Mastek

ANNUAL REPORT 2013-2014

We know that the Industrial Revolution marked a major turning point in the history of mankind. It multiplied World GDP by almost 50 times in 200 years and brought prosperity, comforts and better standards of living to most people on the planet.

AND WHAT ELSE DID THE INDUSTRIAL AGE BRING ALONG?

"... an era of environmental degradation, political uncertainty, and economic fluctuations - a world where almost all of us feel powerless and ill-equipped to actually make things better. We are stuck in a logjam of our own making."

"GIVE ME A PLACE TO STAND, AND A LEVER LONG ENOUGH, AND I WILL MOVE THE WORLD."

The time has come to interpret Archimedes' quote wisely and rescue ourselves from this era of 'profound confusion', as Peter Senge, Cambridge, Massachusetts termed it.

'A PLACE TO STAND'

A CLEAR VISION OF THE FUTURE

'A place to stand': A position of strength, which comes from a set of values that embraces all the peoples and their environments; a clear vision of the future where everyone is connected, collaborative and involved in co-creating a world that we would all like to live in, and leave behind for our grandchildren.

'A LEVER LONG ENOUGH'

WORLDWIDE TRANSFORMATION

'A lever long enough': A firm *belief* that even a few thousand people can bring about world-wide transformation at the individual, social, economic, political, and spiritual level. The *willingness* to make personal as well as structural changes.

'MOVE THE WORLD'

BEING THE BEST YOU CAN BE, NO MATTER WHO YOU ARE

'Move the world': Steer the world away from its current course leading to certain self-destruction, and on to a path of 'interdependent harmony'. Of being the best you can be, no matter who you are. Move the world to a place where every individual is empowered and plays an important role in the success and happiness of Planet Earth.

These are the tenets that Sudhakar Ram, Managing Director and Group CEO of your company has propounded in "The Connected Age", a highly readable and enjoyable book recently published by Collins Business.

The very same tenets are now driving Mastek to reinvent itself into becoming a Connected Age corporation, committed to unleashing the power and creativity of its people through empowerment at all levels.

We call this journey: Mastek 4.0.

MASTEK 4.0 RAISES THE BAR FOR OUR ASPIRATIONS WITH RESPECT TO EVERY STAKEHOLDER: STRETCHING US TOWARDS OUR FULL POTENTIAL.

THE CRUX OF MASTEK 4.0

MAKING A VALUABLE DIFFERENCE TO EVERY STAKEHOLDER

At its core, Mastek 4.0 is about deep engagements with every stakeholder with the intent to make a valuable difference to them. Specifically, we intend to:

- Wow every customer with the value that we deliver, making them our strongest advocates
- Grow Mastekeers professionally and personally, providing them challenging work that stretches them to their potential
- Make a mark on the industries we serve – Insurance, Government, Retail, Health and others - with our innovative and transformative technology platforms
- Engage our shareholders more closely with Mastek, delivering a superior return on their investments over the long term
- Grow our reputation, capabilities and intellectual assets to build a valuable, evergreen institution

INTERDEPENDENCE INVOLVES ACCEPTING THE SIMPLE TRUTH THAT IT TAKES ALL SORTS TO MAKE THE WORLD.

STAKEHOLDER THE EMPLOYEE

THE POWER TO BE THE BEST THEY CAN BE

Every Mastekeer has all the power he needs to be the best he can be. To this end, the ideal Mastekeer is one who, rather than just being motivated by money or attracted to recognition, is inspired by a higher purpose to do what's meaningful to the world. He believes and trusts in 'interdependence' at the workplace, which in normal parlance would be interpreted as 'teamwork', but is actually deeper. To begin with, 'Interdependence' involves accepting the simple truth that it takes all sorts to make the world.

Mastek 4.0 supports Mastekeers work to their full potential by making teams accountable, reducing organizational layers, giving employees more freedom to make their own decisions with minimal red tape, and, creating organizational structures that focus on developing people. Realizing that performance appraisal systems are more draining than empowering, we are scrapping our current appraisal system, replacing it with an approach that recognizes the uniqueness of every employee and encourage them to stretch on their own terms.

STAKEHOLDER THE CUSTOMER

PROVIDING VALUE BEYOND CONTRACTS

Our Core Principles give us clear directions; and it's there in black and white: Mastek believes in providing Value beyond just the contractual commitments – we seek to win the hearts and minds of the people we touch.

We take 100% responsibility for providing insightful and enduring solutions to our clients – using modern platforms that enhance their agility and responsiveness. Mastek's ability to quickly assimilate new technologies as well as to 'listen' deeply to client and industry-specific business and IT challenges underpins our solutions.

We leverage our culture of openness and teamwork within the company and use it to also team up effortlessly with customer-teams and with other partners. (This is a very important ingredient in building large, complex solutions where no single team has all the expertise required.)

While we are already recognized for the technical and functional superiority of some of our solutions, our commitment is now to ensure our solutions deliver the intended business impact to our customers, with every iteration and release.

INTERDEPENDENT HARMONY:
IT MEANS OPERATING FROM A PLATFORM THAT ENVISAGES A WIN-WIN OUTCOME FOR ALL.

STAKEHOLDER THE SHAREHOLDER

PROMISE OF A BETTER FUTURE

When a company is true to its purpose, growth and profitability are natural outcomes. Mastek's true calling is generating real business impact for our customers through high end products and solutions. Our investments in building and acquiring world-class IP / platforms; in building deep domain expertise and high-end technical talent; and our long-term orientation help in creating an enterprise that is fundamentally valuable and relevant to customers over the long run.

Our commitment to high standards of governance, transparency and ethical behavior has been appreciated by our investors – who continue to have faith in the long term prospects of the company. As a conscious company, Mastek believes that a higher purpose and a win-win approach are fundamental to building a healthy and prosperous enterprise that can weather the ups and downs of economic cycles. Mastek has demonstrated tremendous resilience over the last three decades – being at the leading edge of newer business models in the industry, taking a road less traveled. With Mastek 4.0, we expect the inherent value in the company to be made tangible – resulting in much higher growth, profitability and returns to our investors.

STAKEHOLDER SOCIETY

A LIFE OF DIGNITY AND FULFILMENT

Every entity, whether an individual or a large group of people, has the right to a life of dignity and fulfilment. Which is why, all of Mastek's CSR (Corporate Social Responsibility) activities are designed to empower our partner NGO's through long-term support, rather than short-term financial succour. This support ensures capability-building within the NGO's itself so that it can become independent, grow organically and continue making a difference to society for years to come.

With Mastek 4.0, we intend to increase our commitment to community causes in India as well as as other countries that we operate in. While a good section of Mastekeers are engaged in community outreach programmes today, we would like this number to increase, and extend to include our other stakeholders as well.

IT IS NOTABLE TO MENTION THAT 7 OF THE TOP 25 P & C INSURANCE CARRIERS ARE OUR CUSTOMERS IN THE U.S.

Dear Shareholders,

It gives me great pleasure to highlight the key developments of the fiscal year 2014 of our Company.

The year saw us gaining ground in our strategic segments – insurance products and government solutions. We improved our profitability as a company – improving the business mix as well as managing costs better. However, the service business shrunk faster than expected and we did have a slowdown on one large customer in North America. We ended year FY 14 with an operating revenue of Rs. 923.0 crore as compared to Rs. 683.4 crore in FY 13 reflecting an annualized increase of 1.3% in rupee terms and 6.6% in constant currency dollar terms. As was outlined in my communication to you last year, the focus of the Company was on increasing profitability margins and our efforts in this regard have borne fruit. We posted an EBITDA of Rs. 101.3 crore (10.8 % of total income) as compared to an EBITDA of Rs. 66.2 crore (9.6% of total income) in nine month period ended March 2013. The Net Profit stood at Rs. 51.8 crore as against Rs. 34.3 crore in nine month period ended March 2013. So, the continued efforts from the company to focus on operational and efficiency measures have contributed a large deal to all the financial parameters to look healthy for the second year running.

There was a good addition to the client portfolio in the year and we added quite a few names to our insurance portfolio as also some in the government space. The total number of clients added this year was 13 for the year ended March 31, 2014 taking the total number of clients to 126 on a trailing twelve month basis. Our order backlog, which is an indicator of the business momentum, ended the year at Rs. 541.8 crore which is a 13.4% increase over the corresponding period of last year. The cash on the books stands at Rs. 171.1 crore and this was after an amount of Rs. 54.2 crore spent to successfully buyback 24.84 lakh shares at an average price of Rs. 218.18 per share.

Turning to our business model, we had outlined a three year strategy as a part of our Analyst Day event that we had organized after our last financial year result. The key highlight of that strategy that we outlined was to focus on high-end products and decreased dependence on the services part of the business. As far as the verticals were concerned, the focus was clearly on the insurance domain supported by the government vertical in the UK and Asia Pacific. I am happy to announce that a good part of the strategy has started playing out though we have had some developments which have marginally decelerated the growth plan. I will discuss this in the later part of my address to you.

On the Insurance front, we have made progress not just on the billing on the P&C front, which is our flagship product but also in the policy administration system, which has a larger market share from the property casualty and general insurance business perspective, so that momentum continues. We also continued to deliver and make further releases to our Elixir North American product for the Life and Annuity segment. It is notable to mention that 7 of the top 25 P&C insurance carriers are our customers in the US while we are currently implementing 3 L&A solutions to our customers placing us among the top 3 vendors in the North American insurance business.

In the UK, we did have a focus on government and in the past almost all our business were won through partners like BT, Capita and so on. However, recently, the UK government decided to let small and medium companies to start bidding directly through a platform called G-cloud. I am happy to state that the company has won 3 deals through this route within the health informatics center and the home office. These deals represent a significant breakthrough for the company from a strategic perspective and given our track record, I am confident that we will see some more wins in the

coming year in the direct business from government. In India and Asia-Pacific, we continued to do well, though it is a much smaller part of our market. The important thing however is that we have turned around from a profitability perspective.

In the midst of all this positive news, one blip was a ramp-down from a North American account that we had alluded to in November 2013. The client started ramping down from the last quarter of 2014 and we have assessed the impact to be about US$ 2.4 million per quarter in terms of revenue. However, the Company continues to see good momentum in its insurance business in North America and is confident of bridging this gap in revenue over the next few quarters. Our company's products have been rated very highly by analysts and this augurs well for the future. We hold the top position in billing across analysts like Celent or Novarica in terms of market position, function and technology. However, what is pleasing to note is that even in Policy Administration System, which is a relatively new offering, we have been rated by Celent as excellent on the technology front and that places us ahead of our competing peers like Guidewire and Duck Creek. The laurels from the analysts have been a direct result of the Company making continued investment in products despite the downturn in the business and our belief is that this would enable us to garner larger share of market in the US in the years to come.

To summarize, I believe that we are in a phase of a transition where the Company dug deep after a couple of tough years and we are seeing the positive effects of a well-thought-out strategy which focused on our inherent strengths in the products domain. We still see a couple of years for this transition to play out and what you would see at the end of that process is a Company at the high end of the value chain delivering world-class products and solutions with high profitability margins.

Maximizing shareholder wealth continues to be top of agenda for Mastek. One of the actions initiated in the year in this regard was a buyback programme to extinguish 10.1% of the Company's paid up equity capital for a total consideration for Rs. 54.2 crore. We are glad to inform you that the buyback was completed in record time. The board had recommended an interim dividend of Rs. 1.75 per share and along with the final dividend of Rs. 2.75 per share, this amounts to Rs. 4.50 per share.

The Board has also inducted Dr. Arun Maheshwari as an Additional Independent Director. Dr. Maheshwari has had stints with marquee companies like TCS, McKinsey and Continental Insurance and was also responsible for starting CSC's India operations. We hope that Dr. Maheshwari's experience and acumen would guide Mastek in the foreseeable future.

On behalf of the Board of Directors, I would like to place my sincere appreciation to our customers, partners, shareholders, employees and vendors for their support.

Best regards,

Sudhakar Ram
Managing Director and Group CEO

BOARD OF DIRECTORS

MR. SUDHAKAR RAM

MANAGING DIRECTOR
AND GROUP CEO

MR. S SANDILYA

NON-EXECUTIVE CHAIRMAN
AND INDEPENDENT DIRECTOR

MR. RADHAKRISHNAN SUNDAR

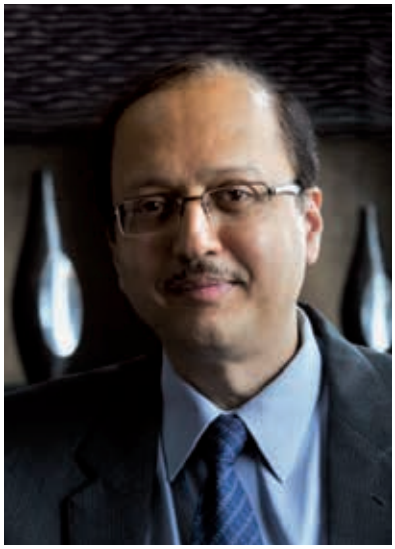
EXECUTIVE DIRECTOR

MR. ASHANK DESAI

NON-EXECUTIVE DIRECTOR

MR. KETAN MEHTA

NON-EXECUTIVE DIRECTOR



MR. VENKATESH CHAKRAVARTY

NON-EXECUTIVE DIRECTOR
(INDEPENDENT)

MS. PRITI RAO

NON-EXECUTIVE DIRECTOR
(INDEPENDENT)

DR. RAJENDRA SISODIA

NON-EXECUTIVE DIRECTOR
(INDEPENDENT)

MR. ATUL KANAGAT

NON-EXECUTIVE DIRECTOR
(INDEPENDENT)

DR. ARUN MAHESHWARI

NON-EXECUTIVE ADDITIONAL
DIRECTOR (INDEPENDENT)

KEY MANAGEMENT PERSONNEL

NAME	DESIGNATION
SUDHAKAR RAM	Managing Director and Group CEO
RADHAKRISHNAN SUNDAR	Executive Director
KETAN MEHTA	Chief Executive Officer, North America
VINAY RAJADHYAKSHA	President - Delivery, Operations and IA
FARID KAZANI	Group CFO and Finance Director
SALVATORE V. ABANO	Chief of Strategy Client Services, North America
STEFAN VAN OVERTVELDT	Chief Engineer (up to April 30, 2014)
KALPANA JAISHANKAR	Senior Vice President and Group Head HR
ANIL CHITALE	Chief Product Evangelist (effective April 1, 2014)

"I BELIEVE THAT WE ARE IN A PHASE OF A TRANSITION WHERE THE COMPANY DUG DEEP AFTER A COUPLE OF TOUGH YEARS AND WE ARE SEEING THE POSITIVE EFFECTS OF A WELL-THOUGHT-OUT STRATEGY WHICH FOCUSED ON OUR INHERENT STRENGTHS IN THE PRODUCTS DOMAIN. WE STILL SEE A COUPLE OF YEARS FOR THIS TRANSITION TO PLAY OUT AND WHAT YOU WOULD SEE AT THE END OF THAT PROCESS IS A COMPANY AT THE HIGH END OF THE VALUE CHAIN DELIVERING WORLD-CLASS PRODUCTS AND SOLUTIONS WITH HIGH PROFITABILITY MARGINS."

