Maturity Analysis of lease liability

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

| Particulars | As at March 31, 2021 | As at March 31, 2021 |
|---------------------------------|-------------------------|-------------------------|
| Less than one year | 371 | 1,034 |
| More than one year to five year | 503 | 1,669 |
| More than five years | 350 | 349 |
| Total | 1,224 | 3,052 |

The average effective interest rate for lease liabilities is 10.55%

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

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Depreciation expense for right-of-use assets | 849 | 644 |
| Interest expense on lease liabilities | 132 | 97 |
| Expense relating to short-term, low value and variable leases (included in other expenses) | 615 | 421 |
| Total amount recognised in profit or loss | 1,596 | 1,162 |

The Company had total cash outflows for leases of ₹ 934 Lakhs in FY 2020-21 (₹ 663 Lakhs in FY 2019-20).

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

The maturity analysis of lease income are disclosed herein:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Future minimum lease income under non-cancellable operating lease (in respect of properties): | | |
| Due within one year | 404 | 404 |
| Due later than one year but not later than five years | 897 | 1,301 |
| Total | 1,301 | 1,705 |

33 Business combinations

Acquisition of entities

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

- i. Mastek (UK) Limited, a wholly-owned subsidiary of Mastek Limited, entered into a Business Transfer Agreement (BTA) on February 8, 2020 to acquire the business of Evosys Arabia FZ LLC and Share Transfer Agreements (STA) to acquire Middle East Companies (MENA Acquisition) by paying a cash consideration (net of cash & cash equivalents) of USD 64.9 million i.e. ₹ 48,204 lakhs. The closing of such transaction occurred on March 17, 2020, which is considered to be the date of transfer of control or the date of acquisition, as per Ind AS 103, 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 like registering sale of shares in certain geographies is in progress. 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 after the lockdown is relaxed / lifted i.e. by September, 2021.
- ii. With respect to the overseas business of Evolutionary Systems Private Limited (ESPL) including investment in certain subsidiaries of ESPL, the parties entered into a Demerger Co-operation Agreement (DCA) and Shareholders Agreement on February 8, 2020 (DCA acquisition). The manner of the acquisition of legal ownership, is decided to be achieved through a demerger scheme to be filed before the National Company Law Tribunal (NCLT) (the Scheme), or, as per DCA between Mastek and the shareholders 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 Trans American Information Systems Private Limited (TAISPL) a wholly owned subsidiary of 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 Group. The transfer of legal title of such business undertaking shall be completed in financial year 2021-22. The date of acquisition of business undertaking for the purposes of Ind AS 103 is the date of transfer of control to Group, i.e. February 8, 2020. Discharge of consideration for demerger will be done through issue of 4,235,294 equity shares of Mastek Limited (face value ₹ 5 each) and balance through 15 Compulsorily Convertible Preference Shares (CCPS), (face value of ₹ 10 each) of TAISPL for every 10,000 equity shares of ESPL of face value of ₹ 10 each. Pending completion of legal acquisition, this transaction has been disclosed in the stand alone financial statements and will be given effect to on receiving NCLT approval or on executing the alternate arrangement in accordance with the DCA. The CCPS to be issued subject to regulatory approval, carries a Put Option which can be exercised by the holders of such CCPS at agreed EBIDTA multiples over the next 3 years commencing from year ending March 31, 2021. Accordingly, the equity shares, CCPS and put option written thereon, are disclosed as Equity shares proposed to be issued, Non-Controlling Interest (preference shares proposed to be issued) and Put option written on Non-Controlling Interest, respectively, under Other equity, refer note 9 and 2 e (viii). Further, the equity shares which are proposed to be issued have not been considered for calculating the earnings per share both basic and diluted. If the 42,35,294 equity shares had to be considered as issued on the date of acquisition, the resultant basic earnings per share for the year ended March 31, 2021 would have been ₹ 72.47 per equity share of ₹.5 each. Purchase consideration for both the acquisitions (EVOSYS) aggregates to ₹ 80,647 lakhs which has resulted in a Goodwill of ₹ 38,017 lakhs for MENA acquisition and ₹ 18,402 lakhs as at March 31, 2020 respectively, 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 acquired workforce and expected synergies.

Evosys Group focuses on Oracle Cloud implementation & consultancy, with 13 years of experience and 1000+ Oracle Cloud customers across 30+ countries. This transaction allows Mastek to diversify its geographic concentration, leverage the customer acquisition velocity that Evosys brings and provides an immediate addressable opportunity to increase the share of wallet and deliver more value for its customers.

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Purchase consideration

As part of the ESPL acquisition, the purchase consideration is discharged in a combination of equity shares of Mastek, and convertible preference shares of TAISPL. The consideration is (i) 4,235,294 fully paid-up equity shares of face value ₹ 5 of Mastek, and (ii) 15 compulsorily convertible preference shares of ₹ 10 of TAISPL, for every 10,000 equity shares of ESPL of face value of ₹ 10 each, which is yet to be discharged. On the other hand, the purchase consideration of the MENA acquisition is discharged in cash.

| | DCA Acquisition | MENA Acquisition | Total |
|---|----------------------------|-----------------------------|---------------|
| Cash paid | - | 48,204 | 48,204 |
| Fair value of equity shares to be issued # | 19,169 | - | 19,169 |
| Fair value of compulsorily convertible preference shares (CCPS) to be issued* | 13,274 | - | 13,274 |
| | 32,443 | 48,204 | 80,647 |
| Less: Adjustment for Cash^ | (5,285) | (3,824) | (9,109) |
| | 27,158 | 44,380 | 71,538 |

* The CCPS represents the Non-Controlling interest in subsidiary. The holding company has written a put option over the CCPS, where the holders (non-controlling interests) of that instrument have the right to put their instrument back to the Group. Consequently, the CCPS represents the Non-Controlling interest at the Group level. Non controlling interest have been initially measured based on fair value.

^ Purchase consideration is net of cash and bank balance acquired.

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

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

| | Year ended March 31, 2020 | | |
|---------------------------------------|----------------------------------|-----------------------------|---------------|
| | DCA Acquisition | MENA Acquisition | Total |
| Property, plant and equipment | 2,221 | 55 | 2,276 |
| Intangible assets | 27 | 6 | 33 |
| Customer Contracts | 660 | 300 | 960 |
| Customer Relationships | 4,897 | 2,247 | 7,144 |
| Trade receivables | 14,146 | 8,583 | 22,729 |
| Financial assets | 1,726 | 42 | 1,768 |
| Other assets | 219 | 169 | 388 |
| Trade payables | (3,726) | (2,875) | (6,601) |
| Financial liabilities | (10,793) | (2,083) | (12,876) |
| Other liabilities | (621) | (81) | (702) |
| Fair value of identifiable net assets | 8,756 | 6,363 | 15,119 |
| Less: Purchase Consideration | (27,158) | (44,380) | (71,538) |
| Goodwill | 18,402 | 38,017 | 56,419 |

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

Acquisition costs

Acquisition-related costs amounting to ₹ 719 Lakhs are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss, as part of exceptional items (Refer note 21).

34 Capital Commitments & Contingent Liabilities

I Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2021 is ₹ 198 lakhs (March 31, 2020: ₹ 134 lakhs)

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

II Contingent liabilities

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| A. Claims against Company not acknowledged as debts | | |
| Sales tax matter | 941 | 927 |

B. Provident Fund

Based on the judgement by the Honorable Supreme Court dated February 28, 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the Company with respect to timing and the components of its compensation structure. In absence of further clarification, the Company has been advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.

- (i) The Group does not expect any cash outflows or any reimbursements in respect of the above contingent liabilities.
- (ii) It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above, pending occurrence of the default event or resolution of respective proceedings.

C. Social Security Code

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

35 Net debt reconciliation

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Cash and cash equivalents | 59,089 | 22,033 |
| Current - Investment (other than cash and cash equivalents) | 21,454 | 15,376 |
| Non - current borrowings including current maturities (Refer note 10(a), 12(a) and 12(b)) | 26,022 | 25,891 |
| Current borrowings | - | 7,480 |
| Interest payable on loans | 224 | 92 |

| Reconciliation | Current - Investment (other than cash and cash equivalents) | Cash and cash equivalents | Non - current borrowings including current maturities | Current borrowings | Interest payable on loans | Total |
|--------------------------------------|--|---------------------------------|--|-----------------------|---------------------------------|---------------|
| Net debt as at March 31, 2019 | 11,396 | 9,295 | (6,960) | - | (77) | 13,654 |
| Cash flows | (215) | 12,738 | (17,336) | (6,938) | - | (11,751) |
| Additions on business acquisition | 3,493 | - | - | - | - | 3,493 |
| Finance cost recognised | - | - | - | - | (192) | (192) |
| Finance cost paid | - | - | - | - | 180 | 180 |
| Realised profits | 471 | - | - | - | - | 471 |
| Fair valuation of Investments | 231 | - | - | - | - | 231 |
| FCTR | - | - | (1,595) | (542) | (3) | (2,140) |
| Net debt as at March 31, 2020 | 15,376 | 22,033 | (25,891) | (7,480) | (92) | 3,946 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

| Reconciliation | Current - Investment (other than cash and cash equivalents) | Cash and cash equivalents | Non - current borrowings including current maturities | Current borrowings | Interest payable on loans | Total |
|--------------------------------------|--|---------------------------------|--|-----------------------|---------------------------------|---------------|
| Cash flows | 5,408 | 37,056 | 1,788 | 7,618 | - | 51,872 |
| Finance cost recognised | - | - | - | - | (528) | (528) |
| Finance cost paid | - | - | - | - | 396 | 396 |
| Realised profits | 479 | - | - | - | - | 479 |
| Fair valuation of Investments | 190 | - | - | - | - | 190 |
| FCTR | - | - | (1,919) | (138) | - | (2,057) |
| Net debt as at March 31, 2021 | 21,454 | 59,089 | (26,022) | - | (224) | 54,296 |

36 Micro, Small and Medium Enterprises

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

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| a) The principal amount remaining unpaid to any supplier at the end of the year | 27 | 1 |
| b) Interest due remaining unpaid to any supplier at the end of the year | - | - |
| c) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year | - | - |
| d) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006 | - | - |
| e) the amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006 | - | - |

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

37 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 year ended March 31, 2021 and up to the date of approval of its financial statements. 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 statements and the Group will continue to closely monitor any material changes to the business due to future economic conditions.