MR. SUDHAKAR RAM, MANAGING DIRECTOR AND GROUP CEO

BANKERS
ICICI Bank
Standard Chartered Bank

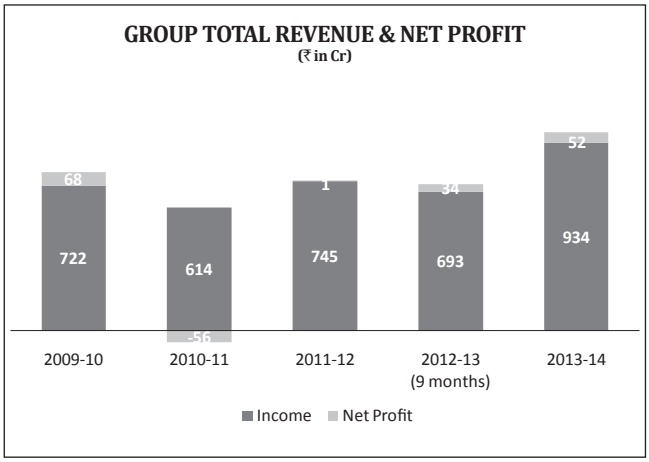
COMPANY SECRETARY
Bhagwant Bhargawe

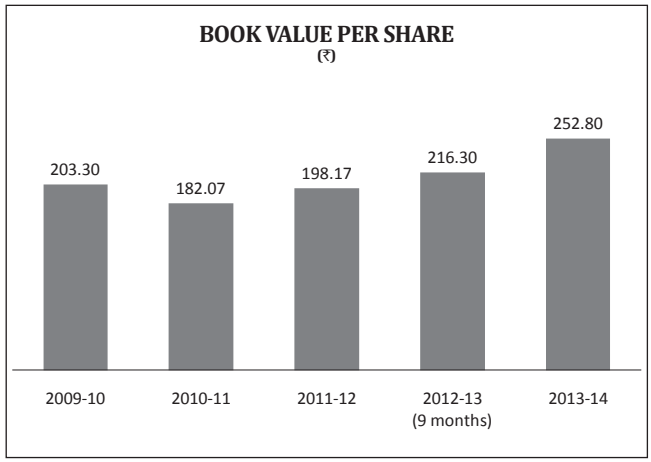
AUDITORS
Price Waterhouse

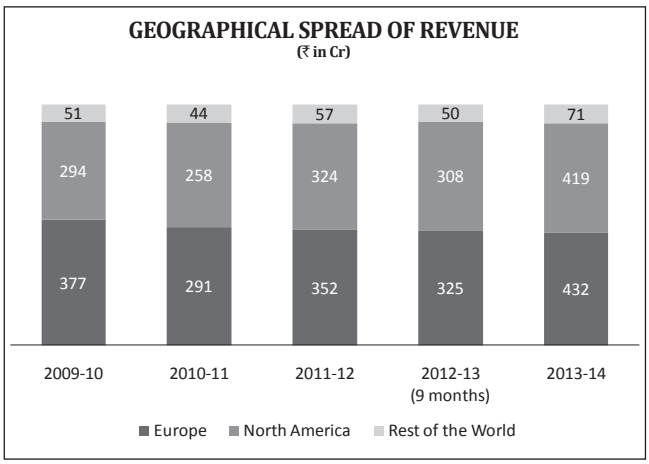
REGISTERED OFFICE
804/805, President House, Opp. C. N. Vidyalaya,
Near Ambawadi Circle, Ahmedabad 380 006, India

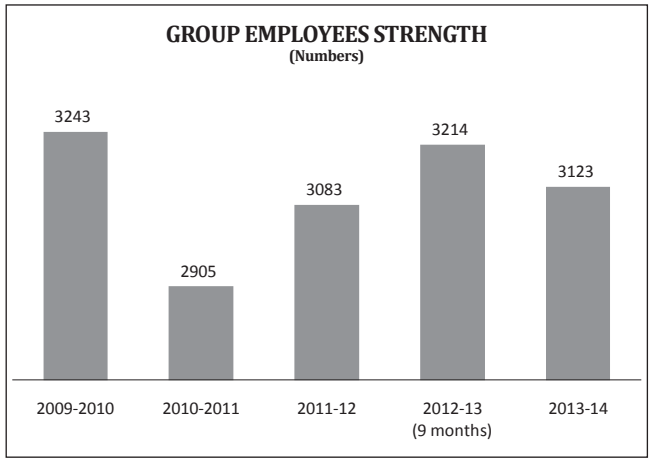
REGISTRAR AND SHARE TRANSFER AGENT
Sharepro Services (India) Private Limited,
Samhita Warehousing Complex, 13AB, Gala No. 52,
Near Sakinaka Telephone Exchange,
Off Andheri Kurla Road,
Andheri (East), Mumbai 400 072, India
Phone No. 6772 0300, 6772 0400

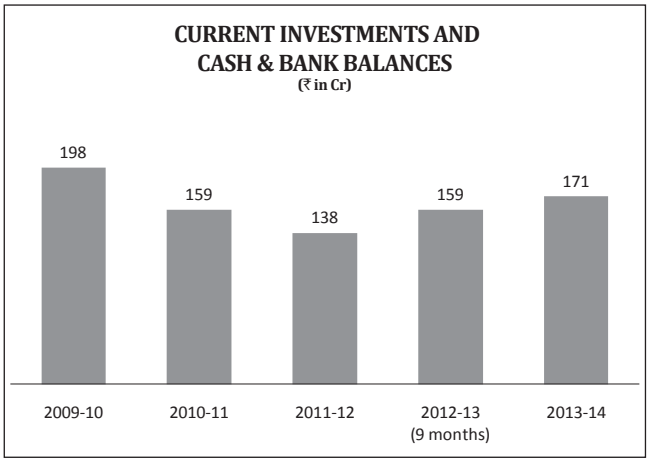
PERFORMANCE ANALYSIS OF MASTEK GROUP








GROUP EMPLOYEES STRENGTH
(Numbers)
3243
2905
3083
3214
3123
2009-2010
2010-2011
2011-12
2012-13
(9 months)
2013-14


CURRENT INVESTMENTS AND
CASH & BANK BALANCES
(₹ in Cr)
198
159
138
159
171
2009-10
2010-11
2011-12
2012-13
(9 months)
2013-14

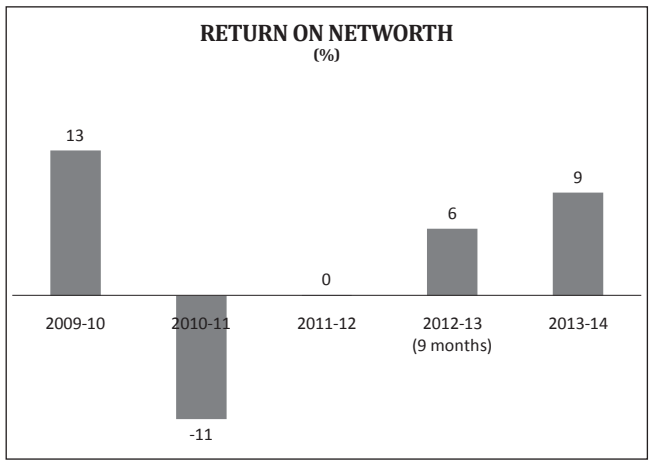

RETURN ON NETWORTH
(%)
13
-11
0
6
9
2009-10
2010-11
2011-12
2012-13
(9 months)
2013-14

TABLE OF CONTENTS

	PAGE NOS
FROM THE MANAGING DIRECTOR AND GROUP CEO's DESK	10-11
NOTICE	21-25
MASTEK GROUP	
Auditors' Report	27
Financial Statements	28-44
Key Statistics	45
Management Discussion & Analysis	47-52
Frequently Asked Questions (FAQs)	53-54
MASTEK LIMITED	
Directors' Report	56-61
Auditors' Report	63-65
Financial Statements	66-88
Statement relating to Subsidiary Companies	89
CORPORATE GOVERNANCE REPORT	91-107
CORPORATE SOCIAL RESPONSIBILITY	108-110
PEOPLE PRACTICES	110-112
SUSTAINABILITY REPORT	112
PROXY FORM / ATTENDANCE SLIP	

NOTICE

MASTEK LIMITED

Regd. Office: 804/805, President House, Opp. C.N. Vidyalaya, Near Ambawadi Circle, Ahmedabad - 380 006

(CIN: L74140GJ1982PLC005215)

Notice to Members

NOTICE is hereby given that the Thirty Second Annual General Meeting of **MASTEK LIMITED** will be held on Wednesday, July 23, 2014 at Ahmedabad Management Association Hall, H. T. Parekh Hall, AMA Complex, ATRA, Dr. Vikram Sarabhai Marg, Ahmedabad 380015 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for year ended March 31, 2014, the Balance Sheet as on that date together with reports of the Directors and the Auditors thereon and the Consolidated Financials for year ended March 31, 2014 along with the Auditors' Report thereon.
2. To declare a Final Dividend on Equity Shares of the Company and confirm the Interim Dividend declared and paid at Rs. 1.75 per share.
3. To appoint a Director in place of Mr. Ashank Desai, (holding DIN 00017767) Director of the Company, who retires by roration at this Annual General Meeting, and being eligible, offers himself for re-appointment.
4. To appoint Mr. Venkatesh Chakravarty, (holding DIN 01102892) Director of the Company, who retires by rotation at this Annual General Meeting, as an Independent Director of the Company under Section 149 of the Companies Act, 2013, not subject to retirement by rotation, to hold office for five consecutive years upto March 31, 2019.
5. To appoint M/s. Price Waterhouse, Chartered Accountants, (Firm Registration No. 012754N), as Statutory Auditors of the Company under Section 139 of the Companies Act, 2013 to hold office for a period of three years from the conclusion of this Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

6. **Appointment of Dr. Arun Maheshwari as an Independent Director**

   To consider and if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION:**

   "**RESOLVED THAT** Dr. Arun Maheshwari, (holding DIN 01682147) who has been appointed as an Additional Director of the Company with effect from October 24, 2013 and who, in terms of Section 161 of the Companies Act, 2013, and Article 119 of the Articles of Association of the Company, holds office of directorship up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Dr. Arun Maheshwari, as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company under Section 149 of the Companies Act, 2013, not subject to retirement by rotaion, to hold office for five consecutive years upto March 31, 2019."

7. **Re-appointment of Mr. Sudhakar Ram as Managing Director and Group CEO**

   To consider and if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) ("the Act"), the relevant provisions of the Memorandum and Articles of Association of the Company, and receipt of such statutory approvals, if any, as may be necessary, being obtained from the appropriate authorities to the extent applicable or necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consent of the Company be and is hereby accorded to re-appointment of Mr. Sudhakar Ram as Managing Director and Group CEO of the Company (holding DIN 00101473) for a period of 3 years with effect from July 1, 2014 up to June 30, 2017, upon the terms and conditions including remuneration as set out in the draft agreement to be entered into between the Company and Mr. Sudhakar Ram, a copy whereof is available for inspection at the registered office of the Company between 11.00 a.m. and 2.00 p.m. on all working days from Monday to Friday and the relevant terms whereof are specified in the Explanatory Statement hereto, which terms and conditions shall be effective from July 1, 2014 ('the draft agreement') with liberty to the Board (which term shall include any Committee constituted or to be constituted by the Board) from time to time to alter the said terms and conditions of his appointment, including salary, allowances and perquisites, in such manner as may be agreed to between the Board and Mr. Sudhakar Ram and within the limits prescribed in Schedule V of the Companies Act, 2013.

   RESOLVED FURTHER THAT in the event of inadequacy of the profits, the remuneration as mentioned in the Draft Agreement and given in the Explanatory Statement annexed hereto shall be the Minimum Remuneration payable to Mr. Sudhakar Ram as Managing Director and Group CEO.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all steps as may be necessary, proper and expedient to give effect to this resolution."

8. **Re-Appointment of Mr. Radhakrishnan Sundar as Executive Director**

   To consider and if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), ("the Act"), the relevant provisions of the Memorandum and Articles of Association of the Company, and receipt of such statutory approvals, if any, as may be necessary, being obtained from the appropriate authorities to the extent applicable or necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consent of the Company be and is hereby accorded to re-appointment of Mr. Radhakrishnan Sundar as Executive Director of the Company (holding DIN 00533952) for a period of 3 years with effect from July 1, 2014 up to June 30, 2017, subject to retirement by rotation, upon terms and conditions including remuneration as set out in the draft Agreement to be entered into between the Company and Mr. Radhakrishnan Sundar, a copy whereof is available for inspection at the registered office of the Company between 11.00 a.m. and 2.00 p.m. on all working days from Monday to Friday and the relevant terms whereof are specified in the Explanatory Statement hereto, with further liberty to the Board (which term shall include any committee constituted or to be constituted by the Board) from time to time to alter the said terms and conditions, of his appointment including salary, allowances and perquisites, in such manner as may be agreed to between the Board and Mr. Radhakrishnan Sundar and within the limits prescribed in Schedule V of the Companies Act, 2013.

   RESOLVED FURTHER THAT in the event of inadequacy of the profits, the remuneration as mentioned in the Draft Agreement and given in the Explanatory Statement annexed hereto shall be the Minimum Remuneration payable to Mr. Radhakrishnan Sundar as Executive Director.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all steps as may be necessary, proper and expedient to give effect to this resolution."

NOTES :

1. **A MEMBER ENTITLED TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN (10) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC. MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY.**

   Proxies, in order to be effective, must be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
2. The relative Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of Special Businesses to be transacted at the Annual General Meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from July 08, 2014 to July 15, 2014 (both days inclusive), for the purpose of payment of Final dividend, if declared at the Annual General Meeting.
4. The Final Dividend on Equity shares as recommended by the Board of Directors, if declared at the Annual General Meeting will be paid to the eligible shareholders on or after July 28, 2014 and before August 21, 2014. An Interim Dividend @ ₹ 1.75 per share was declared by the Board on October 24, 2013 & paid on November 11, 2013.
5. Members are requested to immediately notify any change in their address and E-mail IDs to the Registrar and Share Transfer Agent of the Company at the following address:

   Sharepro Services (India) Pvt. Ltd.
   Samhita Warehousing Complex
   13AB, Gala No. 52,
   Near Sakinaka Telephone Exchange,
   Off Andheri-Kurla Road,
   Andheri (East)
   Mumbai – 400 072

6. The Unclaimed Final Dividend for the financial year ended June 30, 2006 & Interim dividend for the financial year ended June 30, 2007 has been transferred to the Investor Education and Protection Fund (IEPF) as per provisions under section 205 (c) of the Companies Act, 1956.

7. Members who have not yet encashed their Final Dividend warrants for the financial year ended June 30, 2007 and thereafter are requested to make their claims immediately to the Company/Registrar and Share Transfer Agent.

8. Members are requested to bring the duly filled Attendance Slips along with their copy of the Annual Report at the time of attending the Meeting. Please note that Annual report copies shall not be available/ distributed at the AGM hall.

9. Members are requested to join the Company in supporting the Green Initiative taken by Ministry of Corporate Affairs ("MCA") to effect electronic delivery of documents including Annual Report and other documents to the members at the e-mail address registered for the said purpose. We request the members to register their e-mail address with their Depository Participant or with Sharepro Services (India) Pvt. Ltd, Registrar and Share Transfer Agent of the Company, for sending various notices, Annual Report and other documents through Electronic Mode.

10. Members may note that Annual Report for 2013-14 including Notice of Thirty Second Annual General Meeting will also be available on Company's website www.mastek.com for their download.

11. Draft agreements to be entered into between the Company and Mr. Sudhakar Ram as Managing Director and Group CEO and Mr. Radhakrishnan Sundar as Executive Director will be available at the Registered Office of the company for inspection during 11.00 a.m. to 2.00 p.m. on all working days from Monday to Friday.

12. Pursuant to Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement with the Stock Exchanges, the Company is providing its members with an option of voting by electronic means in the following manner:

    (a) Each member can cast their vote electronically from **https://www.evoting.nsdl.com**

    (b) The electronic voting shall be permitted between **Midnight of July 15, 2014 till Midnight of July 16, 2014.**

    (c) The login details and password for voting electronically shall be provided by NSDL in case of demat share-holding and by Sharepro Services (India) Private Limited, Samhita Warehousing Complex, 13 AB, Gala No. 52, Near Saki Naka Telephone Exchange, Off. Andheri Kurla Road, Andheri (East), Mumbai 400072- Registrar and Share Transfer Agent appointed by Company, to shareholders in case of physical form shareholding.

    (d) In both the cases, the e-voting has to be done online by all the shareholders. Once the vote on a resolution is cast by the member electronically, he/she shall not be allowed to change it subsequently.

    (e) The Board of Directors have appointed **M/s. Nilesh A. Pradhan & Co., Practising Company Secretary**, who shall scrutinize the electronic voting process at the Thirty Second Annual General Meeting and provide his report to the Chairman by July 19, 2014.

    (f) The results of resolutions passed shall be declared at the Thirty Second Annual General Meeting. The result of resolutions passed shall be based on the report of M/s. Nilesh A. Pradhan & Co., Practising Company Secretary and voting at Thirty Second Annual General Meeting. The Result of voting shall be placed on the Company's website viz www.mastek.com.

13. **PROCEDURE AND INSTRUCTIONS FOR E-VOTING**

    (a) **In case of Shareholders receiving e-mail from NSDL**

    (i) Open e-mail and open PDF file viz; "Mastek e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.

    (ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com

    (iii) Click on Shareholder – Login

    (iv) Put user ID and password as initial password noted in step (i) above. Click Login.

    (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

    (vi) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.

    (vii) Select "EVEN" of Mastek Limited.

    (viii) Now you are ready for e-Voting as Cast Vote page opens.

    (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

    (x) Upon confirmation, the message "Vote cast successfully" will be displayed.

    (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

    (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at "info@napco.in" and hard copy thereof at Sharepro Services (India) Private Limited, Samhita Warehousing Complex,13 AB, Gala No. 52, Near Saki Naka Telephone Exchange, Off. Andheri Kurla Road, Andheri (East), Mumbai 400072 with a copy marked to evoting@nsdl.co.in.

    (xiii) In case of any queries you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the "downloads" section of https://www.evoting.nsdl.com or contact NSDL by email at evoting@nsdl.co.in.

    (xiv) In case a member receives physical copy of Notice of AGM, Initial Password is provided at the bottom of the Attendance Slip for AGM

EVEN (E voting Event Number)	USER ID	PASSWORD/PIN

Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above to cast vote.

14. Information pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, relating to Directors seeking appointment / re-appointment is as follows:

Name of Director	**Mr. Ashank Desai**
Resume of the Director	Mr. Ashank Desai, is B.E. from Mumbai University and in graduating year, held the second rank in the University. He holds a M. Tech Degree from the Indian Institute of Technology, Mumbai. He also holds Post Graduate Diploma in Business Management (PGDBM) granted by the IIM Ahmedabad, from where he graduated in 1979. He worked with Godrej and Boyce before founding the Company. He is a founder member and ex-chairman of NASSCOM and is also actively associated with several government bodies and trade associations.
Year of Joining the Board	1982
Expertise in Specific Functional Area	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, was also the President of Asian-Oceanic Computing Industry Organization (ASOCIO). He has expertise in all key functions relevant to the Company's operations.

Other Directorships	1. Mastek (UK) Ltd, UK 2. MajescoMastek, USA 3. Vector Insurance Services LLC, USA 4. MajescoMastek Insurance Software and Solutions Inc. 5. MajescoMastek, Canada
Chairman/member of Committees of the Company	1. Governance Committee- Chairman 2. Audit Committee- Member 3. Corporate Social Responsibility Committee- Member
No of Board Meetings attended during the year	7
No of shares held in the Company	3,099,552

Name of Director	**Mr. Venkatesh Chakravarty**
Resume of the Director	Mr. Chakravarty is qualified as an Associate Member of the Chartered Insurance Institute, UK (ACII, UK). He holds a Master's degree in Administrative Management from Bajaj Institute of Management Studies and a Bachelor of Arts Degree in Economics, Political Science & Sociology. Mr. Chakravarty has more than 27 years of experience in the Insurance Industry. His experience spans across Insurance, Management Consulting, & Reinsurance. He has worked in various capacities in the Insurance industry beginning with Life Insurance Corporation of India, Eagle Star International in the Middle East and for KPMG India where he was an Associate Director, Management Consulting, responsible for Insurance practice. He joined Swiss Re Life & Health in September, 1998 as a Business Development Manager in London responsible for Life & Health business in India & Sri Lanka. He worked in Swiss Re, London for nearly a year before assuming responsibility in Swiss Re, Mumbai office. He has been the Head of Life & Health Business and a Director on the Board of Swiss Re Services India Pvt. Ltd. for more than 10 years. He resigned as a Director from Swiss Re on March 4, 2013 and has moved on to pursue personal interests.
Year of Joining the Board	2011
Expertise in Specific Functional Area	Life Insurance, Management Consulting and Reinsurance
Other Directorships	Mastek (UK) Ltd, UK Mastek MSC Sdn Bhd, Malaysia
Chairman/member of committees of the Company	1. Share Transfer, Investor Grievances and Stakeholders Relationship Committee- Chairman 2. Audit Committee – Member 3. Compensation Committee – Member (up to October 24, 2013)
No. of Board Meetings attended during the year	8
No. of shares held in the Company	Nil

Name of Director	**Dr. Arun Maheshwari**
Resume of the Director	Dr. Arun Maheshwari studied at IIM, Calcutta, before leaving for the US in 1967 for further studies. Dr. Maheshwari has a Master's degree in Computer Science from Stanford University, an MBA from Columbia University and a Ph.D. from Wharton School of Business. Dr. Maheshwari taught at Wharton, Temple University's Fox School of Business, and NYU's Stern School while working on his Ph. D. degree. Dr. Maheshwari returned to India in 1974 after his education in USA and joined Tata Consultancy Services (TCS), as a senior executive responsible for marketing, software development, and management consulting. Dr. Maheshwari was TCS's first head of marketing / business development. After about three years, he decided to migrate to the USA and joined McKinsey, in New York in 1977. At McKinsey, he specialized in strategy and information technology studies, many of them in the Insurance industry. In 1981, Dr. Maheshwari moved from McKinsey to Reliance Insurance in Philadelphia, and then to Continental Insurance (now CNA), as a senior information technology executive. Dr. Maheshwari obtained CPCU (Property Casualty Certification) and FLMI Part 1 (Life Certification) while working at Continental Insurance. In 1996, Dr. Maheshwari started CSC India from scratch. CSC India grew rapidly under his leadership and received many awards, including best employer in India. CSC India had more than 4,000 employees and customers in 25 countries when Dr. Maheshwari left it. The foundation built by him continued to support rapid growth of CSC India, and today it has about 25,000 employees. Dr. Maheshwari next started Fiserv Global Services Group in 2005. Fiserv Global Services grew rapidly to more than 2,000 employees in two years. Dr. Maheshwari retired at the end of 2009. Dr. Maheshwari is currently associated with First Mark private equity group. He has served as a Board member for Duck Creek Technologies and is currently a Board member of Eagle Eye Analytics, where he acted as an interim CEO when the CEO had a heart attack and left suddenly. Dr. Maheshwari is a director of Fortegra, a NYSE listed insurance company. Dr. Maheshwari is active in technology investment through his personal fund Rising Sun Ventures and in real estate investment through his firm Infinite Realty Ventures.
Year of Joining the Board	2013
Expertise in Specific Functional Area	Finance including Information Technology, Strategic Planning.
Other Directorships	MajescoMastek Insurnace Software and Solutions Inc., USA.
Chairman/member of committees of the Company	1. Share Transfer, Investor Grievances and Stakeholder Relationship Committee - Member 2. Corporate Directions Committee - Member
No. of Board Meetings attended during the year	2
No. of shares held of the Company	Nil

By Order of the Board of Directors

Date: April 23, 2014
Place: Mumbai

Bhagwant Bhargawe
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 6.

Appointment of Dr. Arun Maheshwari as an Independent Director

The Board of Directors has appointed Dr. Arun Maheshwari as an Additional Director with effect from October 24, 2013. Dr. Maheshwari holds office up to the date of this Annual General Meeting. The Company has received a notice from a member under Section 160 of the Companies Act, 2013 to propose his candidature as a Director of the Company along with a Deposit of Rs. 100,000/-.

Dr. Arun Maheshwari does not hold any shares in the Company.

Dr. Arun Maheshwari studied at IIM, Calcutta, before leaving for the US in 1967 for further studies. Dr. Maheshwari has a Master's degree in Computer Science from Stanford University, an MBA from Columbia University and a Ph.D. from Wharton School of Business. Dr. Maheshwari taught at Wharton, Temple University's Fox School of Business, and NYU's Stern School while working on his Ph. D. degree.

Dr. Maheshwari returned to India in 1974 after his education in USA and joined Tata Consultancy Services (TCS), as a senior executive responsible for marketing, software development, and management consulting. Dr. Maheshwari was TCS's first head of marketing / business development. After about three years, he decided to migrate to the USA and joined McKinsey, in New York in 1977. At McKinsey, he specialized in strategy and information technology studies, many of them in the Insurance industry. In 1981, Dr. Maheshwari moved from McKinsey to Reliance Insurance in Philadelphia, and then to Continental Insurance (now CNA), as a senior information technology executive. Dr. Maheshwari obtained CPCU (Property Casualty Certification) and FLMI Part1 (Life Certification) while working at Continental Insurance.

In 1996, Dr. Maheshwari started CSC India from scratch. CSC India grew rapidly under his leadership and received many awards, including best employer in India. CSC India had more than 4,000 employees and customers in 25 countries when Dr. Maheshwari left it. The foundation built by him continued to support rapid growth of CSC India, and today it has about 25,000 employees. Dr. Maheshwari next started Fiserv Global Services Group in 2005. Fiserv Global Services grew rapidly to more than 2,000 employees in two years. Dr. Maheshwari retired at the end of 2009.

Dr. Maheshwari is currently associated with First Mark private equity group. He has served as a Board member for Duck Creek Technologies and is currently a Board member of Eagle Eye Analytics, where he acted as an interim CEO when the CEO had a heart attack and left suddenly. Dr. Maheshwari is a director of Fortegra, a NYSE listed insurance company. Dr. Maheshwari is active in technology investment through his personal fund RisingSun Ventures and in real estate investment through his firm Infinite Realty Ventures.

In the opinion of the Board, Dr. Arun Maheshwari fulfills the conditions specified in the Companies Act, 2013 for appointment as an Independent Director.

The Directors recommend the passing of this resolution for the approval of the members.

Save and except Dr. Arun Maheshwari, no other director and Key Management Personnel is in any way interested or concerned in the Resolution.

Item No. 7

Re-appointment of Mr. Sudhakar Ram as Managing Director & Group CEO

Mr. Sudhakar Ram was appointed as the Chairman & Managing Director of the Company for a period of 3 years i.e. from July 1, 2011 to June 30, 2014 vide shareholders' resolution dated September 23, 2011. Subsequently vide Board Resolution dated June 20, 2013, Mr. Sudhakar Ram was seconded as CEO of Mastek UK Limited. Thereafter, the Employment Agreement dated August 23, 2012 executed between Mastek Limited and Mr. Sudhakar Ram was modified and he was appointed as Managing Director & Group CEO of Mastek Limited. Now as his term expires on June 30, 2014, it is proposed to the Shareholders to approve his re-appointment and terms and conditions including his remuneration as the "Managing Director & Group CEO" of the Company for a further period of three years i.e. from July 1, 2014 to June 30, 2017.

The Nomination & Remuneration Committee of the Board and the Board of Directors of the Company, at their respective meetings held on April 23, 2014, subject to the approval of the members in the ensuing Annual General Meeting, have approved re-appointment and terms and conditions including remuneration of Mr. Sudhakar Ram as Managing Director & Group CEO of Mastek Limited for a period of 3 (three) years i.e. from July 1, 2014 up to June 30, 2017 on the terms and conditions and remuneration as under:

Basic Salary:

Rs. 250,000/- (Rupees Two Lakhs and fifty Thousand only) per month, with an option of annual increment as may be decided by the Nomination & Remuneration Committee / Board of Directors of the Company, from time to time.

Bonus:

Based on the performance as may be evaluated by the Board of the Directors/ Nomination & Remuneration Committee, from time to time up to a maximum of Rs. 60 lakhs per annum.

Housing Benefit:

The Company will pay 50% (fifty percent) of the Basic salary as House Rent Allowance to Mr. Sudhakar Ram.

Special Allowance:

Rs 90,000 (Rupees Ninety Thousand only) per month.

Car Facility:

Car facility with driver to be used for the business of the Company.

Club Fees:

Reimbursement of Club Fees up to maximum two clubs.

Telephone:

Free telephone facility at his residence to be used for the business of the Company.

Provident Fund Contribution:

Company's contribution towards provident fund as per rules of the Company, but not exceeding 12% of basic salary.

Gratuity:

As per rules of the Company.

Perquisites:

As may be permitted as per the policy of the Company or by the Board of Directors and/or the Nomination & Remuneration Committee of the Board of Directors.

For the purposes of calculating the above ceilings, perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual basis.

Provision of car and telephone for use of the Company's business and telephone at the Managing Director & Group CEO's residence will not be considered as perquisites.

In the event of inadequacy of profits or no profits, the computation of the Managing Director and Group CEO's remuneration or perquisites

shall be as per the limits prescribed in Schedule V of the Companies Act, 2013.

Mr. Sudhakar Ram, so long as he functions as the Managing Director & Group CEO of the Company, shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee/s thereof from the date of his appointment.

Your Directors seek your approval by way of Ordinary Resolution for the re-appointment and terms and conditions including remuneration payable to Mr. Sudhakar Ram, as the Managing Director & Group CEO of the Company on such remuneration as stated above.

The draft agreement to be entered into with the Managing Director & Group CEO, is open for inspection at the registered office of the Company between 11.00 a.m. to 2.00 p.m. on all working days from Monday to Friday. This explanatory statement together with the accompanying Notice is to be regarded as an abstract of the terms of the agreement and Memorandum of Concern or interest under Section 190 of the Companies Act, 2013 and a disclosure under clause 49 of the listing agreement with Stock Exchanges.

Save and except Mr. Sudhakar Ram, no other Director and Key Management Personnel is in any way interested or concerned in the Resolution.

The Board of Directors recommend passing of the aforesaid Ordinary Resolution.

Item No. 8.

Re-Appointment of Mr. Radhakrishnan Sundar as Executive Director

Mr. Radhakrishnan Sundar was appointed as the Executive Director for a period of 3 years i.e. from July 1, 2011 to June 30, 2014 vide shareholders' resolution dated September 23, 2011. Subsequently vide Board Resolution dated October 19, 2012, Board has modified terms of his remuneration with effect from February 1, 2013 to June 30, 2014. Thereafter, the employment Agreement dated August 23, 2012 executed between Mastek Limited and Mr. Radhakrishnan Sundar was modified. Now as his term expires on June 30, 2014, it is proposed to approve his reappointment and the terms and conditions including his remuneration as the "Executive Director" of the Company for a further period of three years i.e. from July 1, 2014 to June 30, 2017.

The Nomination & Remuneration Committee of the Board, and the Board of Directors of the Company at their respective meetings held on April 23, 2014 have, subject to the approval of the members in the ensuing Annual General Meeting approved the re-appointment of Mr. Radhakrishnan Sundar as "Executive Director" of the Company for a further period of 3 (three) years with effect from July 1, 2014 till June 30, 2017, subject to retirement by rotation, on the terms and conditions and remuneration as under:

Basic Salary:

₹ 200,000/- (Rupees Two Lakhs only) per month, with an option of annual increment as may be decided by the Nomination & Remuneration Committee/ Board of Directors of the Company, from time to time.

Car Facility :

Car facility with driver to be used for the business of the Company.

Telephone:

Free telephone facility at his residence to be used for the business of the Company.

Provident Fund Contribution:

Company's contribution towards provident fund as per rules of the Company, but not exceeding 12% of the basic salary.

Gratuity:

As per rules of the Company.

Perquisites:

As may be permitted as per the policy of the Company or by the Board of Directors and/or the Nomination & Remuneration Committee of the Board of Directors.

For the purposes of calculating the above ceilings, perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual basis.

Provision of car and telephone for use of the Company's business and telephone at the Executive Director's residence will not be considered as perquisites.

In the event of inadequacy of profits or no profits, the computation of the Executive Director's remuneration or perquisites shall be as per the limits prescribed in Schedule V of the Companies Act, 2013.

Mr. Radhakrishnan Sundar, so long as he functions as the Executive Director of the Company, shall not be paid any sitting fees for attending the meetings of the Board of Directors or committee/s thereof from the date of his appointment.

Your Directors seek your approval by way of Ordinary Resolution for the re-appointment and terms and conditions including remuneration payable to Mr. Radhakrishnan Sundar as the Executive Director of the Company on such remuneration as stated above.

The draft agreement to be entered into with the Executive Director is open for inspection at the registered office of the Company between 11.00 a.m. to 2.00 p. m. on all working days from Monday to Friday.

This explanatory statement together with the accompanying Notice is to be regarded as an abstract of the terms of the agreement and Memorandum of Concern or interest under Section 190 of the Companies Act, 2013 and a disclosure under clause 49 of the listing agreement with Stock Exchanges.

Save and except Mr. Radhakrishnan Sundar, no other Director and Key Management Personnel is in any way interested or concerned in the Resolution.

The Board of Directors recommend passing of the aforesaid resolution as Ordinary Resolution.

By Order of the Board of Directors

Place: Mumbai
Date: April 23, 2014

Bhagwant Bhargawe
Company Secretary

MASTEK GROUP

Independent Auditors' Report

To the Board of Directors of Mastek Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Mastek Limited ("the Company") and its subsidiaries; hereinafter referred to as the "Group" (refer Note 1 to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements notified under the Companies Act, 1956 of India (the "Act") read with the General Circular 15/ 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

7. Based on our audit and on consideration of reports of other auditor(s) on separate financial statements, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;

   (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

   (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements of three subsidiaries included in the consolidated financial statements, which constitute total assets of ₹ 2,694.91 Lakhs and net assets of ₹ 2,240.19 Lakhs as at March 31, 2014, total revenue of ₹ 3,082.61 Lakhs, net loss of ₹ 7.20 Lakhs and net cash flows amounting to ₹ 370.39 Lakhs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors. Our opinion is not qualified in respect of this matter.

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

Pradip Kanakia
Partner
Membership Number 39985

Mumbai
April 23, 2014

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

(All amounts in ₹ Lakhs, unless otherwise stated)

	Note	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	**1,108.03**	1,231.91
Reserves and surplus	4	**54,910.98**	52,059.44
		56,019.01	53,291.35
Non-current liabilities			
Long-term borrowings	5	**135.42**	123.98
Other long term liabilities	6	**-**	48.24
Long-term provisions	7	**2,481.93**	3,546.97
Current liabilities			
Trade payables	8	**388.17**	464.98
Other current liabilities	9	**13,984.57**	13,460.44
Short-term provisions	10	**2,363.83**	3,223.24
Total		**75,372.93**	74,159.20
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11 (i)	**7,251.75**	7,404.12
Intangible assets	11 (ii)	**18,830.18**	17,285.65
Capital work-in-progress		**33.66**	260.43
Non-current investments	12	**254.76**	268.68
Deferred tax assets	13	**2,250.95**	2,520.08
Long-term loans and advances	14	**6,201.38**	5,862.48
Other non-current assets	15	**-**	50.61
Current assets			
Current investments	16	**8,140.00**	3,700.00
Trade receivables	17	**11,678.27**	14,908.35
Cash and bank balances	18	**8,973.26**	12,204.46
Short-term loans and advances	19	**2,356.17**	2,130.14
Other current assets	20	**9,402.55**	7,564.20
Total		**75,372.93**	74,159.20
Summary of significant accounting policies	2		
Contingent Liabilites, capital and other commitments	21, 22		

The accompanying notes are an integral part of these financial statements.