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

38 Disclosure mandated by Schedule III by way of additional information

| Name of Entity | Country of Incorporation | Net Assets i.e Total Assets- Total Liabilities | | Share in Profit or Loss | | Share in OCI | | Share in Total OCI | |
|---|--------------------------|--|------------|-------------------------------|------------|---|------------|---|------------|
| | | As a % of consolidated net assets | ₹ in Lakhs | As a % of consolidated profit | ₹ in Lakhs | As a % of consolidated other comprehensive income | ₹ in Lakhs | As a % of consolidated total comprehensive income | ₹ in Lakhs |
| A. Parent | | | | | | | | | |
| Mastek Limited | India | 54.6% | 46,865 | 8.2% | 1,708 | -2.3% | (312) | 4.1% | 1,396 |
| B. Direct Subsidiaries | | | | | | | | | |
| India | | | | | | | | | |
| Trans American Information Systems Private Limited | India | -66.6% | (57,137) | -2.8% | (584) | 1.7% | 229 | -1.0% | (355) |
| Foreign | | | | | | | | | |
| Mastek (UK) Limited | UK | 77.9% | 66,894 | 37.0% | 7,755 | 115.7% | 15,561 | 67.8% | 23,321 |
| C. Indirect Subsidiaries | | | | | | | | | |
| India | | | | | | | | | |
| Evolutionary Systems Private Limited ⁽⁵⁾ | India | 5.0% | 4,272 | 5.3% | 1,109 | -0.6% | (82) | 3.0% | 1,027 |
| Foreign | | | | | | | | | |
| Indigo Blue Consulting Limited ⁽¹⁾ | UK | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - |
| Mastek, Inc. ⁽²⁾ | USA | 4.3% | 3,727 | -7.3% | (1,535) | -2.3% | (307) | -5.4% | (1,842) |
| Taitech LLC ⁽³⁾ | USA | 0.0% | - | 0.0% | - | -3.5% | (468) | -1.4% | (468) |
| Trans American Information Systems Inc. | USA | 5.8% | 4,961 | 7.4% | 1,548 | 1.8% | 246 | 5.2% | 1,794 |
| Mastek Digital, Inc. | Canada | 0.0% | 4 | 0.0% | 5 | 0.0% | - | 0.0% | - |
| Evolutionary Systems Consultancy LLC | Abu Dhabi | 0.3% | 240 | 2.4% | 512 | -1.3% | (177) | 1.0% | 334 |
| Evolutionary Systems Pty Ltd ^{(5) (7)} | Australia | 1.5% | 1,297 | 5.3% | 1,107 | 0.5% | 69 | 3.4% | 1,176 |
| Evolutionary Systems Bahrain WLL | Bahrain | 0.7% | 607 | 2.5% | 525 | 0.0% | 2 | 1.5% | 526 |
| Mastek Arabia FZ LLC ⁽⁴⁾ | Arabia | -1.3% | (1,119) | -1.6% | (331) | -12.3% | (1,650) | -5.8% | (1,981) |
| Evolutionary Systems Egypt (Limited) | Egypt | 0.1% | 69 | 0.1% | 22 | 0.0% | (1) | 0.1% | 21 |
| Evosys Kuwait WLLC | Kuwait | -0.1% | (127) | -0.3% | (70) | 0.0% | 0 | -0.2% | (70) |
| Evosys Consultancy Services Malaysia ^{(5) (7)} | Malaysia | 0.0% | 18 | 0.1% | 24 | 0.0% | 0 | 0.1% | 24 |
| Newbury Cloud, Inc. ^{(5) (7)} | USA | 0.0% | (16) | 0.8% | 173 | 0.0% | 2 | 0.5% | 175 |

Significant accounting policies and Notes to accounts
for the year ended March 31, 2021
(₹ In lakhs)

| Name of Entity | Country of Incorporation | Net Assets i.e Total Assets- Total Liabilities | Share in Profit or Loss | | Share in OCI | | Share in Total OCI | |
|--|--------------------------|--|-------------------------|-------------------------------|---------------|---|--------------------|---|
| | | As a % of consolidated net assets | ₹ in Lakhs | As a % of consolidated profit | ₹ in Lakhs | As a % of consolidated other comprehensive income | ₹ in Lakhs | As a % of consolidated total comprehensive income |
| Evolutionary Systems BV ⁽⁵⁾⁽⁷⁾ | Netherland | 1.3% | 1,159 | 5.7% | 1,199 | -0.1% | (13) | 3.5% |
| Evolutionary Systems Qatar WLL ⁽⁵⁾⁽⁷⁾ | Qatar | 0.6% | 533 | 0.6% | 125 | -0.1% | (16) | 0.3% |
| Evolutionary Systems Saudi LLC ⁽⁶⁾⁽⁷⁾ | Saudi | 1.7% | 1,425 | 7.3% | 1,536 | -0.5% | (74) | 4.3% |
| Evolutionary Systems (Singapore) PTE. LTD. ⁽⁵⁾⁽⁷⁾ | Singapore | 0.7% | 570 | 0.5% | 100 | 0.1% | 8 | 0.3% |
| Evolutionary Systems Company Limited-UK ⁽⁵⁾⁽⁷⁾ | UK | 11.8% | 10,158 | 22.4% | 4,681 | 3.4% | 461 | 15.0% |
| Evolutionary Systems Corp. ⁽⁵⁾⁽⁷⁾ | USA | 1.7% | 1,454 | 6.3% | 1,326 | -0.2% | (27) | 3.8% |
| Total | USA | 100% | 85,854 | 100% | 20,935 | 100% | 13,451 | 34,386 |
| D. Non Controlling Interest (NCI)⁽⁷⁾ | | | 18,203 | | 4,240 | | 258 | 4,498 |

(1) Merged into Mastek (UK) Limited with effect from June 30, 2018

(2) Formally known as Digility, Inc.

(3) Merged into Trans American Information Systems, Inc. with effect from December 31, 2019

(4) Incorporated with effect from March 03, 2020.

(5) Acquired with effect from February 08, 2020 (Demerger Co-operation Agreement "DCA" acquisition) through board control (refer note 33)

(6) Acquired 50% with effect from February 08, 2020 and 50% from March 17, 2020 (refer note 33)

(7) Non Controlling Interest (NCI), refer note 33(ii).

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

As per our Report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No: 001076NN500013

For and on behalf of the Board of Directors of **Mastek Limited**

Ashank Desai
Vice Chairman and
Managing Director
DIN: 00017767

S. Sandilya
Non-Executive Chairman
and Independent Director
DIN: 00037542

Arun Agarwal
Vice President- Finance
Place: Mumbai
Date: April 28, 2021

Dinesh Kalani
Company Secretary

Adi P. Sethna
Partner
Membership No.: 108840
Place: Mumbai
Date: April 28, 2021



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Notice of 39th Annual General Meeting





NOTICE

MASTEK LIMITED

(CIN: L74140GJ1982PLC005215)

Registered Office: 804 / 805, President House, Opp. C. N. Vidyalaya,
Near Ambawadi Circle, Ambawadi, Ahmedabad - 380 006, Gujarat.

E mail: investor_grievances@mastek.com; **Website:** www.mastek.com;

Tel: +91-79-2656-4337

NOTICE TO MEMBERS

39th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE 39TH (THIRTY NINTH) ANNUAL GENERAL MEETING OF **MASTEK LIMITED ("THE COMPANY")** WILL BE HELD ON **TUESDAY, SEPTEMBER 28, 2021 AT 5.00 P.M. IST** THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO VISUAL MEANS ("OAVM") ORGANIZED BY THE COMPANY TO TRANSACT THE FOLLOWING BUSINESS. THE VENUE OF THE MEETING SHALL BE DEEMED TO BE THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 804 / 805, PRESIDENT HOUSE, OPP. C. N. VIDYALAYA, NEAR AMBAWADI CIRCLE, AMBAWADI, AHMEDABAD - 380 006, GUJARAT.

ORDINARY BUSINESS:

1. Adoption of Financial Statements.

To receive, consider and adopt:

- a. the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021, together with the Reports of the Board of Directors and Auditors thereon; and
- b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021, together with the Report of Auditors thereon.

2. Confirmation on payment of Interim Dividend and Declaration of Final Dividend.

To confirm an Interim Dividend paid of ₹ 5.50 per Equity Share and also to declare a Final Dividend of ₹ 9.00 per Equity Share (Face Value of ₹ 5.00 each) for the Financial Year 2020-21.

3. Re-appointment of Director retiring by rotation.

To appoint a Director in place of Mr. Ashank Desai (DIN: 00017767), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Appointment of Mr. Ketan Mehta (DIN: 00129188) as a Director of the Company, liable to retire by rotation.

To consider and if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160, 161 and all other applicable provisions of the Companies Act, 2013 (**"the Act"**) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and subject to the provisions of Articles of Association of the Company and basis the recommendation of Nomination and Remuneration Committee and the approval of the Board of Directors of the Company, Mr. Ketan Mehta (DIN: 00129188), who was appointed as an Additional (Non - Executive, Non - Independent) Director of the Company w.e.f. December 29, 2020, to hold Office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation with effect from the date of this Meeting.

RESOLVED FURTHER THAT the Board of Directors and / or the Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds and things, as it may, in its absolute discretion, consider necessary, expedient or desirable in order to give effect to this resolution."

5. Appointment of Mr. Ashank Desai (DIN: 00017767) as Managing Director designated as Vice - Chairman & Managing Director of the Company.

To consider and if thought fit, to pass the following resolution with or without modification(s) as a **Special Resolution:**

"RESOLVED THAT Mr. Ashank Desai (DIN: 00017767) who was appointed as Vice - Chairman & Managing Director of the Company w.e.f. November 08, 2020 by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of Section 196, 197, 198, 203 read with Schedule V and all other applicable provisions, of the Companies Act, 2013 (**"the Act"**) read with Companies

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(Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force) and subject to the provisions of the Article of Association of the Company and basis the recommendation of Nomination and Remuneration Committee and being eligible, offers himself for re-appointment, be and is hereby appointed as Managing Director designated Vice - Chairman & Managing Director of the Company, for a period of 5 consecutive years commencing from November 08, 2020 up to November 07, 2025.

RESOLVED FURTHER THAT pursuant to the provision of Section 196(3) of the Act, read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Ashank Desai (DIN: 00017767) be and is hereby appointed as Managing Director of the Company even after him attaining the age of 70 years till the expiry of his term as Managing Director up to November 07, 2025.

RESOLVED FURTHER THAT the Board of Directors and / or the Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds and things, as it may, in its absolute discretion, consider necessary, expedient or desirable in order to give effect to this resolution."

6. Consider payment of Remuneration to Mr. Ashank Desai (DIN: 00017767) as Managing Director designated as Vice - Chairman & Managing Director of the Company.

To consider and if thought fit, to pass the following resolution with or without modification(s) as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("**SEBI Listing Regulations**") (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force) and also pursuant to the provisions of the Articles of Association, basis the recommendation of the Nomination and Remuneration Committee in their Meeting held on January 29, 2021 and resolution passed by the Board of Directors of the Company in their Meeting held on February 01, 2021 and subject to any other approval as may be and subject to the approval of Resolution No. 5 set forth in this Notice, consent of the Company be and is hereby accorded to payment of Managerial Remuneration

to Mr. Ashank Desai as a Managing Director designated as Vice - Chairman & Managing Director of the Company of an amount not exceeding 15% of the net profits of the Company, as may be permitted under the applicable law, from time to time, and subject to the terms and conditions as set out in the Explanatory Statement annexed to the Notice and as per the draft Agreement, with liberty to the Board (which term shall include any Committee constituted or to be constituted by the Board) to alter and vary the terms and conditions of said appointment in such manner as may be agreed to between the Board of Directors and Mr. Ashank Desai and as may be permissible under the applicable laws, without further reference to the Members of the Company.

RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded to authorize payment of total Managerial Remuneration payable to all its directors not exceeding 16% of the net profits of the Company subject to Schedule V to the Act.

RESOLVED FURTHER THAT pursuant to the provisions of Section 197 read with Schedule V of the Act, and other applicable provisions if any, in the event of loss or inadequacy of profits in any Financial Year of the Company during the term of Mr. Ashank Desai as a Managing Director of the Company, consent of the Members of the Company be and is hereby accorded for the payment of the remuneration, perquisites, allowances, benefits and amenities as set out in the Explanatory Statement annexed to the Notice as the Minimum Remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to alter and / or vary the terms and conditions of the said appointment and / or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, allowances, benefits and amenities payable to Mr. Ashank Desai in the light of further progress of the Company, which shall be in accordance with the prescribed provisions of the Act, and the rules made thereunder (including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force) and to take all such steps as may be required in this connection including seeking necessary approvals, if any, to give effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors and / or Company Secretary of the Company be and are hereby severally authorised to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things and

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sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto”.

7. Consider payment of Remuneration to Mr. S. Sandilya (DIN: 00037542), Chairman (Non - Executive) & Independent Director of the Company for the Financial Year 2020-21, which may exceed 50% of the total Annual Remuneration payable to all the Non – Executive Directors of the Company.

To consider and if thought fit, to pass the following resolution with or without modification(s) as a **Special Resolution:**

“RESOLVED THAT in accordance with the Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended and basis the recommendation of the Nomination and Remuneration Committee and as approved by the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded for payment of Remuneration to Mr. S. Sandilya (DIN: 00037542), Chairman (Non - Executive) & Independent Director of the Company for the Financial Year 2020-21, which may exceed 50% of the total Annual Remuneration that may be payable to all the Non - Executive Directors of the Company for the Financial Year 2020-21, details of which are set out in the Explanatory Statement annexed to the notice.

RESOLVED FURTHER THAT the Board of Directors and / or the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed necessary, proper or desirable for the purpose of giving effect to this Resolution.”

By Order of the Board of Directors
For Mastek Limited

Place: Mumbai
Date: July 19, 2021

Dinesh Kalani
Company Secretary
(Membership Number: FCS 3343)

EXPLANATORY STATEMENT SETS OUT ALL

MATERIAL FACTS IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“THE ACT”).

In respect of Item No. 4:

Mr. Ketan Mehta (DIN: 00129188), basis the recommendation of Nomination and Remuneration Committee, was appointed as an Additional (Non - Executive, Non - Independent) Director of the Company w.e.f. December 29, 2020 pursuant to the provisions of Section 161 and other applicable provisions of the Act by the Board of Directors of the Company.

Mr. Ketan Mehta holds office up to the date of this Annual General Meeting of the Company or the last date on which the Annual General Meeting should have been held, whichever is earlier and is eligible for appointment as Director of the Company.

Mr. Ketan Mehta has submitted his declarations in prescribed forms viz. (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub section (2) of Section 164 of the Act, confirming his eligibility for such appointment, and (iii) his disclosure of interest in prescribed Form MBP-1 and declaration that he is not having any pecuniary relationship with the existing Directors / Management / Promoters of the Company. Mr. Mehta is not debarred from holding the office of Director by virtue of any order of SEBI or any other such Authority.

The Board is of the opinion that Mr. Ketan Mehta is a person of integrity and possesses relevant expertise and experience and shall bring an expert judgement on the Board’s discussions especially on issues related to Finance, Operations, Technology and General Management. In the opinion of the Nomination and Remuneration Committee and the Board of Directors of the Company, the appointment of Mr. Mehta on the Board would be beneficial to the overall functioning of the Company considering his vast experience in the corporate field and knowledge of the business. His brief profile and the additional information as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India is given under **“Annexure A”**.

NOTICE

Save and except Mr. Ketan Mehta and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

The Board recommends the said resolution, as an ordinary resolution for approval of the Members.

In respect of Item Nos. 5 and 6:

Due to the sudden demise of Mr. Sudhakar Ram, who was holding the position as Vice - Chairman & Managing Director of the Company, the Board of Directors of the Company at its meeting held on November 08, 2020, basis the recommendation of the Nomination and Remuneration Committee, considered Mr. Ashank Desai desirable based on his rich and vast experience and expertise in Information Technology industry coupled with the knowledge of general business management, approved his appointment, for the role of Managing Director Designated as Vice - Chairman & Managing Director of the Company, for a period of 5 consecutive years from November 08, 2020 up to November 07, 2025, liable to retire by rotation, subject to the approval of the Members of the Company at the ensuing Annual General Meeting, in conformity with the provisions and requirements of the Act, read with Schedule V, and Rules framed thereunder. The remuneration payable to Mr. Ashank Desai as Managing Director shall not exceed 15% or such higher percentage of the net profits of the Company as permitted under applicable laws from time to time.

Further, Mr. Ashank Desai has managed the role of Global Chief Executive Officer from January 18, 2021 till July 06, 2021. Mr. Desai has been devising the strategic plan and spearheading the next level growth of the Group. Therefore, considering the global business complexities posed by newer geographies, market opportunities and consolidated profits of the group, the remuneration recommended to be payable to Mr. Ashank Desai is reasonable, commensurate to the size and scale of the Company's business and is in line with peers in the industry.

Mr. Ashank Desai, Vice - Chairman & Managing Director, is in charge of the overall management of the Company and shall perform such duties as shall from time to time be entrusted to him, subject to overall supervision, superintendence, guidance and control of the Board of Directors of the Company. An agreement has been entered into by the Company with Mr. Ashank Desai, the terms and conditions of his Appointment as Managing Director are contained in the said agreement is available for inspection.

As per Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compensation payable to Whole Time Director, who is Promoter or Member of the Promoter Group, shall

be subject to approval of the Members by a Special Resolution, if the aggregate annual remuneration to such Executive Director exceeds ₹ 5 crores or 2.5% of the net profits of the listed entity, whichever is higher or where there is more than one such director, exceeds 5% of the net profits of the Company. Mr. Ashank Desai is one of the founder Member and Promoter of the Company, and therefore the approval of the Members by way of Special Resolution is being sought for his Appointment and payment of Remuneration.

This Explanatory Statement and additional information as given under "**Annexure A**" together with the accompanying Notice, may also be regarded as a disclosure pursuant to Section 190 of the Act and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings.

The Company has, *inter alia*, received an intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014, from Mr. Ashank Desai to the effect that he is not disqualified in accordance with Section 164(2) of the Act and a declaration that he is not debarred or restrained from acting as a director by any SEBI order or by any other such authority.

In the event of loss or inadequacy of profit in any Financial Year during the tenure of services of Mr. Ashank Desai, the Company shall make payment of the remuneration, perquisites, allowances, benefits and amenities as mentioned under Para III below, as minimum remuneration.

The information as required to be disclosed to the Members as per Schedule V to the Act with respect of the Appointment of Mr. Ashank Desai as Managing Director Designated as Vice - Chairman & Managing Director is as under:

I. GENERAL INFORMATION

a. Nature of Industry

The Company is an enterprise digital transformation specialist that engineers excellence for customers in the UK, US, Middle East, Europe, India and Asia Pacific. It enables large-scale business change programmes through its service offerings, which include application development, support, and testing, BI and analytics, agile consulting, and digital commerce. Whether, it is creating new applications, modernizing existing ones or recovering failing projects, Company helps enterprises to navigate the digital landscape and stay competitive. With digital solutions constituting more than 80% to the business, Company is emerging as one of the leaders in Enterprise Digital Transformation journey. Company is well poised to be among the top providers of agile digital transformation solutions and a significant player within the digital transformation space in retail and financial services.

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b. Date of commencement of commercial production

The Company was incorporated on May 14, 1982 and has already commenced its business of Information Technology Services. For more details about the operations of the Company, please refer to the Management Discussion and Analysis Section which forms part of this Annual Report.

c. Financial Performance

Financial performance of the Company during the last 3 Financial Years and the year under review is as under:

(₹ in Lakhs except Basic Earnings per Share)

| Particulars | Financial Year (under review) 2020-21 | | Financial Year 2019-20 | | Financial Year 2018-19 | | Financial Year 2017-18 | |
|---------------------------------|---------------------------------------|---------------|------------------------|---------------|------------------------|---------------|------------------------|---------------|
| | Consolidated | Standalone | Consolidated | Standalone | Consolidated | Standalone | Consolidated | Standalone |
| Revenue from Operations | 172,186 | 18,714 | 107,148 | 16,344 | 103,321 | 18,944 | 81,721 | 16,232 |
| Other Income | 2,791 | 3,487 | 4,130 | 4,886 | 2,478 | 3,459 | 2,099 | 2,323 |
| Total Income | 174,977 | 22,201 | 111,278 | 21,230 | 105,799 | 22,403 | 83,820 | 18,555 |
| Profit before Exceptional Items | 33,933 | 4,096 | 16,815 | 4,066 | 13,284 | 3,916 | 9,603 | 2,734 |
| Profit before Tax | 33,933 | 3,396 | 14,408 | 3,383 | 13,339 | 3,916 | 9,603 | 2,734 |
| Profit after Tax | 25,175 | 1,646 | 11,381 | 2,745 | 10,147 | 3,051 | 6,996 | 1,574 |
| Basic Earnings per Share (₹) | 84.92 | 6.67 | 45.21 | 11.4 | 42.61 | 12.81 | 29.74 | 6.69 |

d. Foreign Investment or Collaborations, if any

8.03% of the share capital of Company as on June 30, 2021, is held by non-resident indians, foreign institutional & foreign institutional investors. There has been no foreign collaboration by the Company.

Award from IIT Mumbai and the Computer Society of India (CSI) "Fellow of the Society" honour. He has also been presented with the Honourable Contributors Award by ASOCIO - the only Indian to receive this recognition twice. He was conferred with the much-coveted Outstanding Entrepreneur Award at the Asia Pacific Entrepreneurship Awards (APEA) 2010 India.

II. INFORMATION ABOUT THE APPOINTEE

a. Background details, Recognition or awards, Job profile and suitability thereof

Mr. Ashank Desai is an Information Technology (IT) Industrialist and has done B.E. from Mumbai University and had secured the second rank in the University. He holds a M. Tech Degree from the Indian Institute of Technology (IIT), Mumbai. He also holds Post Graduate Diploma in Business Management (PGDBM) from IIM Ahmedabad.

Mr. Desai is widely recognised as an IT industry veteran and is one of the founders Members and past Chairman of NASSCOM. He has been felicitated by Prime Minister Shri Narendra Modi for his contribution to NASSCOM and IT Industry. He also guides Mastek Foundation, whose mission is to enable "Informed Giving and Responsible Receiving". He has been conferred with the "Distinguished Alumnus"

Mr. Desai having held the position of Chairman & Managing Director of the Company earlier and also served as the Non - Executive Director of the Company, brings with him valuable experience in managing the issues faced by large and complex organisations. Mr. Desai is responsible for providing guidance and mentorship to the Global Chief Executive Officer of the Company.