In terms of our report of even date

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

Pradip Kanakia
Partner
Membership Number: 39985

Mumbai, April 23, 2014

For and on behalf of the Board

Sudhakar Ram
Managing Director and Group CEO

S. Sandilya
Non-Executive Chairman and Independent Director

Bhagwant Bhargawe
Company Secretary

Mumbai, April 23, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts in ₹ Lakhs, unless otherwise stated)

	Note	Year ended March 31, 2014	Nine month period ended March 31, 2013
Revenue	**23**	**92,302.29**	68,336.41
Other income	**24**	**1,125.91**	910.68
Total Revenue		**93,428.20**	69,247.09
Expenses			
Employee benefits expense	**25**	**56,481.48**	41,451.93
Finance costs	**26**	**67.98**	39.65
Depreciation and amortization expenses	**27**	**3,287.28**	2,203.13
Other expenses	**28**	**26,816.72**	21,171.54
Total Expenses		**86,653.46**	64,866.25
Profit before tax		**6,774.74**	4,380.84
Tax expense:			
Current tax		**2,116.13**	2,011.22
Less: Minimum alternate tax credit entitlement		**(91.54)**	(322.64)
Net current tax		**2,024.59**	1,688.58
Deferred tax charge / (credit)		**298.33**	(259.71)
Income tax refund / write back for earlier years		**(727.74)**	(480.28)
Profit for the year / period		**5,179.56**	3,432.25
Earnings per equity share	**29**		
Basic (Face value of ₹ 5/- each)		**21.08**	13.06
Diluted (Face value of ₹ 5/- each)		**20.82**	12.98
Summary of significant accounting policies	**2**		

The accompanying notes are an integral part of these financial statements.

In terms of our report of even date

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

Pradip Kanakia
Partner
Membership Number: 39985

Mumbai, April 23, 2014

For and on behalf of the Board

Sudhakar Ram
Managing Director and Group CEO

S. Sandilya
Non-Executive Chairman and Independent Director

Bhagwant Bhargawe
Company Secretary

Mumbai, April 23, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(All amounts in ₹ Lakhs, unless otherwise stated)

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Cash flows from operating activities		
Profit before tax	**6,774.74**	4,380.84
Adjustments for :		
Interest income	**(444.60)**	(402.42)
Finance costs	**55.53**	28.77
Depreciation and amortization	**3,287.28**	2,203.13
(Reversal of provision) / Provision for cost overrun on contracts, net	**(124.63)**	93.74
Provision for doubtful debts	**109.41**	89.43
Bad debts written off	**9.39**	98.33
Profit on sale of fixed asset, net	**(0.56)**	(14.54)
Profit on sale of current investments	**(435.79)**	(297.18)
Provision for customer claim	**330.47**	-
Operating profit before working capital changes	**9,561.24**	6,180.10
Decrease in trade receivables	**5,452.24**	2,332.83
(Increase) / decrease in loans and advances and other assets	**(940.71)**	69.84
(Decrease) / increase in trade payables, other liabilities and provisions	**(2,863.42)**	355.14
Cash generated from operations	**11,209.35**	8,937.91
Income taxes paid, net of refunds received	**(2,297.78)**	(906.65)
Net cash generated from operating activities	**8,911.57**	8,031.26
Cash flows from investing activities		
Proceeds from sale of tangible assets	**2.63**	16.26
Purchase of tangible and intangible assets, net of capital work in progress capitalised	**(2,658.01)**	(1,812.43)
Interest received	**401.75**	116.47
Sale proceeds of current investments	**53,032.99**	26,207.16
(Investment in) / Realisation of fixed deposits having maturity over three months	**(726.59)**	171.48
Purchase of current investments	**(57,037.20)**	(25,600.00)
Net cash (used in) investing activities	**(6,984.43)**	(901.06)
Cash flows from financing activities		
Proceeds from issue of ESOP shares	**5.98**	-
Buyback of equity shares (including premium)	**(5,417.09)**	(3,591.41)
Repayment from working capital loan, net	**-**	(638.17)
Repayment of finance lease obligation	**(40.44)**	(15.31)
Dividends paid including dividend distribution tax	**(1,174.85)**	-
Interest paid on loans and on finance lease	**(55.53)**	(28.77)
Net cash used in financing activities	**(6,681.93)**	(4,273.66)
Effect of changes in exchange rates for cash and cash equivalents	**791.83**	(251.42)
Net (decrease) / increase in cash and cash equivalents during the year /period	**(3,962.96)**	2,605.12
Cash and cash equivalents at the beginning of the year / period	**11,094.68**	8,489.56
Cash and cash equivalents at the end of the year / period	**7,131.72**	11,094.68

Notes :

1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard -3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

2 Cash and cash equivalents - Refer Note 18.

3 Figures in brackets indicate cash outgo.

4 Previous period's figures have been regrouped/reclassified wherever necessary.

In terms of our report of even date

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

Pradip Kanakia
Partner
Membership Number: 39985

Mumbai, April 23, 2014

For and on behalf of the Board

Sudhakar Ram
Managing Director and Group CEO

S. Sandilya
Non-Executive Chairman and Independent Director

Bhagwant Bhargawe
Company Secretary

Mumbai, April 23, 2014

1 Group Information:

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 and its subsidiaries (collectively referred hereinunder as "the Group") are providers of vertically-focused enterprise technology solutions and platforms in Insurance (Life, Pensions and General), Government / Public Sector, and Financial Services sectors.

The Group's offering portfolio includes business and technology services comprising of IT Consulting, Application Development, Systems Integration, Application Management Outsourcing, Testing, Data Warehousing and Business Intelligence, Application Security, CRM services and Legacy Modernisation. The Group has operations in U.S., Canada, U.K., India and Asia-Pacific and has its offshore software development centers in India at Mumbai, Pune, Chennai and Mahape.

The details of subsidiaries considered in these consolidated financial statements are:

Name of the Company	Country of Incorporation	% of voting power held as at March 31, 2014	% of voting power held as at March 31, 2013
MajescoMastek	USA	100%	100%
Mastek (UK) Limited	UK	100%	100%
Mastek Asia Pacific Pte Ltd.	Singapore	100%	100%
Mastek MSC Sdn. Bhd.	Malaysia	100%	100%
Mastek MSC (Thailand) Co. Ltd	Thailand	100%	100%
Vector Insurance Services LLC	USA	90%	90%
MajescoMastek Insurance Software and Solutions Inc. (Formerly - System Task Group International Limited)	USA	100%	100%
MajescoMastek Canada Limited	Canada	100%	100%

2 Summary of significant accounting policies:

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention on accrual basis and comply in all material aspects with the accounting standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, in particular Accounting Standard 21 (AS 21) - 'Consolidated Financial Statements'

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra group balances and intra group transactions and resulting unrealized profits are eliminated in full. Unrealized losses resulting from intra group transactions are also eliminated unless cost cannot be recovered.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of services and the time between the acquisition of assets / inputs for processing and their realisation in cash and cash equivalents, the Group has ascertained its normal operating cycle as 12 months for the purpose of current/ non current classification of assets and liabilities.

2.2 Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

2.3 Tangible assets and depreciation

Tangible assets are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalized until the assets are ready for use and include inward freight, duties, taxes and expenses incidental to acquisition and installation.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation on tangible assets is provided on the straight line method, on a pro rata basis, over the useful life of assets, as estimated by management or as per Schedule XIV of the Companies Act, 1956 in cases where the rates specified therein are higher. Assets individually costing less than ₹ 5,000/- are depreciated fully in the year of acquisition. The rates determined based on useful lives estimated by management which are higher than rates specified as per Schedule XIV are as under:

Assets	Useful Life
Buildings	25 - 30 years
Computers	2 years
Plant and Equipment	2 - 5 years
Furniture and Fixtures	5 years
Vehicles	5 years
Office Equipment	2 - 5 years
Leasehold Land	Lease Term ranging from 95-99 years
Leasehold Improvements	5 years or the primary period of lease whichever is less

2.4 Intangible assets and amortization

Intangible assets are stated at cost of acquisition less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line method over their estimated useful lives as follows:

Assets	Useful Life
Goodwill	3 years
Computer Software	1 - 5 years

2.5 Impairment of assets

At each Balance Sheet date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, management estimates the recoverable amount. Recoverable amount is higher of an asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss to the extent carrying amount exceeds recoverable amount.

2.6 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

2.7 Foreign currency transactions and translation

The consolidated financial statements are prepared in Indian Rupees. The Indian Rupee is the functional currency of Mastek Limited. However, U.S. Dollar, Pound Sterling, Singapore Dollar, Malaysian Ringitts, Thai Baht and Canadian Dollar are the functional currencies for its non-integral subsidiaries located in United States of America, United Kingdom, Singapore, Malaysia, Thailand and Canada, respectively. The translation of the functional currencies into Indian Rupees (reporting currency) is performed for assets and liabilities using the current exchange rates prevailing at the Balance Sheet date and for revenues and expenses using average exchange rates prevailing during the reporting period. All resuting exchange differences on translation are taken directly to reserves, under Foreign Currency Translation Reserve until the disposal of the investment in subsidiary.

Foreign currency transactions of the Company and its integral foreign branch are accounted at the exchange rates prevailing on the date of the transaction or at an average rate that approximates the actual rate at the date of the transaction. Monetary assets and liabilities are translated at the rate prevailing on the Balance Sheet date whereas non-monetary assets and liabilities are translated at the rate prevailing on the date of the transaction. 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.

In case of forward exchange contracts which are open on the balance sheet date and are backed by receivables, the premium or discount arising at the inception of such a forward exchange contract is amortized as expense or income over the life of the contract. The exchange difference on such contracts is computed by multiplying the foreign currency amount of the forward exchange contract by the difference between a) the foreign currency amount of the contract translated at the exchange rate at the reporting date or the settlemt date where the transaction is settled during the reporting period, and b) the same foreign currency amount translated at the latter of the date of inception of the forward exchange contract and the last reporting date. The exchange difference so computed on such contracts is recognised in the Statement of Profit and Loss. Any profit or loss arising on cancellation or renewal of such forward exchange contracts is recognised as income or expense for the year.

2.8 Derivative instruments and hedge accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company designates these hedging instruments as cash flow hedges.

The use of hedging instruments is governed by the policies of the Company which are approved by its Board of Directors.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in the hedging reserve and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

For derivative financial instruments that do not qualify for hedge accounting, the premium or discount arising at the inception of the contract is amortized as expense or income over the life of the contract. Gains/losses on settlement of transaction arising on cancellation or renewal of such a forward exchange contract are recognized as income or expense for the year.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in shareholders' funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in hedging reserve is transferred to the Statement of Profit and Loss for the year.

2.9 Employee benefits

(i) Long-term employee benefits

(a) Defined contribution plans

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). 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 plans

The Company has defined benefit plans for post employment benefits in the form of gratuity and leave encashment for its employees in India. The gratuity scheme of the Company is administered through Life Insurance Corporation of India (LIC). The Group also provides for leave encashment liability towards employees of foreign subsidiaries and its UK branch. Leave encashment vests to employees at the time of retirement, death while in employment or on termination of employment equivalent to salary payable for number of days of accumulated leave balance subject to an upper limit as per the Company's policy. Liability for defined benefit plans is provided on the basis of actuarial valuations, as at the Balance Sheet date, carried out by independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss as income or expense.

(ii) 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, overseas social security contributions and performance incentives.

2.10 Revenue recognition

The group derives revenues primarily from information technology services. Revenue is recognised in accordance with the terms of the contracts with customers. Revenues on time and material contracts are recognised when services are rendered and related costs are incurred. Revenues on fixed price, fixed time bound contracts are recognised over the life of the contract based on a proportion completion method measured by the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the period in which the changes become known. Provisions for estimated losses on such contracts are made during the period in which a loss becomes probable and can be reasonably estimated.

Revenues from sale of software licences are recognised upon delivery, unless there is a customisation effort involved in which case the revenues are recognised ratably over the life of the contract taking into account the spread of the customisation effort.

Revenues from maintenance contracts are recognised pro-rata over the period of the contract. Revenues from resale of software and hardware are recognised upon delivery of products to the customer.

Amounts received from customers or billed to customers, in advance of services performed are recorded as unearned revenue under 'Other Current Liabilities'. Unbilled revenue included in 'Other Current Assets', represents amounts recognised in respect of services performed in accordance with contract terms, not yet billed to customers as at the year end.

2.11 Other income

Dividend income from investments is recognised when the right to receive payment is established. Interest income is recognised on time proportion basis taking into account the amounts invested and the rate of interest. Rental income is recognised on a straight line basis over the term of the lease as per the terms of contract with the lessee.

2.12 Leases

Assets taken on leases which transfer substantially all the risks and rewards incidental to ownership of the assets to the leasee i.e. finance leases, in terms of provisions of Accounting Standard (AS) 19 – 'Leases', are capitalized. The assets acquired under finance leases are capitalized at the lower of the fair value at the inception of the lease and the present value of minimum lease payments and a liability is created for an equivalent amount. Such assets are disclosed as leased assets under tangible assets and are depreciated accordingly. Each lease rental paid on the finance lease is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. Other leases are classified as operating leases and rental payments in respect of such leases are charged to the Statement of Profit and Loss on a straight line basis over the lease term. Assets given under operating leases are capitalised in the Balance Sheet under tangible assets and are depreciated as per the Group's depreciation policy.

2.13 Earnings per share

Basic earnings per share (EPS) are calculated by dividing the net loss / profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by adjusting the number of shares used for basic EPS with the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value i.e. average market value of outstanding shares. The number of shares and potentially dilutive shares are adjusted for share splits and bonus shares, as appropriate. In calculating diluted earnings per share, the effects of anti dilutive potential equity shares are ignored. Potential equity shares are anti-dilutive when there conversion to equity shares would increase earnings per share or decrease loss per share.

2.14 Income Taxes

Provision for tax for the year comprises of current tax and deferred tax. Current tax is measured by the amount of tax expected to be paid 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 income and the taxable income for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognised and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unabsorbed depreciation or carry forward losses are recognised only to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each balance sheet date for any write down or reversal, as considered appropiate.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Current 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing the current tax and where the deferred tax assets and liabilities relate to taxes on income levied by the same governing taxation laws.

2.15 Accounting for Employee Stock Options

Stock options granted to employees of Mastek Limited and its subsidiaries under the stock option schemes established after June 19, 1999 are accounted as per the treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines issued in 1999 (SEBI guidelines) by the Securities and Exchange Board of India (SEBI) and as amended from time to time and the guidance note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India. The intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to share options outstanding account. The Expense on deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to Expense on Employee Stock Option Scheme, equal to the amortized portion of value of lapsed portion and debit to share options outstanding account equal to the un-amortized portion.

2.16 Provisions and Contingent Liabilities

Provisions are recognised when the Group has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. A

disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset, only when such reimbursement is virtually certain.

2.17 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.

3 Share capital

	As at March 31, 2014	As at March 31, 2013
Authorised:		
40,000,000 (March 31, 2013: 40,000,000) equity shares of ₹ 5/- each	**2,000.00**	2,000.00
2,000,000 (March 31, 2013: 2,000,000) preference shares of ₹ 100/- each	**2,000.00**	2,000.00
Total	**4,000.00**	4,000.00
Issued, subscribed and fully paid up :		
22,160,680 (March 31, 2013 : 24,638,187) equity shares of ₹ 5/- each fully paid	**1,108.03**	1,231.91
Total	**1,108.03**	1,231.91

(a) Reconciliation of number of shares

	As at March 31, 2014		As at March 31, 2013	
	No. of shares	**Amount**	No. of shares	Amount
Equity Shares				
Balance as at the beginning of the year / period	**24,638,187**	**1,231.91**	27,026,187	1,351.31
Add : Addition on account of ESOP	**6,500**	**0.32**	-	-
Less : Shares extinguished on buy back	**(2,484,007)**	**(124.20)**	(2,388,000)	(119.40)
Balance as at the end of the year / period	**22,160,680**	**1,108.03**	24,638,187	1,231.91

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par 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 in 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

	As at March 31, 2014		As at March 31, 2013	
Equity Shares of ₹ 5/- each held by :	**No. of shares**	**% of holding**	No. of shares	% of holding
Ashank Desai	**3,099,552**	**13.99%**	3,099,552	12.58%
Sudhakar Ram	**2,791,680**	**12.60%**	2,791,680	11.33%
Ketan Mehta	**2,519,100**	**11.37%**	2,519,100	10.22%
Fidelity Purita Trust Fidelity Low Priced	**2,025,000**	**9.14%**	2,025,000	8.22%
Life Insurance Corporation of India	**1,550,404**	**6.99%**	1,375,623	5.58%
Radhakrishnan Sundar	**1,445,800**	**6.52%**	1,445,800	5.87%
Ashish Dhawan	**1,313,935**	**5.93%**	2,326,906	9.44%

(d) Shares reserved for issue under options

	As at March 31, 2014	As at March 31, 2013
Number of shares to be issued under the Employee Stock Option Plans	**2,842,450**	2,297,354

(e) Shares bought back (during 5 years immediately preceding March 31, 2014)

	March 31, 2014	March 31, 2013	June 30, 2012	June 30, 2011	June 30, 2010
Equity Shares bought back	**2,484,007**	2,388,000	-	-	-

Shares bought back during the year ended March 31, 2014 :

At the meeting of the Board of Directors of the Company held on January 08, 2014, the Board had given consent for the buy back of Company's fully paid up equity shares of ₹ 5/- each from existing shareholders and beneficial owners in accordance with the relevant provisions of Companies Act, 1956 and Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1988 for an amount not exceeding ₹ 5,450 and for a price not exceeding ₹ 250/- per equity share. The number of shares to be bought back shall be subject to a minimum of 950,000 Equity Shares and a maximum of 3,200,000 Equity Shares.