Mr. Desai is the Principal Founder and Former Chairman of the Company and has more than 4 (four) decades of rich and diverse experience in IT industry. The Company and the Board will immensely benefit by leveraging his demonstrated leadership capability, General business acumen and knowledge of complex financial and operational issues faced by the Company. Mr. Desai also brings rich experience in various areas of business, technology, operations, societal and governance matters.

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b. Past Remuneration

It may be noted that the amount paid to him till November 08, 2020 was only towards the Sitting Fees as a Non - Executive Director along with perquisite as approved by the Members. He was Non - Executive Director of the Company till his appointment as Vice - Chairman & Managing Director w.e.f. November 08, 2020. He has not held any position of Executive Director and

also not been paid any other remuneration in previous 3 Financial Years as may be paid to an Executive Director.

The amount paid to him in the capacity of Non-Executive Director during the last 3 Financial Years and for a part of the year under review as well as the amount paid in the capacity of Managing Director effective November 08, 2020 is as follows:

(Amount in ₹)

| Financial Years | 2020-21 | | 2019-20 | 2018-19 | 2017-18 |
|---|--|---|------------------|------------------|------------------|
| | As Non – Executive Director upto November 08, 2020 | As Managing Director with effect from November 08, 2020 | | | |
| Fee for Attending Board Meetings and Committee Meetings | 1,600,000 | - | 2,400,000 | 2,200,000 | 2,150,000 |
| Commission | - | - | - | - | - |
| Others (perquisites / benefits)* | 13,863 | - | 74,658 | 91,085 | 61,965 |
| Gross Salary (including ₹ 16,500 perquisites) | - | 7,978,931 | - | - | - |
| Total amount paid | 1,613,863 | 7,978,931 | 2,474,658 | 2,291,085 | 2,211,965 |

*as approved by Members

III. REMUNERATION PROPOSED AS PER TABLE BELOW

| Sr. No. | Particulars | Description |
|---------|--|---|
| 1. | Basic Salary | ₹ 1,666,667 per month with authority to the Board / Committee to revise the remuneration from time to time. |
| 2. | Other Allowances | Lunch Coupon of ₹ 2,200 per month and any other Allowances as per Company's policy |
| 3. | Variable pay plan as applicable | Variable Pay at 50% of annual basic salary which will vary depending on the business performance and the board's evaluation of his performance with maximum payout capped at 150% of annual basic salary. |
| 4. | Medical Benefits and Car Perquisite and Telephone / Mobile / Internet Expenses | As per Rules of the Company. |
| 5. | Club Fees | Reimbursement of Club Fees for 2 (two) Clubs. |
| 6. | Termination | Either party can terminate the agreement by giving 3 (three) months' prior written notice to the other party or payment in lieu thereof. |
| 7. | Insurance | Personal accident insurance cover and Group life insurance cover as per the Company's policy. |
| 8. | Leave | Leave with full pay and allowance as per the Company's policy. |
| 9. | Reimbursement of Expenses | Reimbursement of travel, stay and entertainment expenses actually and properly incurred in the course of business as per the Company's policy. |
| 10. | Commission | Nil |

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IV. COMPARATIVE REMUNERATION PROFILE WITH RESPECT TO INDUSTRY, SIZE OF THE COMPANY, PROFILE OF THE POSITION AND PERSON (IN CASE OF EXPATRIATES THE RELEVANT DETAILS WOULD BE WITH RESPECT TO THE COUNTRY OF HIS ORIGIN).

Taking into consideration, his qualifications, expertise and rich experience, he is best suited for the responsibilities assigned to him by the Board of Directors. Further, in view of size of the Company, the profile of Mr. Desai, the responsibilities shouldered by him and the industry benchmarks, the remuneration paid / proposed to be paid is commensurate with the remuneration package paid to senior level counterparts of Mr. Desai in other similar companies.

V. PECUNIARY RELATIONSHIP DIRECTLY OR INDIRECTLY WITH THE COMPANY, OR RELATIONSHIP WITH THE MANAGERIAL PERSONNEL, IF ANY.

Mr. Desai does not have any pecuniary relationship directly or indirectly with the Company, except for receiving remuneration as a Vice - Chairman & Managing Director of the Company. He holds 3,329,552 equity shares of ₹ 5 each of the Company (constituting 13.20% of the paid-up share capital of the Company).

VI. OTHER INFORMATION

Reasons of loss or inadequate profits, Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

The Company has earned profits during the last 3 Financial Years as mentioned above. Further, the Company has taken appropriate steps to ensure profitability in future.

VII. DISCLOSURE

| | | |
|----|--|---|
| a. | Elements of Remuneration package | As mentioned above |
| b. | Details of fixed components and performance linked incentive along with performance criteria | As mentioned above |
| c. | Service Contract, Notice period, Severance fees etc. | As mentioned above |
| d. | Stock option details | No stock option has been granted to him |

The requisite disclosure shall be made in the Annual Accounts of the Company.

VIII. OVERALL RENUMERATION

The total Remuneration payable to all the directors including Managing Director is not likely to exceed 16% of the net profits of the Company in any Financial Year.

During last 3 Financial Year and the year under review Mr. Desai attended the Board meetings as follows:

| Sr. No. | Financial Year | Meetings Attended |
|---------|----------------|-------------------|
| 1. | 2017-18 | 5 of 5 |
| 2. | 2018-19 | 5 of 5 |
| 3. | 2019-20 | 7 of 7 |
| 4. | 2020-21 | 6 of 7 |

Mr. Desai, being Vice - Chairman & Managing Director, is in charge of overall management of the Company. Considering his rich and vast experience in Information Technology industry, the Nomination and Remuneration Committee and the Board of Directors, considered it desirable to appoint him as Vice - Chairman & Managing Director of the Company for a period of 5 consecutive years.

Pursuant to the provision of Section 196(3) of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014, which prescribes that appointment of a person who has attained the age of 70 years unless a Special Resolution is passed to that effect, in which case the Explanatory Statement annexed to the notice for such motion shall indicate the justification for appointing such person.

In view of the aforesaid proviso, the Board of Directors is of the opinion that considering Mr. Desai's integrity, relevant expertise, vast experience, in depth industry knowledge, continuous valuable guidance to the management and his strong Board performance, his continuous association as a Director will be beneficial and to the best interest of the Company. Accordingly the Board recommends his appointment for the approval of the Members even after him attaining age of 70 years during his term of appointment.

Except Mr. Ashank Desai and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 5 & 6.

Your Directors recommend and seek your approval for the appointment on the terms and conditions including remuneration payable to Mr. Ashank Desai, Managing Director designated as Vice - Chairman & Managing Director of the Company as stated above.

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In respect of item No. 7:

The Members of the Company at the Annual General Meeting of the Company held on July 19, 2018, had accorded their consent for payment of Profit related Commission to Non - Executive Directors including Independent Directors, a sum not exceeding in aggregate 1% per annum, of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, be paid to and distributed amongst any or all of the Non - Executive Directors of the Company.

A yearly commission to be paid to the Non - Executive Directors (including Independent Directors) out of the available distributable profits of the Company for the Financial Year 2020-21 based on the **"time and services"** taken by the Company from the Directors. Accordingly, Company had calculated and has kept aside ₹ 2,050,000 for payment of Commission to the Non - Executive Directors, subject to tax for the year under review.

Pursuant to Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 every listed entity is required to obtain approval of Members of the Company by way of Special Resolution for payment of remuneration to Non - Executive Director which is in excess of 50% of the total remuneration payable to all Non - Executive Directors of the Company during a year.

Considering the substantial time devoted by Mr. S. Sandilya, Chairman (Non - Executive) & Independent Director, in providing his valuable advice and strategic inputs to the Company on various critical business aspects, the remuneration payable to Mr. S. Sandilya for the Financial Year 2020-21 may exceed 50% of the total remuneration that may be payable to all Non - Executive Directors of the Company. The total commission payable to Mr. S. Sandilya is reasonable given the size and scale of operations of the Group.

Taking into account the substantial time given and valuable contributions made towards the Company by Mr. S. Sandilya, the Board recommends the Resolution as set out under business item no. 7 in the notice of this meeting for approval of the Members by means of a Special Resolution. The details of remuneration of Mr. S. Sandilya for the Financial Year 2020-21, is given under the Corporate Governance Report forming part of the Annual Report. Mr. S. Sandilya holds 26,000 equity shares in the Company. Mr. S. Sandilya and his relatives to the extent of their shareholding, if any, in the Company, may be deemed to be concerned or interested in the resolution to the extent of remuneration that he may receive.

Except Mr. S Sandilya, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

The Board recommends the said resolution, as Special Resolution for approval of the Members.

By Order of the Board of Directors
For Mastek Limited

Place: Mumbai
Date: July 19, 2021

Dinesh Kalani
Company Secretary
(Membership Number: FCS 3343)

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“Annexure A”

Additional information of Directors seeking Appointment / Re-appointment at the 39th AGM to be held on September 28, 2021.

(Pursuant to Regulation 36(3) and 26(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India).

| Name of the Directors | Mr. Ketan Mehta (Appointment) (Item No. 4) | Mr. Ashank Desai (Re-appointment/ Appointment) (Item Nos. 3, 5 & 6) |
|--|---|---|
| Director Identification Number | 00129188 | 00017767 |
| Category | Non - Executive Director | Director / Managing Director |
| Date of Birth | 09/09/1958 | 16/05/1951 |
| Date of Appointment | 29/12/2020 | 06/06/1982 |
| Nationality | Indian | Indian |
| Qualifications | Management degree from IIM Ahmedabad | B.E. from Mumbai University, M. Tech Degree from the Indian Institute of Technology, Mumbai and Post Graduate Diploma in Business Management (PGDBM) from IIM Ahmedabad |
| Brief resume of the Director | <p>Mr. Ketan Mehta has served as Chairman of the Board of Majesco (USA entity) from October 2018 to September 2020 where he played a pivotal role in selling Majesco business to private equity firm – Thoma Bravo. Prior to that, he served as President of Majesco (USA entity) from 2000 until March 2019, and Chief Executive Officer of Majesco (USA entity) from July 2011 to October 2018.</p> <p>Mr. Mehta co-founded Mastek in 1982 and served as a member of the Board of Directors of Mastek until June 01, 2015 after which he focused exclusively on Majesco business. During his long stint with Mastek, Majesco and its affiliates, he has handled multiple functions including sales, delivery, and general management. He was the driving force behind the conceptualization and execution of Majesco's insurance strategy, including acquisition and integration of seven insurance technology companies over the last 13 (thirteen) years. Prior to that, he has also spearheaded Mastek's joint venture with Deloitte Consulting.</p> | <p>Mr. Ashank Desai, is an Information Technology (IT) Industrialist and also the Principal Founder and Former Chairman of Mastek and has more than 4 decades of rich and diverse experience in IT industry. Mr. Desai having been the CMD of Mastek and currently serving as Vice - Chairman & Managing Director (& Interim GCEO) of Mastek, brings with him valuable experience in managing the issues faced by large and complex organisations. Mr. Desai has significant experience due to his status as a prominent figure in both India and global IT arena. Mr. Desai, a founding member of NASSCOM and was the President of Asian-Oceanic Computing Industry Organization (ASOCIO). He has rich experience in various areas of management, business, technology, operations, societal and governance matters.</p> |
| Nature of Expertise in specific functional areas | Mr. Mehta has nearly 4 decades in the Information Technology Industry. He has handled multiple functions including sales, delivery, and general management. | Mr. Desai has significant experience due to his status as a prominent figure in both India and global IT arena. He has expertise in all key global business and governance functions relevant to the Company's operations including financial, risk management, strategy & planning and mergers & acquisitions, etc. |

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| Name of the Directors | Mr. Ketan Mehta (Appointment) (Item No. 4) | Mr. Ashank Desai (Re-appointment/ Appointment) (Item Nos. 3, 5 & 6) |
|--|--|--|
| Shareholding in the Company as on March 31, 2021 | 2,274,100 (9.01%) | 3,329,552 (13.20%) |
| Directorships held in Listed Companies | Majesco Limited - Promoter & Non - Executive Director | NRB Bearings Limited - Independent Director |
| Committee position held in Public Companies as on March 31, 2021 | Majesco Limited <ul style="list-style-type: none"> Nomination and Remuneration Committee – Member Mastek Limited <ul style="list-style-type: none"> Audit Committee – Member Nomination and Remuneration Committee - Member | Mastek Limited <ul style="list-style-type: none"> Audit Committee – Member Nomination and Remuneration Committee (upto November 08, 2020) Stakeholders Relationship Committee - Member Corporate Social Responsibility Committee - Member Risk Management & Governance Committee – Chairman NRB Bearings Limited <ul style="list-style-type: none"> Stakeholders Relationship Committee - Chairman Corporate Social Responsibility Committee - Member |
| Number of Meetings of the Board attended during the Financial Year (2020-21) | 2 out of 3 | 6 out of 7 |
| Relationships between Directors inter-se | No such relationship exists between the Directors inter-se | No such relationship exists between the Directors inter-se |
| Key terms and conditions of the Appointment / Re- appointment | Retirement by Rotation | Re-appointment (Item No. 3) - Retirement by Rotation Appointment (Item Nos. 5 & 6) - It is proposed to appoint Mr. Desai as a Managing Director Designated as Vice - Chairman & Managing Director, for a period of 5 years from November 08, 2020 and as mentioned in the Notice convening this Meeting read along with Explanatory Statement thereto. |
| Remuneration last Drawn | Refer to Directors' Report and Corporate Governance Report forming part of the Annual Report | Refer to Directors' Report and Corporate Governance Report forming part of the Annual Report |
| Remuneration sought to be paid | Mr. Mehta being a Non - Executive Director shall be paid sitting fees for attending Board and / or Committee Meetings and commission, as approved by the Members of the Company. | As per the Resolution No. 6 of the Notice convening this Meeting read along with Explanatory Statement thereto. |

Notes:

- The Directorship, Committee Memberships and Chairmanships do not include positions in Foreign Companies, Private Companies, position as an advisory board member and position in Trust and companies under Section 8 of the Companies Act, 2013.
- The proposal for Appointment / Re-appointment of Directors has been approved by the Board pursuant to the recommendation of the Nomination and Remuneration Committee considering their skills, expertise, knowledge, competencies of Directors and positive outcome of performance evaluation, please refer Corporate Governance Report forming part of the Annual Report.
- Information pertaining to remuneration paid to the Director being Appointed / Re-appointed, date of appointment to the Board and the number of Board Meetings attended by them during the year have been provided in the Corporate Governance Report forming part of the Annual Report.

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IMPORTANT NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("**MCA**") vide circular dated January 13, 2021 read together with circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 and Securities and Exchange Board of India ("**SEBI**") vide circular dated January 15, 2021 read together with May 12, 2020 (hereinafter collectively referred to as "**the Circulars**") have permitted Companies to hold their General Meetings through Video Conferencing ("**VC**") or Other Audio Visual Means ("**OAVM**") (hereinafter referred to as "**VC / OAVM**") for the year 2021. In keeping with Government advisories on Covid-19 and considering the current extraordinary circumstances, which are not conducive to a safe conduct of the Annual General Meeting ("**AGM**") with physical attendance of Members, the Board of Directors has approved conduct of the 39th AGM of the Company through VC / OAVM.
2. The relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("**the Act**") relating to certain ordinary and special businesses to be transacted at the 39th AGM as set out above in Item Nos. 4 to 7 and the relevant details of the Directors seeking Appointment / Re-appointment under Item Nos. 3 to 6 as required under Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") and under Secretarial Standards - 2 on General Meetings issued by The Institute of Company Secretaries of India, is annexed hereto as "**Annexure - A**". The Company has received the requisite consents / declarations for the Appointment / Re-appointment from the concerned Directors as mandated under the Act and the rules made thereunder. As per the provisions of Clause 3.A.II. of the General Circular No. 20/2020 dated May 05, 2020, the matters of Special Business as appearing at Item Nos. 4 to 7 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.
3. Since this AGM is being held through VC / OAVM, where physical attendance of Members has been dispensed with. Accordingly, in terms of the aforementioned Circulars the facility for appointment of proxies by the Members will not be available for this AGM and hence, the Proxy Form, Attendance Slip including Route Map are not annexed to this Notice.

4. The Members of the Company under the category of Institutional Investors / Corporate Members (i.e. other than individuals / HUF NRI, etc.) are encouraged to attend and vote at the AGM through VC / OAVM. Corporate Members intending to send their authorised representatives to attend the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy (in PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. authorising its representatives to attend the AGM, by sending an e-mail at investor_grievances@mastek.com
5. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
6. The participation of Members through VC / OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.

INSTRUCTIONS RELATED TO THE PAYMENT OF FINAL DIVIDEND FOR THE YEAR ENDING MARCH 31, 2021.

7. Pursuant to Section 91 of the Act, **the Register of Members and Share Transfer books will remain closed from September 25, 2021 to September 28, 2021 (both days inclusive)** for annual closing and determining the entitlement of the Members to the Final Dividend for the Financial Year ended March 31, 2021.
8. **Dividend as recommended by the Board of Directors, if declared at the AGM, shall be paid on or before October 27, 2021;**
 - a) to those Members whose names appear on the Register of Members of the Company after giving effect to all valid transfers in physical form lodged with the Company and its Registrar and Transfer Agents before September 24, 2021 and,
 - b) in respect of shares held in electronic form, on the basis of beneficial ownership as per the details furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on September 24, 2021.
9. Members are requested to note that the Company's shares are under compulsory electronic trading for all investors. Members are, therefore, requested to dematerialize their shareholding to avoid inconvenience. Members whose shares are in

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electronic mode are requested to inform change of email id, address and updates of bank account(s) to their respective Depository Participants. Members holding shares in physical form are requested to advise such changes to the Company's Registrar and Transfer Agent, KFin Technologies Private Limited. Members are encouraged to use the Electronic Clearing Services (ECS) for receiving dividends. The required ECS mandate Form for Members desirous of availing ECS facility for payment of dividend forms part of this report.

10. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of member's w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to Members at the prescribed rates. For the prescribed rates for various categories, the Members are requested to refer to the Finance Act, 2020 and amendments thereof. The Members are requested to update their PAN with the Company / RTA (in case of shares held in physical mode) and depository participants (in case of shares held in demat mode).

For resident Members, taxes shall be deducted at source under Section 194 of the Income Tax Act as follows:

Members having valid PAN 10% or as notified by the Government of India

Members not having valid PAN 20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during the Financial Year 2021-22 does not exceed ₹ 5,000 and also in cases where Members provide Form No. 15G/ 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the Income Tax Act.

Registered Members may also submit any other document as prescribed under the Income Tax Act to claim a lower/ Nil withholding tax. PAN is mandatory for Members providing Form No.15G/ 15H or any other document as mentioned above. A Resident individual member with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/ 15H to avail the benefit of non-deduction of tax at source.

11. Non-resident Members can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary

documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form No. 10F, any other document which may be required to avail the tax treaty benefits. The aforesaid declarations and documents need to be submitted by the Members. For the detailed process and instructions, please click of the company's website here - <https://www.mastek.com/shareholder-services>

12. Members who wish to claim Dividends, which remain unclaimed, are requested to either correspond with the Secretarial Department of the Company or the Company's RTA for releasing the same only through banking channels before the due dates of transfer to Investor Education and Protection Fund Authority. The details of such unclaimed dividends are available on the Company's website at www.mastek.com. Members are requested to note that the dividend remaining unclaimed for a continuous period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund (IEPF). In addition, all underlying shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company to demat account of the IEPF Authority within a period of 30 (thirty) days of such underlying shares becoming due to be transferred to the IEPF Authority.

In the event of transfer of underlying shares and the unclaimed dividends to IEPF Authority, Members are entitled to claim the same from the IEPF Authority by submitting an online application in the prescribed Form IEPF-5 (available on www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5. Members can file only one consolidated claim in a Financial Year as per the IEPF Rules.

Pursuant to the applicable provisions of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (Including any statutory modification(s) and / or re-enactment(s) thereof for the time being in force), During the year under review, pursuant to the provisions of Section 124 (5) of the Act, final dividend for the Financial Year 2012-13 amounting to ₹ 560,175 and interim dividend for the Financial Year 2013-14 amounting to ₹308,695 which remained unclaimed for a period of 7 (seven) years, from the date it was lying in the unpaid dividend

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account, has been transferred by the Company to the IEPF Authority and the concerned shares for the Financial Year 2012-13 aggregating to 16,922 equity shares and for the Financial Year 2013-14 aggregating to 1,335 equity shares have also been transferred to IEPF Authority.

Estimated due dates for transfer to IEPF authority (including the current Financial Year 2021-22), of the unclaimed/ unpaid dividends from the Financial Year 2013-14 and thereafter, the details of same are available in the Corporate Governance Report which forms part of this Annual Report.

13. Members who hold shares in dematerialised form and want to provide/ change/ correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR Code of their bank to their Depository Participants. The Company will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of Dividend, the RTA is obliged to use only the data provided by the Depositories, in case of such dematerialised shares.

Members who are holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, MICR code of the branch, type of account and account number, to Company's RTA, at Selenium Tower B, 31-32, Financial District, Nanakramguda, Gachibowli, Hyderabad - 500 032, Telangana.

14. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or its RTA the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the Members after making requisite changes, thereon. SEBI has also mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's RTA.

15. Non-resident Indian Members are requested to inform about the following immediately to the Company or its RTA or the concerned Depository Participant, as the case may be:-

- a) the change in the residential status on return to India for permanent settlement, and
- b) the particulars of the NRE account with a Bank in India, if not furnished earlier.

16. **Nomination:** As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their Depository Participants in case the shares are held by them in electronic form and to RTA in case the shares are held by them in physical form.