Since the commencement of the buy back until the closure date (March 25, 2014), the Company had bought back 2,484,007 equity shares at an average price of ₹ 218.08 per equity share. Consequently a sum of ₹ 5,417.09 had been utilised from General Reserve in respect of the buy back. Out of the amount utilised from General Reserve, an amount of ₹ 124.20 had been appropriated to the Capital redemption reserve account and the paid up share capital had been reduced by the same amount. The company had fully extinguished the shares bought back during the above mentioned period.

Shares bought back during the period ended March 31, 2013 :

At the meeting of the Board of Directors of the Company held on November 05, 2012, the Board had given consent for the buy back of Company's fully paid up equity shares of ₹ 5/- each from existing shareholders and beneficial owners in accordance with the relevant provisions of Companies Act, 1956 and Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1988 for an amount not exceeding ₹ 3,600 and for a price not exceeding ₹ 175/- per equity share. The number of shares to be bought back shall be subject to a minimum of 825,000 Equity Shares and a maximum of 3,200,000 Equity Shares.

Since the commencement of the buy back until the closure date (February 5, 2013), the Company had bought back 2,388,000 equity shares at an average price of ₹ 150.39 per equity share. Consequently a sum of ₹ 331.09 had been utilised from Securities Premium Account and a sum of ₹ 3,260.32 from General Reserve in respect of the buy back. Out of the amount utilised from General Reserve, an amount of ₹ 119.40 had been appropriated to the Capital redemption reserve account and the paid up share capital had been reduced by the same amount. The company had fully extinguished the shares bought back during the above mentioned period.

4 Reserves and surplus

	As at March 31, 2014	As at March 31, 2013
Capital Reserve	**21.44**	21.44
Capital Redemption Reserve Account		
Balance as at the beginning of the year / period	**1,414.67**	1,295.27
Add : Transferred from General Reserve (Refer note: 3(e))	**124.20**	119.40
Balance as at the end of the year / period	**1,538.87**	1,414.67
Securities Premium Account		
Balance as at the beginning of the year / period	**-**	331.09
Add : Transferred from Stock Options Outstanding	**5.66**	-
Less : Utilised for buy back of shares (Refer note: 3(e))	**-**	(331.09)
Balance as at the end of the year / period	**5.66**	-
General Reserve		
Balance as at the beginning of the year / period	**7,494.92**	10,405.24
Less : Utilised for buy back of shares (Refer note: 3(e))	**(5,292.89)**	(3,140.92)
Less : Transferred to Capital Redemption Reserve Account (Refer note: 3(e))	**(124.20)**	(119.40)
Add : Transfer from Surplus in Statement of Profit and Loss	**520.00**	350.00
Balance as at the end of the year / period	**2,597.83**	7,494.92
Hedging Reserve Account		
Balance as at the beginning of the year / period	**195.92**	(1,681.61)
Add: Changes in the fair value of the effective cash flow hedges	**(164.72)**	1,877.53
Balance as at the end of the year / period (Refer note 32)	**31.20**	195.92
Foreign Currency Translation Reserve		
Balance as at the beginning of the year / period	**4,709.68**	5,829.45
Add : Exchange gain / (loss) on translation during the year / period	**4,147.00**	(1,119.77)
Balance as at the end of the year / period	**8,856.68**	4,709.68
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year / period	**38,222.81**	36,005.33
Profit for the year / period	**5,179.56**	3,432.25
Less: Appropriations		
Interim dividend	**(431.17)**	-
Proposed final dividend on Equity Shares for the year / period	**(609.42)**	(739.15)
Dividend distribution tax, net*	**17.52**	(125.62)
Transfer to General Reserve	**(520.00)**	(350.00)
Balance as at the end of the year / period	**41,859.30**	38,222.81
Total	**54,910.98**	52,059.44

*Dividend Distribution Tax (DDT) net, pertaining to the current year comprises the DDT liability of ₹ 103.57 on proposed final dividend and the credit of ₹ 121.09 in respect of tax paid u/s 115 BBD of the Indian Income Tax Act, 1961 by the Company on dividend received from a foreign subsidiary during the year.

(All amounts in ₹ Lakhs, unless otherwise stated)

5 Long-term borrowings

	As at March 31, 2014	As at March 31, 2013
Secured :		
Long term maturities of finance lease obligations	**135.42**	123.98

(a) Nature of Security and terms of repayment for secured borrowings

Nature of Security	Terms of Repayment
Finance Lease Obligations are secured by hypothecation of assets underlying the leases.	Monthly payment of Equated Monthly Installments beginning from the month subsequent to taking the lease.

6 Other long-term liabilities

	As at March 31, 2014	As at March 31, 2013
Security and other deposits	**-**	48.24

7 Long-term provisions

	As at March 31, 2014	As at March 31, 2013
Provision for employee benefits		
Provision for gratuity	**727.18**	1,665.35
Provision for leave encashment	**1,737.07**	1,696.94
Other Provisions		
Provision for cost overrun on contracts	**17.68**	142.31
Provision for mark-to-market losses on derivatives (Refer note 32)	**-**	42.37
Total	**2,481.93**	3,546.97

8 Trade payables

	As at March 31, 2014	As at March 31, 2013
Trade payables	**388.17**	464.98

9 Other current liabilities

	As at March 31, 2014	As at March 31, 2013
Current maturities of finance lease obligations	**53.03**	36.60
Unearned revenue	**3,895.06**	3,883.29
Advances received from customers	**0.90**	0.81
Unpaid dividends	**44.09**	44.76
Security and other deposits	**48.54**	2.70
Other payables		
Employee benefits payable	**3,934.28**	3,904.49
Accrued expenses	**3,488.44**	2,957.11
Capital creditors	**172.63**	141.70
Statutory dues including provident fund and tax deducted at source	**2,347.60**	2,488.98
Total	**13,984.57**	13,460.44

10 Short-term provisions

	As at March 31, 2014	As at March 31, 2013
Provision for employee benefits		
Provision for leave encashment	**1,016.90**	847.00
Other Provisions		
Provision for taxes, net of advance tax	**631.87**	1,325.30
Provision for mark-to-market losses on derivatives (Refer note 32)	**2.07**	186.17
Provision for proposed dividend on Equity Shares	**609.42**	739.15
Provision for dividend distribution tax on proposed dividend on Equity Shares	**103.57**	125.62
Total	**2,363.83**	3,223.24

(All amounts in ₹ Lakhs, unless otherwise stated)

11 Fixed assets

(i) Tangible assets

	Gross Block (at cost)					Depreciation					Net Block	
	As at April 01, 2013	Additions	Disposals	Foreign exchange translation adjustment	**As at March 31, 2014**	As at April 01, 2013	For the year	Disposals	Foreign exchange translation adjustment	**As at March 31, 2014**	**As at March 31, 2014**	As at March 31, 2013
a. Own assets :												
Buildings	5,891.77	–	–	–	**5,891.77**	1,620.91	150.19	–	–	**1,771.10**	**4,120.67**	4,270.86
Computers	4,310.34	937.81	(1,165.44)	179.92	**4,262.63**	3,622.12	739.47	(1,165.42)	145.36	**3,341.53**	**921.10**	688.22
Plant and equipment	4,479.36	179.76	(37.88)	24.67	**4,645.91**	3,794.06	328.37	(37.88)	19.03	**4,103.58**	**542.33**	685.30
Furniture and fixtures	6,160.29	274.91	(382.02)	64.16	**6,117.34**	5,414.73	385.71	(382.02)	47.92	**5,466.34**	**651.00**	745.56
Vehicles	351.09	75.74	(13.80)	(0.14)	**412.89**	190.94	66.69	(13.80)	0.01	**243.84**	**169.05**	160.15
Office equipment	1,815.00	96.85	(2.35)	(0.15)	**1,909.35**	1,666.47	61.61	(2.13)	–	**1,725.95**	**183.40**	148.53
Total (A)	**23,007.85**	**1,565.07**	**(1,601.49)**	**268.46**	**23,239.89**	**16,309.23**	**1,732.04**	**(1,601.25)**	**212.32**	**16,652.34**	**6,587.55**	6,698.62
Previous Period	23,829.75	824.77	(1,563.71)	(82.96)	**23,007.85**	16,672.58	1,270.36	(1,562.85)	(70.86)	16,309.23	6,698.62	
b. Leased assets :												
Leasehold land	558.45	–	–	–	**558.45**	43.73	61.37	–	–	**105.10**	**453.35**	514.72
Leasehold improvements	532.03	–	(127.63)	3.40	**407.80**	515.14	7.55	(127.63)	3.39	**398.45**	**9.35**	16.89
Vehicles	195.05	72.69	(5.62)	–	**262.12**	21.16	43.25	(3.79)	–	**60.62**	**201.50**	173.89
Total (B)	**1,285.53**	**72.69**	**(133.25)**	**3.40**	**1,228.37**	**580.03**	**112.17**	**(131.42)**	**3.39**	**564.17**	**664.20**	705.50
Previous Period	1,174.24	118.05	(4.96)	(1.80)	**1,285.53**	571.32	14.58	(4.10)	(1.77)	**580.03**	**705.50**	
Total (A + B)	**24,293.38**	**1,637.76**	**(1,734.74)**	**271.86**	**24,468.26**	**16,889.26**	**1,844.21**	**(1,732.67)**	**215.71**	**17,216.51**	**7,251.75**	7,404.12
Previous Period	25,003.99	942.82	(1,568.67)	(84.76)	**24,293.38**	17,243.90	1,284.94	(1,566.95)	(72.63)	16,889.26	7,404.12	

(ii) Intangible assets

	Gross Block (at cost)					Amortization					Net Block	
	As at April 01, 2013	Additions	Disposals	Foreign exchange translation adjustment	**As at March 31, 2014**	As at April 01, 2013	For the year	Disposals	Foreign exchange translation adjustment	**As at March 31, 2014**	**As at March 31, 2014**	As at March 31, 2013
Goodwill	16,359.33	248.93	–	1,661.94	**18,270.20**	329.20	205.39	–	7.51	**542.10**	**17,728.10**	16,030.13
Computer software	5,368.88	1,066.40	(960.42)	155.66	**5,630.52**	4,113.36	1,223.76	(960.42)	151.74	**4,528.44**	**1,102.08**	1,255.52
Total	**21,728.21**	**1,315.33**	**(960.42)**	**1,817.60**	**23,900.72**	**4,442.56**	**1,429.15**	**(960.42)**	**159.25**	**5,070.54**	**18,830.18**	17,285.65
Previous Period	27,667.37	725.68	(6,246.55)	(418.29)	**21,728.21**	9,805.24	907.75	(6,246.55)	(23.88)	4,442.56	17,285.65	

Notes:

(a) Own buildings include subscription towards share capital of Co-operative societies amounting to Rupees Two hundred and fifty (Previous period Rupees Two hundred and fifty).

(All amounts in ₹ Lakhs, unless otherwise stated)

12 Non-current investments

	As at March 31, 2014	As at March 31, 2013
Investment property		
Gross block		
Opening and Closing	**389.41**	389.41
Less : Accumulated depreciation		
Opening	**120.73**	110.29
Depreciation for the year / period	**13.92**	10.44
Closing	**134.65**	120.73
Net Block	**254.76**	268.68
Aggregate amount of investment property	**254.76**	268.68

13 Deferred tax assets

	As at March 31, 2014	As at March 31, 2013
Deferred tax assets		
Provision for doubtful debts	**109.07**	124.79
Depreciation and amortization	**958.70**	971.46
Provision for gratuity and leave encashment	**1,179.33**	1,412.49
Other timing differences	**3.85**	11.34
Total	**2,250.95**	2,520.08

14 Long-term loans and advances

	As at March 31, 2014	As at March 31, 2013
Unsecured, considered good unless otherwise stated		
Capital advances	**38.67**	71.69
Security deposits	**221.55**	161.86
Prepaid expenses	**38.19**	41.88
Advance to other body corporate		
Considered doubtful	**119.83**	108.57
Less: Allowance for doubtful advance	**(119.83)**	(108.57)
Other loans and advances		
Advance Income tax, net of provision for tax	**2,765.18**	2,576.05
MAT Credit Entitlement	**3,100.53**	3,001.75
Advance to Employees	**10.80**	9.25
Mark-to-market gains on derivatives (Refer note 32)	**26.46**	-
Total	**6,201.38**	5,862.48

15 Other non-current assets

	As at March 31, 2014	As at March 31, 2013
Margin money deposit	**-**	50.61

16 Current investments

	As at March 31, 2014	As at March 31, 2013
At cost or market value, whichever is less:		
Investment in Mutual Funds (quoted):		
IDFC Yearly Series Interval Fund - Series II - Growth (Nil units, Previous period - 5,000,000 units)	**-**	500.00
ICICI Prudential - Fixed Maturity Plan Series 65 - 366 Days Plan I - Growth (Nil units, Previous period - 5,000,000 units)	**-**	500.00
HDFC FMP 371D November 2012 (1) - Growth (Nil units, Previous period - 5,000,000 units)	**-**	500.00
IDFC Fixed Term Plan - Series 73 (50 days) -Regular - Growth (5,000,000 units, Previous period - Nil units)	**500.00**	-
UTI Fixed Term Income Fund - Series XV - II (367 Days) - Growth (10,000,000 units, Previous period - Nil units)	**1,000.00**	-
HDFC FMP 372D May 2013 (1) - Series 26 - Regular - Growth (5,000,000 units, Previous period - Nil units)	**500.00**	-
IDFC Fixed Term Plan Series 20 - Regular - Growth (7,500,000 units, Previous period - Nil units)	**750.00**	-
UTI - Fixed Term Income Fund Series - XV - VI (368 Days) - Growth (12,000,000 units, Previous period - Nil units)	**1,200.00**	-
ICICI Prudential - Fixed Maturity Plan Series 68 - 369 Days Plan E - Regular - Growth (6,300,000 units, Previous period - Nil units)	**630.00**	-

(All amounts in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2014	As at March 31, 2013
DWS Interval Fund - Annual Plan Series 1 -Regular - Growth (12,000,000 units, Previous period - Nil units)	**1,200.00**	-
LIC Nomura MF Fixed Maturity Plan - Series 66 - 371 Days - Growth (23,600,000 units, Previous period - Nil units)	**2,360.00**	-
Investment in others (unquoted):		
Deposit with Housing Development Finance Corporation	**-**	2,200.00
Total	**8,140.00**	3,700.00
Aggregate amount of quoted investments	**8,140.00**	1,500.00
Market value of quoted investments	**8,618.20**	1,527.46

17 Trade receivables

	As at March 31, 2014	As at March 31, 2013
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, Considered doubtful	**384.54**	429.46
Less: Provision for doubtful debts	**(384.54)**	(429.46)
Others		
Unsecured, Considered good	**11,678.27**	14,908.35
Total	**11,678.27**	14,908.35

18 Cash and bank balances

	As at March 31, 2014	As at March 31, 2013
Cash and cash equivalents		
Cash on hand	**2.38**	1.60
Bank balances		
In current accounts	**3,217.52**	6,008.42
Fixed deposits (with original maturity of less than 3 months)	**3,911.82**	5,084.66
	7,131.72	11,094.68
Other bank balances		
Fixed deposit (with original maturity more than 3 months but less than 12 months)	**1,797.45**	1,065.02
Unpaid dividend account	**44.09**	44.76
	1,841.54	1,109.78
Total	**8,973.26**	12,204.46

19 Short-term loans and advances

	As at March 31, 2014	As at March 31, 2013
Unsecured, considered good, unless otherwise stated:		
Other Loans and Advances		
Security deposits	**66.30**	84.25
Prepaid expenses	**544.29**	527.86
Service tax credit receivable	**1,240.95**	1,081.84
Advance to suppliers		
Considered good	**357.53**	316.42
Considered doubtful	**7.26**	-
Less: Provision for doubtful	**(7.26)**	-
Advance to employees	**147.10**	119.77
Total	**2,356.17**	2,130.14

20 Other current assets

	As at March 31, 2014	As at March 31, 2013
Unsecured, considered good, unless otherwise stated:		
Interest accrued	**340.57**	297.72
Margin money deposit	**182.23**	114.34
Unbilled revenue	**8,796.99**	6,993.17
Reimbursable expenses receivable		
Considered good	**82.76**	158.97
Considered doubtful	**23.98**	12.64
Less: Provision for doubtful	**(23.98)**	(12.64)
Total	**9,402.55**	7,564.20

(All amounts in ₹ Lakhs, unless otherwise stated)

21 Contingent liabilities

	As at March 31, 2014	As at March 31, 2013
Corporate performance guarantees given by the Company on behalf of the following subsidiaries		
(a) MajescoMastek Canada Ltd.	**7,837.96**	6,211.43
(b) Mastek MSC (Thailand) Co. Ltd.	**1,497.88**	1,033.32
(c) Mastek (UK) Ltd.	**9,047.71**	15,680.00

The Group does not expect any outflows in respect of the above contingent liabilities.