17. **Submission of PAN:** Members are requested to note that furnishing of Permanent Account Number (PAN) is now mandatory in the following cases:-

- a) Legal Heirs'/ Nominees' PAN Card for transmission of shares,
- b) Surviving joint holders' PAN Cards for deletion of name of deceased Member, and
- c) Joint Holders' PAN Cards for transposition of shares.

PROCESS FOR DISPATCH OF ANNUAL REPORT AND REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT

18. In compliance with the aforementioned Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Depository Participant (DP). Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website at www.mastek.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of National Securities Depository Limited (NSDL) at www.evoting.nsdl.com

This AGM Notice is being sent by e-mail only to those eligible members who have already registered their e-mail address with the Depositories and with Company on or before the cut-off date Friday, August 27, 2021.

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19. Process for registration of e-mail addresses for obtaining Notice of the AGM along with Annual Report for the Financial Year 2020-21:

Members who have not registered their email addresses so far are requested to get their email addresses registered in following ways;

- a) In case shares are held in physical mode, please provide Folio No., Name of member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investor_grievances@mastek.com.
- b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor_grievances@mastek.com.
- c) Alternatively member may send an E-mail request to evoting@nsdl.co.in for obtaining User ID and Password by providing the details mentioned in Point (a) or (b) above as the case may be.

PROCEDURE FOR JOINING THE 39TH AGM THROUGH VC / OAVM

20. NSDL will be providing facility for voting through remote e-Voting, for participation in the 39th AGM through VC / OAVM and e-Voting during the 39th AGM.
21. Members may note that the VC / OAVM facility, allows participation of at least 1,000 Members on a first-come first- served basis.
22. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access the same by following the steps mentioned at note no. 19 "Step 1: Access to NSDL e-Voting system". After successful login, you can see link of "VC / OAVM link" placed under "Join General Meeting" menu against Company name. You are requested to click on VC / OAVM link placed under Join General Meeting menu. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed.

23. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned below in the Notice.

24. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first-come first-served basis.

25. Members who need assistance before and during the AGM, can contact Mr. Amit Vishal, Senior Manager, NSDL or Mr. Sagar Ghosalkar, Assistant Manager, NSDL at evoting@nsdl.co.in or call on 1800-1020-990 and 1800-224-430.

SPEAKER REGISTRATION

26. Members who would like to express their views / ask questions during the meeting may register themselves as a speaker and send request from their registered e-mail address mentioning their name, demat account number / folio number, e-mail id, mobile number at investor_grievances@mastek.com from **Monday, September 20, 2021 to Friday, September 24, 2021**. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM

27. All the Members of the Company are encouraged to attend and vote in the AGM to be held through VC / OAVM.
28. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulation, (including any statutory modification(s) and / or re-enactment(s) thereof for the time being in force), the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-Voting on the date of the AGM will be provided by NSDL.

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29. The remote e-Voting period commences on **Friday, September 24, 2021 at 9.00 a.m. (IST) and will end on Monday, September 27, 2021 at 5.00 p.m. (IST)**. During this period, Members holding shares either in physical form or in dematerialized form, as on **Friday, September 17, 2021**, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-Voting facility either during the period commencing September 24, 2021 to September 27, 2021 or e-Voting during the AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.

30. The details of the process and manner for remote e-Voting are explained herein below:

Step 1: Access to NSDL e-Voting system

Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system.

Details on Step 1 are mentioned below:

I. Login method for e-Voting and joining virtual meeting for Individual Members holding securities in demat mode

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

| Type of Members | Login Method |
|--|--|
| Individual Members holding securities in demat mode with NSDL. | <p>A. <u>NSDL IDeAS facility</u></p> <p>If you are already registered, follow the below steps:</p> <ol style="list-style-type: none"> 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com /either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. 4. Click on "Access to e-Voting" appearing on the left hand side under e-Voting services and you will be able to see e-Voting page. 5. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting. <p>If you are not registered, follow the below steps:</p> <ol style="list-style-type: none"> 1. Option to register is available at https://eservices.nsdl.com. 2. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Please follow steps given in points 1-5 above. <p>B. <u>e-Voting website of NSDL</u></p> <ol style="list-style-type: none"> 1. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile phone. 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. |

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| Type of Members | Login Method |
|-----------------|--|
| | <ol style="list-style-type: none"> After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting. Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. |

NSDL Mobile App is available on



| | |
|---|---|
| Individual Members holding securities in demat mode with CDSL | <ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| Individual Members (holding securities in demat mode) login through their depository participants | <ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|---|--|
| Individual Members holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Members holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43 |

II. Login method for e-Voting and joining virtual meeting for Members other than Individual Members holding securities in demat mode and Members holding securities in physical mode

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholders/Member" section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.
5. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

6. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - i. If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL in your mailbox from evoting@nsdl.com. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit Client ID for NSDL account, last 8 digits of Beneficiary ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

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- ii. In case you have not registered your e-mail address with the Company/ Depository, please follow instructions mentioned below in this notice.
7. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
 - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, PAN, name and registered address.
 - d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.
8. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.
9. Now, you will have to click on "Login" button.
10. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number from Depository.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

PROCESS FOR THOSE MEMBERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE

31. Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-Voting by providing below mentioned documents.
 - a) In case shares are held in physical mode please provide Folio No., Name of Member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card).
 - b) In case shares are held in demat mode, please provide DP ID-Client ID (16 digit DP ID + Client ID or 16 digit Beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card). If you are an Individual Member holding securities in demat mode, you are requested to refer to the login method explained at point no.19 "Login method for e-Voting and joining virtual meeting for Individual Members holding securities in demat mode".

GENERAL GUIDELINES FOR MEMBERS

32. The requirement to place the matter relating to the appointment of Statutory Auditors for ratification by Members at every Annual General Meeting has been done away with vide notification dated May 07, 2018 issued by the MCA. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed from the conclusion of 35th AGM until the conclusion of the 40th AGM. The Statutory Auditors have given a confirmation and consent under Sections 139 and 141 of the Act and the Companies (Audit and Auditors) Rules, 2014, to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The Board of Directors based on the recommendation of the Audit Committee shall determine the remuneration payable to the Statutory Auditors.
33. The certificate from the Statutory Auditors of the Company certifying that the Company's Employee Stock Option Plans V, VI and VII are being implemented in accordance with the SEBI (Share

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Based Employee Benefits), Regulations, 2014, and in accordance with the resolution of the Members passed at the general meetings will be made available for inspection by the Members. Members can also inspect the same by sending an email to investor_grievances@mastek.com up to date of this Annual General Meeting i.e. September 28, 2021.

34. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
35. In case of any queries for e-Voting, you may refer the Frequently Asked Questions (FAQs) for Members and e-Voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-1020-990 and 1800-224-430 or send a request at evoting@nsdl.co.in
36. Members who have cast their votes by remote e-Voting prior to the AGM may also attend / participate in the Meeting through VC / OAVM but they shall not be entitled to cast their vote again.
37. Any person holding shares in physical form and non-individual Members, who acquires shares of the Company and becomes Member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. August 27, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-Voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800-1020-990 and 1800-224-430. In case of Individual Members holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. August 27, 2021 may follow steps mentioned in the Notice of the AGM under point 19 "Access to NSDL e-Voting system."
38. Mr. Prashant Mehta, Proprietor of P. Mehta and Associates, Practising Company, has been appointed as the Scrutinizer for conducting voting process in a fair and transparent manner.
39. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-Voting system for all those Members who are present during the AGM through VC/ OAVM but have not

cast their votes by availing the remote e-Voting facility. The remote e-Voting module during the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

40. The Scrutiniser shall, after the conclusion of voting at the AGM, first count the votes cast during the AGM and, thereafter, unblock the votes cast through remote e-Voting and shall make, not later than 2 working days from the conclusion of the AGM, a Consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or Company Secretary in writing.
41. The Results declared, along with the Scrutiniser's Report, shall be placed on the Company's website at www.mastek.com and on the website of NSDL at www.evoting.nsdl.com, immediately after the declaration of the result by the Chairman or Company Secretary or a person authorised by Chairman in writing. The results shall also be immediately forwarded to the Stock Exchanges where the Company's Equity Shares are listed viz. BSE and NSE and be made available on their respective websites viz. www.bseindia.com and www.nseindia.com.

DOCUMENTS OPEN FOR INSPECTION

42. The Members, desiring any information relating to the Accounts, are requested to write to the Company Secretary at investor_grievances@mastek.com (at least 7 days in advance) to enable us to keep the requisite information ready and the same will be replied by the Company suitably.
43. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Act will be available for inspection by the Members. Members seeking to inspect such documents can send an e-mail to investor_grievances@mastek.com from their registered e-mail address.

By Order of the Board of Directors
For Mastek Limited

Place: Mumbai
Date: July 19, 2021

Dinesh Kalani
Company Secretary
(Membership Number: FCS 3343)

Registered Office:

804 / 805, President House, Opp. C. N. Vidyalaya,
Near Ambawadi Circle, Ambawadi,
Ahmedabad - 380 006, Gujarat.
CIN: L74140GJ1982PLC005215
Website: www.mastek.com
Email: investor_grievances@mastek.com

FREQUENTLY ASKED QUESTIONS

ORGANIZATION RELATED

1. When was Mastek Limited (“the Company”) incorporated and when did it have its Initial Public Offer?

The Company was incorporated in the name and style of “Management and Software Technology Private Limited” a private limited company under the Indian Companies Act, 1956 on May 14, 1982. The name of the Company was changed to Mastek Limited in 1992. The first public offering of equity shares was made in 1992 followed by another public issue in 1996.

2. Who are the Founder Members of the Company?

The Founder Members of the Company are Mr. Ashank Desai, Mr. Ketan Mehta, Mr. Radhakrishnan Sundar and Mr. Sudhakar Ram (Late).

3. What is the Company’s area of operations?

Mastek (NSE: **MASTEK**; BSE: **523704**), is an enterprise digital transformation specialist that engineers excellence for customers in UK, US, Middle East, Asia Pacific and India. It enables large-scale business change programmes through its service offerings, which include Application Development, Oracle Suite & Cloud Migration, Digital Commerce, Application Support & Maintenance, BI & Analytics, Assurance & Testing and Agile Consulting. Whether it’s creating new applications, modernising existing ones or recovering failing projects, Mastek helps enterprises to navigate the digital landscape and stay competitive. With digital solutions constituting major part of the business, Mastek is emerging as one of the leaders in Enterprise Digital Transformation space. Evosys – A Mastek Company, is an Oracle Platinum partner and a leading Oracle Cloud implementation and consultancy company, serving 1,000+ Oracle Cloud customers across 30+ countries. An Oracle Platinum partner, Evosys provides solution offerings like Oracle HCM Cloud, Oracle ERP Cloud, Oracle SCM Cloud, Oracle CX Cloud, Oracle EPM Cloud/ Hyperion, Oracle Analytics Cloud, Oracle Digital Assistant, PaaS solutions (including custom-built solutions), AI, IoT and machine learning. Evosys diverse Customer portfolio consisting Government, Healthcare, Finance, Logistics, Manufacturing & Distribution organisations, is a testimony to the expertise and leadership in Oracle Cloud implementation. Evosys was recognised for Gartner Magic Quadrant for Oracle Cloud Application Services, Worldwide 2021.

Mastek is well poised to be among the top providers of agile digital transformation solutions and a significant player within the digital transformation space in retail and financial services.

4. What is the Vision Statement of the Company?

Mastek Vision Statement is to be a Global Leader in digital transformation services. Your Company have been steadfast in pursuit of this vision. Innovating, developing bespoke solutions and serving clients in a rapidly changing marketplace have enabled to reposition the Company from a commodity Indian - offshore IT services to a high-value impact and trusted digital transformation partner.

5. What are the Core Values of the Company?

The people, referred to as Mastekeepers are the core of your Company’s inspirational growth agenda and are conducted by a set of defined ethical values. These values, called **PACTS (Passionate, Accountable, Collaborative, Transparent and Sustainable)**, which are imbued across the organisation, and ensure that no member of the team indulges in outrageous or discriminatory behavior towards anyone within the organisation. This value system, which all Mastekeepers are required to uphold at all times, is rooted in respect for its heritage. More importantly, however, it serves as the framework for the behavior of current and future generations of Mastekeepers, enabling quicker and better integration of new Mastekeepers into its family.

Passionate- Mastek is fired-up about finding novel ways to exceed customers’ expectations.

Accountable- Mastek 4.0 (people transformation programme) empowers to excel and accept individual ownership.

Collaborative- Mutual respect and teamwork enrich business outcomes with unique perspectives and experiences.

Transparent - Open and honest behavior is core to earn trust and deliver exceptional results for stakeholders.

Sustainable - Mastek increases social dividend, investing as much in communities as in business improvements.

6. What is the Quality Policy of the Company?

Building and delivering systems, services and processes that help customers deliver their Digital vision through

- Aligning to customer customers' objectives, being proactive and taking actions to exceed their business impact providing innovative digital solutions and building software using latest delivery methodology & engineering practices to deliver superior value to customers
- Effective practice of "Quality Management System" ensuring quality standards of products and services are met prior to delivery through appropriate quality assurance and quality control
- Practicing risk management as inherent part of operations with appropriate mitigation planning and regular risk tracking
- Striving for continual improvement of the Quality Management System
- Actively pursuing ever improving quality through programs that enable each employee to do their job right the first time and every time.

7. What are the Quality Objectives of the Company?

The Quality objectives are-

- Customer Experience – Satisfaction, Advocacy, Loyalty and Value for Money
- Quality of Deliverables
- Timeliness of Deliveries
- Productivity and Throughput

Your Company endeavors to achieve client's expectations, quality and delivery performance metrics for the industries. Mastek serves as per the respective roadmaps, improve or retain stakeholder's engagement scores. Focus on building skills and capabilities to keep abreast with the changing demands of the businesses.

SHAREHOLDERS RELATED

8. Which are the Stock Exchanges where the Company's equity shares are listed?

The Company's equity shares are listed in India on BSE Limited since March 30, 1993 and the National Stock Exchange of India Limited since May 10, 1995. (BSE Scrip Code: **523704**; NSE Symbol: **MASTEK**).

9. What is face value of the Company's Equity Shares and What is the Authorised Share Capital of the Company?

The face value of the Company's Equity Share is ₹ 5/- per share. The Authorised Share Capital is divided into 40,000,000 Equity Shares of ₹ 5/- each and 2,000,000 Preference Shares of ₹ 100/- each.

10. Has the Company issued any bonus shares in past? Has there been any stock split?

The Company had issued bonus shares in the ratio of 1:1 in January 2000 and also in April 2006. The Company's shares were sub divided from INR 10/- to INR 5/- since November 2000.

11. Where one can obtain details of the Company's Shareholding?

The Shareholding Pattern can be obtained from the website of the Company at <https://www.mastek.com/investor-information>. These are also available on the websites of BSE Limited (www.bseindia.com) and the National Stock Exchange of India Limited (www.nseindia.com), where the shares of the Company are listed.

12. How do I buy Company's shares?

The Company's shares can be purchased in the open market in India either through a stockbroker or through any Financial Institution that provides brokerage services at the BSE or NSE. The Company does not offer a direct share purchase plan to outsiders.

13. Does the Company have a quiet period? When is that?

Yes. The Company follows quiet periods i.e. Trading Window Closure, which is made every quarter prior to its release of quarterly results. During the quiet period, the Company or any of its designated officials will not discuss earning expectations with any external parties. As per Company's Code of Conduct for Prevention of Insider Trading, the Trading Window Closure of the Company for every quarter starts from last day of any fiscal quarter and will continue till 48 hours after the disclosure of such financial results / information to the concerned Stock Exchanges.

DIVIDEND, IEPF AUTHORITY, REGISTRAR AND SHARE TRANSFER AGENT (RTA) RELATED

14. Does Mastek pay dividends? What is the dividend policy of Mastek?

Mastek pays dividends to its Shareholders. The policy for dividend can be accessed here: <https://www.mastek.com/sites/default/files/PDF%20downloads/Corporate%20governance/Dividend%20Distribution%20Policy.pdf>

15. What is the past years' dividend track record of the Company since Fiscal Year 2001?

The past years' dividend track record of the Company since Fiscal Year 2001 is given below:

| Fiscal Year | Shares Outstanding (in Millions) | Dividend (₹ per share) | Total Dividends (₹ in Lakhs) |
|-------------------------|-------------------------------------|---------------------------|---------------------------------|
| 2001 | 13.88 | 2.00 | 27.77 |
| 2002 | 13.97 | 3.00 | 419.07 |
| 2003 | 14.11 | 3.00 | 423.42 |
| 2004 | 13.88 | 3.00 | 416.40 |
| 2005 | 13.87 | 7.50 | 1,036.11 |
| 2006 | 28.14 | 6.50 | 1,403.12 |
| 2007 | 28.46 | 7.50 | 2,132.34 |
| 2008 | 27.62 | 10.00 | 2,557.70 |
| 2009 | 26.90 | 10.00 | 2,679.34 |
| 2010 | 26.94 | 3.25 | 876.30 |
| 2011 | 26.95 | - | - |
| 2012 | 27.02 | - | - |
| 2013 | 24.64 | 3.00 | 739.15 |
| 2014 | 22.16 | 4.50 | 1,040.59 |
| 2015 | 22.55 | 2.50 | 563.94 |
| 2016 | 23.00 | 2.50 | 574.41 |
| 2017 | 23.38 | 3.50 | 817.41 |
| 2018 | 23.60 | 6.00 | 1,422.00 |
| 2019 | 23.98 | 8.50 | 2,035.00 |
| 2020 | 24.29 | 8.00 | 1,945.59 |
| 2021 (Interim Dividend) | 25.23 | 5.50 | 1,361.72 |

* Final Dividend of ₹ 9.00 per share is subject to Members approval and not included above.

16. Does the Company have a dividend reinvestment program or dividend stock purchase plan?

The Company does not offer a dividend reinvestment program or dividend stock program at present.

17. Whom does one contact in case of non-receipt of dividend, loss of share certificates, etc.?

You may contact Company's RTA, who will advise you accordingly. You may also communicate with the Company in the event of any unresolved issues via Email at investor_grievances@mastek.com with all supporting documents.

18. Is Automated Clearing House (ACH) mode facility available for payment of dividend?

The Company extends ACH mode facility to all its members since longtime. The dividend amount of members availing ACH mode facility is directly credited to their Bank accounts. Members holding shares in physical form may submit a request letter with copy of cancelled cheque to RTA for availing ACH mode facility. Those holding shares in demat form are advised to please update their Demat Account details with proper and correct Bank account details with their Depository Participant.

19. If dividend warrant is lost / was never received / has expired, how do I get a fresh demand draft re-issued?

Please give your request in writing to the Company's RTA with details of your folio number/s and cancelled cheques along with your Email id and PAN number also to be registered (in the case of physical holdings) or the DP ID and account number in the case of dematerialised holdings. After verification, they will register the said details and will arrange to initiate NEFT directly to your designated Bank Account through Dividend Banker.

To avoid this problem in the future, you can use the ECS / ACH facility in which the dividend amount is automatically credited to the Bank Account of your choice. To avail of this facility, give your request to RTA in writing.

Also, you should consider dematerializing your holdings through a Depository Participant. This would not only eliminate the issues of storage and risk of loss of paper certificates but also ensure automatic crediting of dividends to your Bank Account in time.

20. Where can I find details of the dividends unclaimed for 7 (seven) consecutive years, the shares in respect of which are liable to be transferred to the Investor Education and Protection Fund Authority (IEPF Authority)?

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("the Rules") notified by the Ministry of Corporate affairs effective September 7, 2016 and amendments made thereunder all the concerned shares in respect of which dividend had not been claimed or remained uncashed for 7 (seven) consecutive years or more is required to be transferred by the Company to IEPF Authority in specified Demat Account.

The web link to find out the detailed list of Equity Shares / Dividends transferred to IEPF Authority is available on the website of the Company at <https://www.mastek.com/investor-information> as mandated by Ministry of Corporate Affairs ('MCA').

The Company had already transferred following equity shares to IEPF Authority Demat Account to comply with the said Rules.

| Related Financial Year | Transfer Month | Equity Shares transferred to IEPF Authority |
|------------------------|-----------------|---|
| 2009-10 | November, 2017 | 48,285 |
| 2009-10 | January, 2018 | 7,033 |
| 2012-13 | September, 2020 | 16,922 |
| 2013-14 | December, 2020 | 1,335 |

In case the Members have any queries on the subject matter and the Rules, they may contact the Company's RTA. The Members / Claimants whose shares, unclaimed dividend, etc. have been transferred to IEPF Authority can claim the concerned shares and unclaimed dividend by making an application to IEPF Authority in IEPF Form-5 (available on www.iepf.gov.in). The Member / claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules. It is in the Members interest to claim any uncashed dividends and for future, opt for Automated Clearing House (ACH) mode, so that dividends paid by the Company are directly credited to the investor's account on time.

21. How can the shares be dematerialised and who are the Depository Participants (DP)?

The Company's shares are traded only in electronic form since June 2000. Shares can be dematerialised by opening the demat account with any of the Depository Participant (DP). DPs are some of the banks, brokers and institutions who have been registered with National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL). A comprehensive list of DPs is available at www.nsdl.com and www.cdslindia.com.

22. How does one transfer his/her shares or change the address with the RTA?

SEBI has mandated that, effective April 1, 2019, no share can be transferred in physical mode. Hence, the Company / RTA has stopped accepting any fresh lodgement of transfer of shares in physical form. For the transmission of shares in physical form and noting your change of address, PAN and Email id, you need to write to Company's RTA.

Transfer of shares in the electronic mode is effected through your Depository Participant only.

Please write to your Depository Participant (DP) intimating them of the change and ask for a confirmation that their records reflect the new address.