22 Capital and other commitments

	As at March 31, 2014	As at March 31, 2013
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for	**235.20**	503.42

23 Revenue

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Information Technology Services	**90,956.76**	67,376.60
Other operating revenue		
Reimbursement of expenses from customers	**1,059.32**	857.76
Resale of software and hardware	**140.52**	1.69
Doubtful debts recovered	**145.69**	100.36
Total	**92,302.29**	68,336.41

24 Other income

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Interest income - On deposit	**160.18**	270.81
- On income tax refunds	**226.00**	128.12
- On others	**58.42**	3.49
Profit on sale of current investments	**435.79**	297.18
Rental income from investment properties	**108.88**	89.45
Profit on sale of tangible assets, net	**0.56**	14.54
Net gain on foreign currency transactions and translation	**-**	29.72
Miscellaneous income	**136.08**	77.37
Total	**1,125.91**	910.68

25 Employee benefits expense

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Salaries, wages and performance incentives	**52,897.22**	38,214.48
Gratuity	**(97.72)**	526.66
Contribution to provident and other funds	**993.38**	719.72
Staff welfare expense	**2,688.60**	1,991.07
Total	**56,481.48**	41,451.93

26 Finance costs

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Interest / fees on working capital facility	**25.87**	11.38
Interest on finance lease	**20.66**	10.37
Bank charges	**12.45**	10.88
Other finance charges	**9.00**	7.02
Total	**67.98**	39.65

(All amounts in ₹ Lakhs, unless otherwise stated)

27 Depreciation and amortization expenses

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Depreciation on tangible assets	**1,844.21**	1,284.94
Amortization on intangible assets	**1,429.15**	907.75
Depreciation on investment Property	**13.92**	10.44
Total	**3,287.28**	2,203.13

28 Other expenses

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Recruitment and training expenses	**254.77**	410.03
Travelling and conveyance	**5,070.22**	3,417.86
Communication charges	**774.42**	642.23
Electricity	**699.40**	548.06
Consultancy charges	**11,946.46**	10,950.00
Purchase of software and hardware	**500.37**	206.60
Rates and taxes	**325.84**	312.70
Repairs to buildings	**524.65**	296.63
Repairs : others	**1,520.22**	961.99
Insurance	**393.73**	227.76
Printing and stationery	**128.50**	84.39
Professional fees	**1,982.45**	1,340.21
Rent (Refer note 30)	**892.93**	610.56
Advertisement and publicity	**766.53**	437.95
Net loss on foreign currency transactions and translation	**141.60**	-
Provision for doubtful debts	**109.41**	89.43
Bad debt written off	**9.39**	98.33
Hire Charges	**211.71**	147.51
Provision for Customer Claim	**330.47**	-
(Reversal of provision) / Provision for cost overrun on contracts, net	**(124.63)**	93.74
Miscellaneous expenses	**358.28**	295.56
Total	**26,816.72**	21,171.54

29 Earnings Per Share (EPS)

	Year ended March 31, 2014	Nine month period ended March 31, 2013
The components of basic and diluted earnings per share are as follows:		
(a) Net income attributable to equity shareholders	**5,179.56**	3,432.25
(b) Weighted average number of outstanding equity shares		
Considered for basic EPS	**24,572,517**	26,273,905
Add : Effect of dilutive potential equity shares arising from outstanding stock options	**299,906**	165,248
Considered for diluted EPS	**24,872,423**	26,439,153
(c) Earnings per share (net of taxes) in ₹		
Basic	**21.08**	13.06
Diluted	**20.82**	12.98
(Nominal value per share ₹ 5/- each)		

30 Leases

(i) Operating lease

	As at March 31, 2014	As at March 31, 2013
(a) Future minimum lease payments under non-cancellable operating leases (in respect of properties):		
Due within one year	**553.18**	512.28
Due later than 1 year but not later than 5 years	**309.09**	575.32
Total minimum lease payments	**862.27**	1,087.60

	Year ended March 31, 2014	Nine month period ended March 31, 2013
(b) Operating lease rentals recognised in the Statement of Profit and Loss (Refer note 28)	**892.93**	610.56

(c) Description of significant operating lease arrangements:
The Group has given refundable interest free security deposit under the lease agreements.
All agreements contain provision for renewal at the option of either parties.

(ii) Finance lease

	As at March 31, 2014	As at March 31, 2013
(a) Total minimum finance lease payments outstanding (in respect of vehicles):		
Due within one year	**75.99**	56.64
Due later than 1 year but not later than 5 years	**164.02**	155.44
Total minimum lease payments	**240.01**	212.08
Less: Interest not due	**(51.56)**	(51.50)
Present value of net minimum lease payments	**188.45**	160.58
Disclosed under:		
Long-term borrowings (Refer note 5)	**135.42**	123.98
Other current liabilities (Refer note 9)	**53.03**	36.60
	188.45	160.58

31 Income Taxes

(a) In accordance with the Indian Income Tax Act, the Company has calculated its tax liability after considering Minimum Alternate Tax (MAT). Payments under MAT can be carried forward and set off against future tax liability for a period of ten years. Accordingly, a sum of ₹ 3,100.53 (Previous year ₹ 3,001.75) has been carried forward and shown under 'Long-term loans and advances'. (Refer Note 14).

(b) In addition to Indian operations, the Group has accounted for the tax liabilities of its foreign subsidiaries and the UK branch in accordance with their respective tax legislations.

(c) The Company had received tax demands aggregating to ₹ 2,385.72 (including interest of ₹ 784.55) primarily on account of transfer pricing issues for the assessment years 2006-07 to 2010-11. For the assessment year 2006 -07 and assessment year 2007-08, the second appellate authority (the Income Tax Appellate Tribunal) has allowed these issues in favour of the Company and for assessment year 2006-07, the income tax authorities have filed an appeal with the Honourable High Court. For the assessment years 2008-09, 2009-10 and 2010-11, the matter is pending before the first appellate authority (the Commissioner of Income tax (Appeals)).

Considering the facts and favourable order of the second appellate authority for assessment year 2006-07 and assessment year 2007-08, the management believes that the final outcome of the above disputes for the remaining years should be in favour of the Company and there should not be any material impact on financial statements.

32 Derivative Financial Instruments

The Company, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to hedge against foreign currency exposures relating to higly probable forecast transactions. The Company does not enter into any derivative instruments for trading or speculative purposes. The counter party is generally a bank. These contracts are for a period between one day and four years.

The following "sell" foreign exchange forward contracts are outstanding as at :

		March 31, 2014		March 31, 2013	
	Foreign Currency (FC)	**No. of contracts**	**Notional amount of Forward contracts (FC in Lakhs)**	No. of Contracts	Notional amount of Forward contracts (FC in Lakhs)
a	USD	**70**	**238.10**	82	206.80
b	GBP	**69**	**123.60**	27	105.40
c	CAD	**1**	**2.50**	NIL	–

Mark-to-Market losses	**As at March 31, 2014**	As at March 31, 2013
Mark-to-market losses provided for	**6.81**	424.46
Mark-to-market (gains) / losses reported in Hedging Reserve Account (Refer note 4)	**(31.20)**	(195.92)
Mark-to-market (gains) / losses (net)	**(24.39)**	228.54
Classified as long term - (loans and advances) (Refer Note 14) / provisions (Refer note 7)	**(26.46)**	42.37
Classified as short term provisions (Refer note 10)	**2.07**	186.17

33 Related Party Disclosures

Key Management Personnel: Sudhakar Ram
Radhakrishnan Sundar
Ketan Mehta
Salvatore Abano (w.e.f. September 16, 2013)
Vinay Rajadhyaksha

Stefan Van Overtveldt
Farid Kazani
Kalpana Jaishankar

Disclosure of transactions between the Group and key management personnel during the year :

		Year ended March 31, 2014	Nine month period ended March 31, 2013
Total remuneration paid/payable :			
	Sudhakar Ram	**423.35**	138.90
	Ketan Mehta	**310.36**	180.77
	Salvatore Abano	**214.82**	-
	Radhakrishnan Sundar	**27.28**	47.60
	Barry Yard	**-**	373.73
	Vinay Rajadhyaksha	**168.58**	134.57
	Stefan Van Overtveldt	**475.69**	179.41
	Farid Kazani	**109.76**	75.12
	Kalpana Jaishankar	**49.46**	37.04

34 Segment reporting

Group follows AS 17, 'Segment Reporting' issued by the Institute of Chartered Accountants of India, which requires disclosures of financial and descriptive information about Mastek's reportable segments, both primary and secondary. The Group has identified geographic segments as primary segments and industry verticals as secondary segments.

Group's operations predominantly relate to providing IT services, delivered to customers globally. The organisational and reporting structure of the Group is based on Strategic Business Units (SBU) concept. The SBUs are primarily geographical segments. SBUs are the operating segments for which separate financial information is available and for which operating results are evaluated regularly by management in deciding how to allocate resources and in assessing performance. These SBUs provide end-to-end information technology solutions on time and material contracts or fixed bid contracts, entered into with customers.

The Group's primary reportable segments consist of the following SBUs, which are based on the risks and returns in different geographies and the location of the customers: UK Operations, North America Operations, and Others. 'Others' include operations of the Group in other parts of the world including India.

a. Primary geographical segmental reporting on the basis of location of customers :

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Revenue		
UK	**43,225.73**	32,461.11
North America	**41,949.20**	30,846.50
Others	**7,127.36**	5,028.80
Total	**92,302.29**	68,336.41
Segment Result		
UK	**9,305.03**	6,462.93
North America	**2,579.37**	2,764.48
Others	**685.15**	40.57
Total	**12,569.55**	9,267.98
Common unallocable charges	**(6,852.74)**	(5,758.17)
Finance costs	**(67.98)**	(39.65)
Other income	**1,125.91**	910.68
Profit before tax	**6,774.74**	4,380.84

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. Similarly revenues and income not allocable to segments are disclosed separately.

A major portion of the Group's fixed assets are primarily located at its off shore centers in India and are commonly used by various SBUs. These fixed assets are therefore not directly identifiable to any particular reportable segment and have been allocated to SBUs on the basis of man-months used by these SBUs. Consequently, capital expenditure incurred and depreciation and amortization are similarly allocated to SBUs.

(All amounts in ₹ Lakhs, unless otherwise stated)

Other Primary Segmental information :

	Segmental Assets		Segmental Liabilities	
	As at March 31, 2014	As at March 31, 2013	**As at March 31, 2014**	As at March 31, 2013
UK	**16,296.70**	18,689.77	**6,447.29**	6,139.97
North America	**34,741.31**	32,607.20	**8,142.57**	8,274.21
Others	**7,463.49**	7,978.67	**2,172.66**	2,526.99
Segmental Assets/Liabilities	**58,501.50**	59,275.64	**16,762.52**	16,941.17
Unallocated Corporate Assets/ Liabilities, including tax assets / provision for tax	**16,871.43**	14,883.56	**2,591.40**	3,926.68
Total Assets/ Liabilities	**75,372.93**	74,159.20	**19,353.92**	20,867.85

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Capital expenditure incurred		
UK	**380.16**	201.71
North America	**1,809.45**	920.99
Others	**127.41**	91.78
Unallocated	**636.07**	454.02
Total	**2,953.09**	1,668.50
Depreciation and amortization		
UK	**380.90**	260.31
North America	**1,113.72**	767.24
Others	**127.31**	111.78
Unallocated	**1,665.35**	1,063.80
Total	**3,287.28**	2,203.13
Non-cash expenses other than depreciation and amortization		
UK	**3.00**	0.20
North America	**12.14**	52.87
Others	**103.66**	134.69
Total	**118.80**	187.76

b. Information about secondary segments by industry verticals

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Revenue from external customers		
Insurance	**44,865.01**	27,718.59
Government	**23,868.09**	20,006.11
Financial services	**9,732.34**	10,569.89
Others	**13,836.85**	10,041.82
	92,302.29	68,336.41

The information pertaining to carrying amount of segment assets by industry verticals is neither available nor evaluated by management.

35 During the previous period, the Group had changed its accounts closing date from June 30 to March 31. Accordingly, the figures for the previous period are for the nine month period from July 1, 2012 to March 31, 2013 and are therefore not comparable with those of the current year.

36 Previous period figures have been regrouped and reclassified wherever necessary.

In terms of our report of even date

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

Pradip Kanakia
Partner
Membership Number: 39985

Mumbai, April 23, 2014

For and on behalf of the Board

Sudhakar Ram
Managing Director and Group CEO

S. Sandilya
Non-Executive Chairman and Independent Director

Bhagwant Bhargawe
Company Secretary

Mumbai, April 23, 2014

KEY STATISTICS

(₹ in Lakhs)

Particulars	2009-10	2010-11	2011-12	2012-13 (Nine months)	2013-14
Total Revenue	72,190	61,421	74,534	69,247	**93,428**
Operating Profit (EBIDT)	9,529	163	3,536	6,624	**10,130**
Net Profit / (Loss)	6,772	(5,594)	50	3,432	**5,180**
EPS (₹/share)	25.15	(20.76)	0.19	13.06	**21.08**
DPS (₹/share)	3.25	-	-	3.00	**4.50**
Annualised growth in -					
Revenue	-25%	-15%	21%	25%	**1%**
Operating Profit	-47.5%	-98.3%	-	150%	**14.7%**
Net Profit Margin	9%	-9%	0%	5%	**6%**
Depreciation and amortization Expenses Ratio	4%	5%	4%	3%	**4%**
Interest Cover (Times)	53.33	(46.78)	5.06	111.48	**100.65**
Return on Networth	13%	-11%	0.1%	6%	**9%**
Debt/Equity	0.08	0.04	0.01	0.00	**0.00**
(Debt includes Preference Shares)					
Current Ratio	2.9	1.8	2.4	2.4	**2.4**
Debtors Turnover (No. of days)	99	97	88	81	**46**
Depreciation and amortization expenses /Average Gross Block	6%	6%	6%	4%	**7%**
Dividend Payout	13%	-	-	23%	**21%**
Dividend Yield	1.3%	-	-	2.5%	**2.2%**
Operating Cashflows	3,142	944	(1,215)	8,031	**8,912**
Capital Expenditure	2,286	2,826	1,574	1,668	**2,953**
Current Investments and Cash and bank balances	19,752	15,903	13,785	15,904	**17,113**
Current Investments and Cash and bank balances as % of Total Assets	34%	31%	18%	21%	**23%**
Book Value of Share (₹/share)	203.30	182.07	198.17	216.30	**252.80**
Market Value to Book Value	1.3	0.6	0.6	0.5	**0.8**
Price Earning Multiple	10	-	-	9	**10**
Group Employees as at the year end	3243	2905	3083	3214	**3123**
Offshore (Numbers)	2449	2138	2183	2377	**2315**
Onsite (Numbers)	794	767	900	837	**808**
Off-shore Facility (Sq.feet)	343,554	343,554	343,554	343,554	**343,554**
Dividend - Equity (Including DDT)	1024	-	-	865	**1,023**

MANAGEMENT DISCUSSION AND ANALYSIS

- **Overview of the Industry and Business Environment**
- **Mastek - Business Update**
- **Review of financial and operating performance**
- **Business outlook**
- **Internal control systems and risk management**

Cautionary statement:

This Management Discussion and Analysis of the Company's performance and outlook may contain forward-looking statements that set out anticipated performance based on the management's plans and assumptions. Its aim is to facilitate a better understanding of the Company's prospects and make informed decisions. We cannot guarantee that any forward-looking statement will be realized, though we have been prudent in our plans and assumptions. The forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those reflected in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management analysis only as of the date hereof. We do not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. For any further clarification, please contact Mastek Investor Relations (investor_grievances@mastek.com).