FINANCIAL RELATED

23. What are the Financial Highlights of the Company's Performance this year?

| Particulars | Consolidated ₹ in Lakhs | | Standalone ₹ in Lakhs | |
|-------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | Year Ended March 31, 2021 | Year Ended March 31, 2020 | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
| Revenue from operations | 172,186 | 107,148 | 18,714 | 16,344 |
| Profit after tax | 25,175 | 11,381 | 1,646 | 2,745 |

24. How does one get the Annual Report and Quarterly Results of the Company?

The Annual Report as well as Quarterly Results along with Analysis, Press Release and Analyst Presentation are available on the Company's website at <https://www.mastek.com/financial-information>.

These are also available on the websites of BSE Limited (www.bseindia.com) and the National Stock Exchange of India Limited (www.nseindia.com), where the shares of the Company are listed.

25. Does the Company organise any Investors / Analysts meetings?

Conference calls with the Investors/Analysts are held immediately after the announcement of quarterly results and the transcript of the said calls are shared with the Stock Exchanges and also displayed on the Company's website at <https://www.mastek.com/financial-information>.

Apart from the quarterly meeting, Investors/Analysts meetings are also held with senior officials of the Company and the Intimation of the said meets are shared with the Stock Exchanges and also disclosed under Investor Information section on the website of the Company at <https://www.mastek.com/investor-information>.

27. Whom can I contact for grievances and complaints?

Feel free to contact the Company Secretary at Mastek's Registered Office address or connect with the Registrar and Transfer Agent viz, KFIN TECHNOLOGIES PRIVATE LIMITED, Unit: Mastek Limited, Selenium Building, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda Mandal, Hyderabad – 500 032; Email: einward.ris@kfintech.com.

28. How does one inform the Company to send the correspondence in electronic form to save the time and have speedy communication?

On account of the threat posed by COVID-19 and in compliance with the aforementioned MCA Circulars and SEBI Circular, the copies of the financial statements including Board's Report, Auditor's report or other documents required to be attached therewith (together referred to as Annual Report), Annual Report for Financial Year 2020-21 and Notice of Annual General Meeting is being sent through electronic mode only.

Members are requested to follow the procedures as mentioned in the Notice of Annual General Meeting for registering themselves for receiving the further communications electronically.

GENERAL DETAILS

26. How can a Member access information about the Company?

Information about the Company is available on its website. Further, all information that is material in nature is notified to the stock exchanges and appropriate advertisements are also issued in the newspapers from time to time.

Members and Investors are also advised to go through the section on Management Discussion and Analysis and Investor information provided in the Report on Corporate Governance, as these and other parts of this Annual Report provide substantial information about the Company, that you may find relevant and useful.

29. What are the names of the Subsidiaries (including Evosys entities) of the Company and Where are they located?

The Company's Subsidiaries have increased (after the recent Evosys acquisition), the statement attached in Form AOC-1 Annexure to the Directors Report provides all the relevant details of Subsidiaries. The addresses of all the Company's offices are also printed at the end of the Report.

30. What is the Employee strength of the Group?

As on March 31, 2021, the Group had 3,792 employees (including temporary/contractual).

OFFICE LOCATION OF MASTEK GROUP ENTITIES (INCLUDING SUBSIDIARIES)

INDIA OFFICES

| Mastek Limited | Trans American Information Systems Private Limited | Evolutionary Systems Private Limited |
|---|--|--|
| Ahmedabad 804 / 805, President House, Opposite C. N. Vidyalaya, Near Ambawadi Circle, Ahmedabad – 380 006. | Ahmedabad 804 / 805, President House, Opposite C. N. Vidyalaya, Near Ambawadi Circle, Ahmedabad – 380 006. | Ahmedabad 1. 11 th Floor, Kataria Arcade, Beside Adani Vidya Mandir School, S.G. Highway, Makarba, Ahmedabad – 380 054. 2. Acropolis Mall, C Block, 3 rd Floor, Thaltej Cross Road, S.G. Highway – 380 059. |
| Mumbai 1. #106 / 107 / 122 / 122 C, SDF IV, Seepz, Andheri (East), Mumbai - 400 096. 2. #183, SDF VI, Seepz, Andheri (East), Mumbai - 400 096. 3. # IT 5 / 6 / 7 / 8, SDF VII, Seepz, Andheri (East), Mumbai - 400 096. | Noida B-5, Okaya Business Park, 1 st Floor, Tower 4, Vatika Business Centre, Yoga Nand Marg, Sector 62, Noida – 201309. | Pune Office No. 101 A, Gama – 1, Giga Space IT Park, Viman Nagar, Pune, Maharashtra – 411 014. |
| Navi Mumbai 1. A/7, Mastek Millennium Centre Millennium Business Park, Mahape, TTC, Off Thane Belapur Road, Navi Mumbai – 400 710. 2. A/303 Sector 1, Millennium Business Park, Mahape, Navi Mumbai - 400 710. | Gurugram Unit Nos. 101, 101A, 102A and 102B, IRIS Tech Park, Wing A, First Floor, Sector 48, Sohna Road, Gurugram - 122 018. | Chennai 1-9 Floor, Plot No 39/1,40/1,41/1,42/1 and 43/1, Kochar Globe, Block 5 of Hamlet Adayar, Alandur Village, Industrial Estate at Guindy, Chennai, Tamil Nadu – 600 032. |
| Chennai Mahindra World City, Plot No. TP – 5, 4 th Avenue, Nathan Sub (PO), Chengalpattu, Tamil Nadu – 603 002. | Chennai Mahindra World City, Plot No. TP – 5, 4 th Avenue, Nathan Sub (PO), Chengalpattu, Tamil Nadu – 603 002. | |
| Pune B 1/201, Second Floor, The Cerebrum, Kumar Cerebrum IT Park, Mulik Nagar, IT Park Area, Kalyani Nagar, Pune - 411 014. | | |

OFFICE LOCATION OF MASTEK GROUP ENTITIES (INCLUDING SUBSIDIARIES) INTERNATIONAL OFFICES

| | |
|---|--|
| UK 1. Mastek (UK) Limited a. Pennant House, #2 Napier Court, Napier Road Reading, RG1 8BW, UK b. First Floor & Rear Suits, Northspring, 36 Park Row, Leeds, LS1 5JL, UK 2. Evolutionary Systems Company Limited Harrow Business Centre, 429-433 Pinner Road, North Harrow, Middlesex HA1 4HN | USA / Canada 1. Mastek Inc. 15601 Dallas Parkway, Suite 250, Addison, TX 75001. 2. Trans American Information Systems Inc. 15601 Dallas Parkway, Suite 250, Addison, TX 75001. 3. Mastek Digital Inc. 55 York Street, Suite 401, Toronto ON M5J 1R7. 4. Evolutionary Systems Corp & Newbury Cloud Inc. a. 400 Trade Center, Woburn, MA 01801, Massachusetts. b. Century Suites, 100 Trade Center, Woburn, MA 01801, Massachusetts 5. Evolutionary Systems Corp. Level 17, River Point, 444 West Lake Street, Chicago, IL 60606 6. Evolutionary Systems Canada Limited 11 Balin Cres. Brampton Toronto, ON L6X 0V5. |
| Middle East 1. Mastek Arabia FZ LLC 112, Building 11, Dubai Internet City, PO Box: 500830, Dubai 2. Evolutionary Systems Consultancy LLC PO Box 7891, Air Port Road, Abu Dhabi, UAE 3. Evolutionary Systems Egypt LLC 37 Ali Amer Street - Off Makram Ebeed Street - Infront of Child Garden, 6 th floor, Flat 603, Nasr City - Cairo – Egypt 4. Evolutionary Systems Saudi LLC Suite #1, Delia Plaza, Dabbab Street, Sulaimaniah, PO Box: 220032, Riyadh - 11311, Kingdom of Saudi Arabia. 5. Evolutionary Systems Bahrain WLL P.O Box 548, Manama, Kingdom of Bahrain. 6. Evosys Kuwait Company for designing and equipping Computer Centers LLC Al-Wataniya Tower, 7 th Floor, Al-Qibla, Kuwait. 7. Evolutionary Systems Qatar W.L.L Al Shoumoukh Towers, 10 th floor, Tower B, C –Ring Road, Al Sadd, Doha, Qatar. | Rest of World 1. Evolutionary Systems Singapore Pte Ltd Level 42-01, Suntec Tower Three Temasek Boulevard, Singapore 038988 2. Evosys Consultancy Services (Malaysia) Sdn Bhd. Suite B-01096, Dataran 3 Two, No. 2, Jalan 19/1, Petaling Jaya - 46500, Selangor, Malaysia 3. Evolutionary Systems Pty Ltd Level 26, 44 Market Street Sydney, NSW 2000 Australia 4. Evolutionary Systems B.V. Weesperstraat 61, 1018 VN Amsterdam, Netherlands |



PAN UPDATE/ E-COMMUNICATION REGISTRATION FORM

(FOR PHYSICAL HOLDER OF SHARES WHO HAS NOT YET UPDATED THEIR E-MAIL ID, PAN AND / OR BANK ACCOUNT DETAILS WITH THE COMPANY OR ITS RTA)

To,
KFIN TECHNOLOGIES PRIVATE LIMITED
(Unit: MASTEK LIMITED)

Selenium Tower B, Plot 31 & 32,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad - 500 032, Telangana.
Toll Free No.: 1-800-309-4001
Email: einward.ris@kfintech.com

| | |
|---|--|
| Folio No. | |
| Name of the sole / first named Member | |
| Name of joint holder(s) | |
| Registered Address of Member | |
| Permanent Account Number (PAN) (Self – Attested Copy to be attached) | |
| E Mail ID to be registered | |
| Mobile No. | |

| | | | | | | | | | |
|---|---------------|--|--|----------------|--|--|--------------------|--|--|
| Bank Account Details : (for electronic credit of unpaid dividends and all future dividends) | | | | | | | | | |
| Name of the Bank | | | | | | | | | |
| Name of the Branch | | | | | | | | | |
| Account Number (as appearing in your cheque book) | | | | | | | | | |
| Account Type (Saving / Current / Cash Credit) | Saving | | | Current | | | Cash Credit | | |
| | | | | | | | | | |
| 9 Digit MICR Number (as appearing on the MICR cheque issued by the bank) Please enclose a photocopy of a cheque for verification | | | | | | | | | |
| 11 Digit IFSC Code | | | | | | | | | |

Date:

Signature of the Member: _____

Note:

1. Members holding shares in demat mode are requested to contact their Depository Participant (DP) for updation of above details.
2. Members are requested to keep DP / RTA / Company informed as and when there is any change in the email address. Unless the E-mail ID given above is changed by you by sending another communication in writing / E-mail, the Company will continue to send the documents to you on the above mentioned E-mail ID.
3. Members hereby authorize Company to send all the correspondence on the above mentioned E-mail ID.
4. Please enclose a self-attested copy of PAN card of the first named member, original cancelled cheque leaf, and address proof (Aadhaar card) as required for updating of the details along with this form.





Mastek Limited

#106 / 107, SDF IV, Seepz,
Andheri (East),
Mumbai - 400 096

Tel: +91-22-6722-4200

www.mastek.com