Overview of Industry and Business Environment

Global Economy & IT

The Global activity strengthened during the second half of 2013. It is expected to improve further with the world GDP expected to grow 3.7% in 2014 and 3.9% in 2015, largely on account of recovery in the advanced economies. US is expected to grow by 2.8% in 2014, up from 1.9% in 2013, however financial conditions remain tighter following US tapering announcements.

Concerns also remain in terms of world's second largest economy China showing signs of slowdown that could have a big direct impact on emerging economies.

In line with world's growth expectations, global IT spending is estimated to touch US$ 3.8 trillion during 2014, an increase of 3.1% from 2013 of US$ 3.7 trillion. During 2013 markets grew by a meagre 0.4% on a year-on-year basis. IT spending is expected to grow across the segments in 2014 as compared to a flat 2013. Global sourcing market grew 8.5% in 2013, driven by large, bundled contracts.

NASSCOM estimates the revenues of US$ 118 billion for FY 2014 for the Indian IT-BPM industry with a growth of 14% in exports touching US$ 86 billion.

The growth drivers for IT-BPM sector shall be emerging verticals such as retail, healthcare, utilities, travel & transportation and media.

Insurance Industry

The P&C insurance business in US is gradually improving from net underwriting losses of US$ 6.4 billion in 2012 to a gain of US $ 2.3 billion in the first half of 2013. The rise in volumes is largely driven by higher prices and expansion of insurable products in a slowly growing economy.

A study by Delloite expects 2014 might see a rise in M&A activity leading to a consolidation phase in the reinsurance market as many of the P&C players have huge capital in their balance sheet to deploy for an effective utilization and to increase the shareholder returns apart from widening the portfolio.

US based insurers are expected to comply with the statutory requirement of "Own Risk and Solvency Assessment (ORSA)" by 2015 requiring to upgrade their enterprise risk management processes in some cases.

Insurers expect to spend on replacing the old legacy systems of core activities such as policy writing, billing and claims settlement. Newer technologies such as SMAC (Social, Mobility, Analytics and Cloud) will continue to gain traction during 2014 as buying habit of offline insurance products is gradually changing to online.

Ovum expects insurance IT budgets shall grow at a CAGR of 6.5% with total IT spending reaching US$ 109 billion by 2017. A recent survey by Celent indicates that Asia-Pacific insurers are expected to increase their IT spend by 11.5% from 2013 to 2015.

Currently majority (84%) of European insurers spend less than 10% of their IT development budget on digital initiatives. As per E&Y global survey "Insurance in a digital world: the time is now" more than 37% insurers expect almost 50% increase in their spending on the digital development over next 5 years.

Indian Market

The IT services is expected to grow by ~14% in FY 2014 with exports reaching at US$ 52 billion as per NASSCOM. Within IT services project-oriented services such as CAD, software testing, system integration, IT consulting and network consulting & integration is expected to grow by ~14.5% y-o-y.

Gartner expects Indian insurers will spend INR 121 billion on IT in 2014, a 12% increase over 2013 including internal IT (including personnel), hardware, software, external IT services and telecommunications.

IT spending by various government agencies will increase 4.4% annually to US$ 6.4 billion in 2014 as per Gartner. It also said that government is expected to spend US$ 758 million in buying software, marking a 10% increase over last year.

Mastek - Business Update

Mastek in UK

In the UK, the Company has continued to stabilise and improve its operations during the year in spite of continued challenges in the economic and business environment.

In the Government segment, while there was an anticipated reduction in the services business with partners like British Telecom (BT), there were good wins in the direct deals within the UK government departments. In the previous year, the Company had got itself registered under the G - Cloud framework which has helped to win two significant direct deals within the government departments during the year. The Company has now been registered in the Global Digital Software (GDS) framework where it expects similar success going into the new year.

There has not been much progress in the insurance segment within the UK except the group life platform and some breakthrough with a marine insurance client. The Company is evaluating the scope of building the Property & Casualty (P&C) business in the UK.

On the other hand, there has been far more activity in the retail segment especially with Morrisons, one of the large retail outfits in the UK. The company has seen good progress in the retail segment and expects to add few more retail accounts in the next year.

The Company has continued its investment in sales and marketing and expects to increase this in order to support the efforts to grow the business further. It has started a number of initiatives during the year to build the Mastek UK brand and increase the sales pipeline and expects a significant improvement in the order booking in the next year.

Overall, the visibility and traction in UK appears to be good and the Company is confident that this region will deliver a good growth in the coming fiscal.

Revenue Analysis – UK (Table)

Vertical	**2013-14 (₹ in Lakhs)**	**% of Revenue**	2012-13 (9 months) (₹ in Lakhs)	% of Revenue
Insurance	**5,117.4**	**11.9**	1,949.0	6.0
Government	**22,264.4**	**51.7**	18,793.0	58.2
Other Financial Services	**6,890.7**	**16.0**	6,724.1	20.8
IT & Other Services	**8,825.1**	**20.4**	4,807.1	15.0
Total – IT services	**43,097.6**	**100.0**	32,273.2	100.0
Other operating revenue	**128.1**		187.9	
Total	**43,225.7**		32,461.1	

Mastek in North America

The traditional IT services business experienced the anticipated decline during the year. We believe this decline has now leveled off. The Region witnessed good progress with tremendous momentum especially in the Property & Casualty (P&C) insurance segment. Within the P&C segment, the year has been particularly encouraging for the Policy Administration and Suite Product wherein the company has won three large multi-year

orders out of the five large orders won this year. The Company's STG Policy Product also won the XCelent award for "Most Advanced Technology" (Source: Celent). The segment performed well despite one of its top client deciding to re-prioritize its multi-vendor transformation program during the year. The revenue impact of $ 2.5 Mn was witnessed during the last quarter ended March 2014. Although the coming year will be impacted by the annualized amount, the company is confident of making good the gap towards the second half of next year.

The Life and Annuity (L&A) segment showed great improvement and turned profitable during the year with significantly improved margins. This was achieved through tighter control and focus around key critical customer programs.

The Company will continue to invest and focus on the Insurance segment in North America to ensure sustained growth in coming years while specializing in niche markets like cloud based core systems, regulatory and compliance oriented content delivery and specific state-regulated line of business areas for Policy Administration.

The Company plans to leverage its insurance domain knowledge and presence in the industry to secure new and existing customers in the IT services segment, with emphasis on data warehouse, business analytics, quality assurance, testing, front-end portal development and predictive analytics.

The Company is proud to have 7 of the top 25 P&C insurers as its customers and over 90% of our customers are engaged in active relationships while over 75% of our business in any year comes from existing customers. Customers have ranked us an average of 6.0 on a scale of 7.0 in terms of our delivery and support services.

Revenue Analysis – NA (Table)

Vertical	**2013-14 (₹ in Lakhs)**	**% of Revenue**	2012-13 (9 months) (₹ in Lakhs)	% of Revenue
Insurance	**35,740.1**	**87.2**	22,904.3	75.9
Government	**-**	**-**	-	-
Other Financial Services	**2,673.3**	**6.5**	3,570.9	11.8
IT & Other Services	**2,577.0**	**6.3**	3,693.9	12.2
Total – IT services	**40,990.4**	**100.0**	30,169.1	100.0
Other operating revenue	**958.8**		677.4	
Total	**41,949.2**		30,846.5	

Mastek in India and Asia Pacific

Continuing its growth year-on-year and every year, the India-Asia business grew significantly in 2013-14, on all parameters and especially in Order Book and Gross Margin.

The India Government business did very well in several areas such as close collaboration with funding agencies such as World Bank, International Finance Corporation (IFC), Department for International Development (DFID), United Nation Development Program (UNDP) etc. and achieving dominance in states like Odisha and Maharashtra, whilst continuing business in Bihar and Gujarat. The Company expects to breakthrough in new states such as Chattisgarh, Himachal Pradesh etc. as also selectively targeted areas in Central Government. All project executions were closely managed from a cost perspective to help improve Gross Margins significantly and turn around unprofitable deals.

The India-Asia Insurance business performed well on all parameters with existing accounts in Malaysia, Thailand and India growing their business footprint. It also added a new logo with addition of an Indian Private Insurer. With a strong pipeline, breakthroughs are expected with new insurance start-ups in India as also in Asian countries. The large product implementation deals for Policy Admin and Distribution Management systems were closely managed to help improve the margins significantly as compared to last year.

The IT services business included business in the travel vertical which has shown good growth momentum during the year and is expected to also grow in the coming year.

Revenue Analysis – IA (Table)

Vertical	**2013-14 (₹ in Lakhs)**	**% of Revenue**	2012-13 (9 months) (₹ in Lakhs)	% of Revenue
Insurance	**4,007.5**	**58.3**	2,865.3	58.1
Government	**1,603.7**	**23.3**	1,213.1	24.6
Other Financial Services	**168.3**	**2.5**	274.9	5.6
IT & Other Services	**1,089.3**	**15.9**	581.0	11.8
Total – IT services	**6,868.8**	**100.0**	4,934.3	100.0
Other operating revenue	**258.6**		94.5	
Total	**7,127.4**		5,028.8	

Review of Financial and Operating Performance

Financial performance review

Continuing on the trend witnessed last year, the current fiscal saw the company improving its revenue base and operational performance particularly in Insurance products vertical as well as large complex solutions which has grown steadily. The company's North America revenues was impacted due to re-transformation program of a one of the big client in the continent. It has been assessed a US$ 2.4 million revenue impact on a quarterly basis. Management is confident that they will be able to fill in the gap and get back to a growth momentum in US.

Financials

On a consolidated basis, the Group registered total operating revenue of ₹ 92,302.3 lakhs in FY2014. This represents an annualized growth of 1.3% compared to ₹ 68,336.4 lakhs in the nine month period ended March 2013.The Group registered a net profit of ₹ 5,179.6 lakhs in FY 2014 as compare to ₹ 3,432.2 lakhs in the nine month period ended March 2013.

Break up of Revenue by regions

Region	**Year ended March 31, 2014**		Nine month period ended March 31, 2013	
	(₹ in Lakhs)	**% of Revenue**	(₹ in Lakhs)	% of Revenue
UK	**43,225.7**	**46.8**	32,461.1	47.5
North America	**41,949.2**	**45.4**	30,846.5	45.1
Others (India/ Asia Pacific)	**7,127.4**	**7.8**	5,028.8	7.4
Total Operating Revenue	**92,302.3**	**100.00**	68,336.4	100.0

The North American operations, registered a growth of 2.0% to ₹ 41,949.2 lakhs from ₹ 30,846.5 lakhs for the nine months period ended March 31, 2013. Although the insurance business grew over 17.0% the overall growth was muted dueto ramp down of a client and the slowdown in its services business.

The U.K operations contributed ₹ 43,225.7 lakhs in revenue as compared to ₹ 32,461.1 lakhs during the nine month period ended March 31, 2013. The reduction of 0.1% was led by drop in the government segment specifically on the services program being delivered for British Telecom on onsite location.

The growth of 6.3% in the India Asia Pacific region was driven by good growth momentum in the insurance segment

Break up of Revenue by verticals

Vertical	**2013-14 (₹ in Lakhs)**	**% of Revenue**	2012-13 (9 months) (₹ in Lakhs)	% of Revenue
Insurance	**44,865.0**	**45.0**	27,718.6	41.1
Government	**23,868.1**	**26.2**	20,006.1	29.7
Financial Services	**9,732.3**	**10.6**	10,569.9	15.7
IT & Other Services	**12,491.4**	**18.2**	9,082.0	13.5
Total – IT services revenue	**90,956.8**	**100.0**	67,376.6	100.0
Other operating revenue	**1,345.5**		959.8	
Total	**92,302.3**		68,336.4	

Profitability.

During the Fiscal year ended March 31, 2014, the Group earned a profit of ₹ 5,179.6 lakhs as compare to ₹ 3,432.3 lakhs for nine month ended March 31, 2013. The strong profitability was driven by the following:

- Higher proportion of Insurance revenue from North America.
- Improved operating efficiencies and higher utilization levels.
- Higher foreign exchange realizations as compared to previous period.

Balance Sheet

Non-current Assets

A) Fixed Assets

Tangible assets as at March 31, 2014 were ₹ 7,251.8 lakhs as compared to ₹ 7,404.1 lakhs as at March 31, 2013. This included a gross addition of ₹ 1,637.8 lakhs for purchase of computers, furniture and fixtures, vehicles, etc. and after considering depreciation of ₹ 1,844.2 lakhs for the 12 month period ended March 31, 2014 and foreign exchange translation adjustment of ₹ 56.2 lakhs. Intangible assets as at March 31, 2014 were ₹ 18,830.2 lakhs as compared to ₹ 17,285.7 lakhs as at March 31, 2013. This included an addition of ₹ 1,315.3 lakhs on account of Goodwill and purchase of computer software and after considering amortization of ₹ 1,429.2 lakhs for the 12 month period ended March 31, 2014 and foreign exchange translation adjustment of ₹ 1,658.4 lakhs.

B) Long-term loans and advances

Long term loans and advances were ₹ 6,201.4 lakhs as at March 31, 2014 as compared to ₹ 5,862.5 lakhs as at March 31, 2013.

Current Assets

A) Current Investments and Cash and Bank Balances

The total current investments and cash and bank balances as at March 31, 2014 was ₹ 17,113.3 lakhs as compared to ₹ 15,904.5 lakhs as at March 31, 2013. The difference was primarily on account of Net cash generated from Operations of ₹ 8,911.6 lakhs, which was utilised for buy-back of shares of ₹ 5,417.1 lakhs and purchase of fixed assets of ₹ 2,658.0 lakhs made during the 12 month period ended March 31, 2014.

B) Trade Receivables

Trade receivables as at March 31, 2014 stood at ₹ 11,678.3 lakhs as compared to ₹ 14,908.4 lakhs as at March 31, 2013. This is due to a higher translation rate of the UK and North America receivables.

C) Short Term Loans and Advances and Other Current Assets

The short term loans and advances were at ₹ 2,356.2 lakhs as at March 31, 2014 as compared to ₹ 2,130.1 lakhs as at March 31, 2013. Other current assets were higher at ₹ 9,402.6 lakhs as at March 31, 2014 as compared to ₹ 7,564.2 lakhs as at March 31, 2013. The increase was primarily on account of unbilled revenue of ₹ 8,797.0 lakhs as compared to ₹ 6,993.2 lakhs.

Shareholders' Funds

Total shareholders' funds as at March 31, 2014 stood at ₹ 56,019.0 lakhs as compared to ₹ 53,291.4 lakhs as at March 31, 2013. The increase was mainly on account of profit for the year of ₹ 5,179.6 lakhs and also on account of increase of ₹ 4,147.0 lakhs in foreign currency translation reserve. This was off-set by Share buy-back of ₹ 5,417.1 lakhs, interim dividend of ₹ 431.17 lakhs and proposed dividend of ₹ 609.4 lakhs.

Non-current Liabilities

The total non-current liabilities stood at ₹ 2,617.4 lakhs as at March 31, 2014 as compared to ₹ 3,719.2 lakhs as at March 31, 2013. The decrease was mainly on account of the reduction of provision of ₹ 938.2 lakhs for gratuity and ₹ 124.6 lakhs for provision for cost overrun on contracts.

Current Liabilities

The total of current liabilities as at March 31, 2014 was ₹ 16,736.6 lakhs as compared to ₹ 17,148.7 lakhs as at March 31, 2013.

Operations review

Operational delivery within Mastek has always been a core attribute. The Company aligned the delivery organization to focus on improving the overall productivity and efficiency levels within projects. In the P&C market, Company's PAS technology have been rated higher than its peers.

The Company continued to invest in product development of the insurance platforms in North America. During the 12-month period ended FY 2013-14, the Company spent ₹ 5,846.1 lakhs as compared to ₹ 2,974.0 lakhs during the nine month period ended March 31, 2013.

Client Wins during the year

Mastek added 13 clients during the year and we finished the year at 126 active clients. The client profile includes some marquee names across the insurance verticals in US and the government organizations in the UK. Some of the key client wins include:

Client Name	**Region**	**Proposition**
Oregon Mutual Insurance	North America	P&C – Billing and Policy Administration System
Utica National Insurance Group	North America	STG Billing solution
Home Office's Immigration Platform Technologies	UK	Develop and test a Shared Service Bus (SSB) and Common Data Platform (CDP)
G-Cloud with NHS Health and Social Care Information Centre (HSCIC)	UK	To develop a new corporate and internal identity & access management service

Update on Board of Directors: The Mastek Board currently has 10 members, of which 6 are Independent Directors and the remaining 4 are Promoter Directors.

During the year under review, Dr. Arun Maheshwari was appointed as an Additional Independent Director of the company. Dr. Maheshwari holds Master's degree in Computer Science from Stanford University, an MBA from Columbia University and a Ph.D. from Wharton School of Business and has studied at IIM, Calcutta.

People Strength: As on March 31, 2014, the Company had a total of 3123 employees, of which about 26% were based on-site while the rest were at various offshore locations as compared to a total of 3214 employees at the end of March 31, 2013.

Buy Back of Shares: During the year the company initiated a share buyback to buy 14.92% of company's paid up equity capital for a total consideration amount not exceeding ₹ 5,450 lakhs. The company under the said scheme bought back 2,484,007 equity shares for an average price of ₹ 218.08 per share at a total value of ₹ 5,417.1 lakhs.

Dividend: The board recommended a final dividend of ₹ 2.75 per share and this along with the interim dividend of ₹ 1.75 per share amounts to a total dividend of ₹ 4.50 per share for the year.

Awards/Accolades -Mastek, either directly or through its clients was also recipient of many awards in India, notable among those being:

- Mastek's Elixir Distribution Management was recognized with **"The XCelent Service Award 2013"** as leading solution in **"Depth of Services".** This was published in Celent's report on "Asia-Pacific Insurance Distribution Management Systems".
- MajescoMastek's STG Policy has been named a leader in Advanced Technology among North American Property & Casualty Policy Administration Systems by Celent in 2013.
- The STG Billing platform was identified as a Market Leader by Novarica in their market navigator report dated December 2013.
- Mastek was also appraised at Level 5 of the CMMI Institute's Capability Maturity Model Integration. The appraisal was performed by QAI India Limited.
- Mastek ranked 67th in the Leader category in the 'The 2013 Global Outsourcing 100 service providers' list by The International Association of Outsourcing Professional (IOAP)

BUSINESS OUTLOOK

The company's strategy of sustained product development in the insurance segment (both in P&C and L&A) seems to be paying off. While there may be a short term impact due to North American account ramp down but management is confident to bridge the gap. It expects growth to be led by improved business opportunities in the insurance vertical in North America. The opportunities in the Government segment in the UK and India continue to remain attractive and the company will continue its sales & marketing spends to take advantage of the upcoming opportunities.

INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

Mastek's systems for internal control and risk management go beyond what is mandatorily required to cover best practice reporting matrices and to identify opportunities and risks with regard to its business operations.

Internal control systems

The Company has mechanisms in place to establish and maintain adequate internal controls over all operational and financial functions. The Company intends to undertake further measures as necessary in line with its intent to adhere to procedures, guidelines, and regulations as applicable in a transparent manner.

Mastek maintains adequate internal control systems that provide, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company assets. The Company uses an enterprise resource planning (ERP) package that enhances the efficiency of its internal control mechanism.

The Company's internal control systems are supplemented by an internal audit program and periodic reviews by the management. Mastek has appointed an independent audit firm as its Internal Auditors, and the Audit Committee reviews its findings and recommendations at periodic intervals. Mastek's internal control system is adequate considering the nature, size and complexity of its business. Mastek has also put in place a strong enterprise risk management function which oversees the risk management of the Company on an ongoing basis.

Enterprise Risk Management: The primary objective of the Enterprise Risk Management (ERM) function is to:

- Provide a framework that enhances risk response decisions;
- Reduce operational surprises and thereby losses;
- Identify and manage cross-enterprise risks.

The ERM policy, approved by the Board, lays down the risk management process, expected outcomes, governance and reporting structure. The policy also stresses on the importance of having a strong risk culture for ERM to succeed.

Risk Governance Structure: Mastek has put in place a strong risk governance model to ensure risk management principles are followed throughout the organization and a risk culture inculcated. This ERM process and policy is approved by the Governance Committee of the Board and is executed through the Risk Management Committee (RMC) represented by the business and functional heads within Mastek. The RMC is responsible for:

- Being the primary champion of risk management at strategic and operational level;
- Setting policy and strategy for enterprise risk management;
- Ensuring that risk management policies are implemented with the right spirit through a monitoring mechanism;
- Building a risk aware culture within the organization including appropriate trainings;
- Informing the Board (through the Audit Committee) about the ERM status & top risks of the Company on a timely basis.

Risk Champions: The RMC is supported by the risk champions who are responsible for:

- providing oversight 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 conceptual stage of projects / opportunities;
- ensuring compliance to the risk management procedures;
- providing periodic reports to the RMC.

A discussion of key risks and concerns, and measures aimed at mitigating them, are discussed in the following paragraphs.

Strategic risks: The Company could be susceptible to strategy, innovation, and business or product portfolio related risks if there is any significant and unfavourable shift in industry trends, customer preferences, or returns on R&D investments. Mastek does have the benefit of being very well entrenched with many of its customers, involved in their critical and strategic initiatives. Therefore, client concentration related risks are mitigated to an extent. The Company's investments in intellectual property creation too are being done in a measured manner and are focused more on extending and strengthening existing offerings rather than on new business or end-use/application areas.

Macro-economic risks: Risks emanating from changes in the global markets such as the recent financial meltdown, regulatory or political changes, and alterations in the competitive landscape could affect the Company's operations and outlook. Any adverse movements in economic cycles in the Company's target markets and volatility in foreign currency exchange rates could have a negative impact on the Company's performance. This risk is mitigated to some extent due to the Company's presence in multiple, diverse markets from Europe to Malaysia and India. The Company also takes necessary steps such as forex hedging to mitigate exchange rate risks.

Competition-led risks: Mastek operates in a highly competitive industry, replete with much bigger competitors, in both India and abroad. Shifts in clients' and prospective clients' dispositions could affect its business. While the Company has strong domain expertise, robust delivery capabilities, and significant project experience, there is no guarantee that it will always get the better of competition.

Dependence on Key Personnel: Mastek has one of the best management teams in the industry and this has been a critical enabler of its operating successes. Any loss of personnel through attrition or other means may have an impact on the Company's performance. Mastek does endeavor 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 few strategic customers 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 many of its customers, involved in their critical and strategic initiatives. Therefore, client concentration related risks are mitigated to an extent.

Contractual, execution and delivery related risks: The Company's operating performance is subject to risks associated with factors that may be beyond its control, such as the termination or modification of contracts and non-fulfillment of contractual obligations by clients due to their own financial difficulties or changed priorities or other reasons. Mastek does have mechanisms in place to try and prevent such situations, as well as insurance cover as necessary.

Acquisition/M&A related risks: Well-considered, properly evaluated and strategic acquisitions form part of the Company's growth strategy. There is no guarantee, however that an acquisition will produce the business synergies, revenues and profits anticipated at the time of entering into the transaction although the Company would undertake all due care and diligence in the process of making any acquisition.

In addition to the aforementioned issues, there are multiple other risk factors that the Company believes it will need to take cognizance of and manage. The Board and management team continually assess the operations and operating environment to identify potential risks and take meaningful mitigation actions.

The Company does take necessary insurance or related cover in cases as necessary.

FREQUENTLY ASKED QUESIONS (FAQs) 2014

Shareholders and Investors are advised to go through the Section on Management Discussion & 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.

1. **WHEN WAS MASTEK LIMITED INCORPORATED AND WHEN DID IT HAVE ITS INITIAL PUBLIC OFFER?**

   Mastek Limited was incorporated in the name and style of Management and Software Technology Private Limited on May 14, 1982. The first public offering was made in December 1992 at a price of ₹ 70/- (Premium ₹ 60/-) followed by another public issue in 1996 at a price of ₹ 190/- (premium of ₹ 180/-). The Company issued bonus shares in the ratio of 1:1 in January 2000. The Company's share were subdivided from ₹ 10/- to ₹ 5/- in November 2000. The Company issued bonus shares in the ratio of 1:1 in April 2006.

2. **WHICH ARE THE SUBSIDIARIES OF MASTEK LIMITED AND WHERE ARE THEY LOCATED?**

   Mastek Limited has the following subsidiaries located in respective countries:

   MajescoMastek in USA.

   MajescoMastek Insurance Software and Solutions Inc. in USA.

   Vector Insurance Services LLC in USA.

   MajescoMastek Canada Ltd in Canada.

   Mastek (UK) Limited in UK.

   Mastek Asia Pacific Pte. Ltd in Singapore.

   Mastek MSC Sdn. Bhd. in Malaysia.

   Mastek MSC (Thailand) Co. Ltd in Thailand.

   In addition to the above subsidiaries, Mastek has a branch in UK.

3. **WHAT IS THE CORE BUSINESS OF MASTEK LIMITED?**

   Mastek is an IT solutions player with global operations providing new technology and intellectual property led enterprise solutions to insurance, government and financial services organizations worldwide. Mastek's strengths are in architecting solutions for large, complex and mission critical business problems, and delivering these solutions with high levels of predictability.

4. **WHAT IS THE EMPLOYEE STRENGTH OF MASTEK GROUP?**

   As on March 31, 2014, Mastek Group had 3123 employees.

5. **HOW MANY SOFTWARE DEVELOPMENT CENTRES DOES MASTEK HAVE?**

   Mastek has seven development centers out of which five are located in around Mumbai, India and one each in Pune and Chennai, India.

6. **HOW MANY MARKETING OFFICES DOES MASTEK HAVE?**

   Mastek has 10 Marketing offices located across multiple geographies: 2 in UK, 1 each in Singapore, Malaysia, Bangkok in Thailand, 1 each in New York and New Jersey in the US, 1 in Canada and domestic marketing offices in Mumbai and New Delhi.

7. **WHAT IS THE FISCAL YEAR FOR MASTEK?**

   The Fiscal Year of the Company is April 01-March 31 every year.

8. **WHAT IS THE DIVIDEND TRACK RECORD OF MASTEK LIMITED?**

Fiscal Year	Share Outstanding ₹ in Mn.	Dividend per share	Total Dividend in ₹ in Lakhs
1993*	3.00	2.50	46.88
1994*	3.00	3.50	104.98
1995*	3.06	3.50	105.30
1996*	3.46	3.50	109.93
1997*	3.46	3.50	120.98
1998*	3.46	3.50	120.98
1999*	3.46	4.00	138.26
2000*	6.91	4.00	276.53
2001	13.88	2.00	277.67
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	1036.11
2006	28.14	6.50	1403.12
2007	28.46	7.50	2132.34
2008	27.62	10.00	2557.70
2009	26.90	10.00	2679.34
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	1040.59

* indicates dividend on face value of ₹10/- per share.

** includes recommended final dividend of ₹ 2.75 per share for approval of the shareholders at the forthcoming AGM to be held on July 23, 2014.

8. **HOW DOES ONE GET THE ANNUAL REPORT AND QUARTERLY RESULTS OF MASTEK?**

   The Annual Report as well as quarterly results along with analysis are available on our website www.mastek.com in the "Investors" section.

9. **WHO IS THE REGISTRAR AND SHARE TRANSFER AGENT?**

   The Registrar and Share Transfer Agent of Mastek is :

   SHAREPRO SERVICES (INDIA) PRIVATE LIMITED
   Samhita Warehousing Complex,
   13AB, Gala No. 52,
   Near Sakinaka Telephone Exchange,
   Off Andheri Kurla Road,
   Andheri (East),
   Mumbai – 400 072

   Phone: 6772 0300/6772 0400 / Fax : 2837 5646

   e-mail: saritam@shareproservices.com /Indira @shareproservices.com

   Contact Person: Ms. Indira Karkera / Ms. Sarita

10. HOW DOES ONE TRANSFER HIS/HER SHARES OR CHANGE THE ADDRESS WITH THE TRANSFER AGENT?

For the transfer of shares in physical form and noting your change of address, you need to write to our share transfer agent at the above mentioned address.

Transfer of shares in the electronic mode is effected through your depository participant.

11. WHOM DOES ONE CONTACT IN CASE OF NON-RECEIPT OF DIVIDEND, LOSS OF SHARES CERTIFICATES ETC?

You may contact Sharepro Services, which 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.

12. IS ELECTRONIC CLEARING SERVICES (ECS) FACILITY AVAILABLE FOR PAYMENT OF DIVIDEND?

Mastek extends ECS facility to all its shareholders. The dividend amount of shareholders availing ECS facility is directly credited to their bank accounts. Shareholders holding shares in physical form have to submit an ECS Mandate form to Sharepro Services whose address is given above.

13. WHICH ARE THE STOCK EXCHANGES WHERE MASTEK SHARES ARE LISTED?

Mastek's Shares are listed in India on National Stock Exchange of India Limited and BSE Limited.

14. HOW CAN THE SHARES BE DE-MATERIALIZED AND WHO ARE THE DEPOSITORY PARTICIPANTS (DP)?

Mastek's shares are traded only in electronic form with effect from June 2000. Shares can be dematerialized by opening the demat account with 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 (I) Limited (CDSL). A comprehensive list of DPs is available at www.nsdl.com and www.cdslindia.com.

15. HOW DOES ONE INFORM THE COMPANY TO SEND THE ANNUAL REPORT, OR ANY OTHER CORRESPONDENCE TO BE SENT IN ELECTRONIC FORM TO SAVE THE TIME AND HAVE SPEEDY COMMUNICATION?.

The following application form can be filled and sent to the Registrar and Share Transfer Agent of the Company.

Form for registering e-mail id for receiving documents/notices by electronic mode

(with reference to the circular no. 17/2011 dated 21st Day of April, 2011 issued by the Ministry of Corporate Affairs, Govt. of India)

To,
SHAREPRO SERVICES (INDIA) PRIVATE LIMITED
Unit:- MASTEK LIMITED
Samhita Warehousing Complex,
13AB, Gala No. 52,
Near Sakinaka Telephone Exchange,
Off Andheri-Kurla Road,
Andheri (East),
Mumbai – 400 072

I agree to receive all documents/ notices from the Company in electronic mode. Please register my e-mail id in your records for sending communication through e-mail. The required details are as under :-

Folio No. (for Physical Shares)	
DP ID	
Client ID	
PAN	
Name of 1st Registered holder	
Name of Joint Holder (s)	
Registered Address	
Email ID	

Date:-
Place:

Signature of First Holder

DIRECTORS' REPORT

The Board of Directors has pleasure to forward the following Report for the year ended March 31, 2014.

1. **FINANCIAL RESULTS – CONSOLIDATED RESULTS OF MASTEK LIMITED AND ITS SUBSIDIARIES**

PARTICULARS	Year Ended March 31, 2014	Nine month period ended March 31, 2013
		₹ in lakhs
Revenue		
Income from IT Services	**90,956.76**	67,376.60
Other operating revenue	**1,345.53**	959.81
Other Income	**1,125.91**	910.68
Total Revenue	**93,428.20**	69,247.09
Expenses	**83,298.20**	62,623.47
Depreciation and amortization expenses	**3,287.28**	2,203.13
Finance costs	**67.98**	39.65
Profit before tax	**6,774.74**	4,380.84
Tax expense	**1,595.18**	948.59
Profit after tax	**5,179.56**	3,432.25

FINANCIAL RESULTS – MASTEK LIMITED

PARTICULARS	Year Ended March 31, 2014	Nine month period ended March 31, 2013
		₹ in Lakhs
Revenue (including Other Income)	**57,187.28**	43,101.23
Profit before Exceptional Item and Tax	**4,827.43**	3,249.62
Exceptional Item	**1,555.01**	-
Profit before tax	**3,272.42**	3,249.62
Tax expense	**575.31**	230.65
Profit after Tax	**2,697.11**	3,018.97
Add: Profit brought forward from Previous Period	**28,157.93**	26,353.73
Profit available for appropriation	**30,855.04**	29,372.70
Dividend	**1,040.59**	739.15
Corporate Dividend Tax*	**(17.52)**	125.62
Transferred to General Reserve	**520.00**	350.00
Balance carried to Balance Sheet	**29,311.97**	28,157.93

* indicates Net of credit received in respect of tax paid under section 115BBD of Income Tax Act, 1961

2. **RESULTS OF OPERATIONS**

A) Mastek Consolidated Operations

Continuing on the traction witnessed last year particularly in the Insurance segment in North America, the current fiscal saw the company improve its operational performance. This coupled with uptick in the UK with direct wins in the Government segment through the G-cloud aided the improved performance. The only exception being the drop in revenue primarily due to re-prioritization of a North America client during the fourth quarter.

The Group consolidated its leadership position in the insurance space in North America with key wins in the billing as well as the policy admin areas in the Property & Casualty (P&C) Insurance segment. During the year ended March 31, 2014, the Group has added 13 new logos as compared to 13 in FY2013 and ended the year with a twelve month order backlog of ₹ 54,180.0 lakhs as compared to ₹ 47,800.00 lakhs as at March 31, 2013.

Financials

On a consolidated basis, the Group registered total operating revenue of ₹ 92,302.29 lakhs in the year ended March 31, 2014. The Group registered a net profit of ₹ 5,179.56 lakhs in the year ended March 31, 2014 as compared to ₹ 3,432.25 lakhs in the nine month period ended March 31, 2013.

Break up of the Operating Revenue by regions

Region	Year ended March 31, 2014		Nine month period ended March 31, 2013	
	₹ in Lakhs	**% of Revenue**	₹ in Lakhs	% of Revenue
UK	**43,225.73**	**46.8**	32,461.11	47.5
North America	**41,949.20**	**45.4**	30,846.50	45.1
Others (India/ Asia Pacific)	**7,127.36**	**7.8**	5,028.80	7.4
Total Operating Revenue	**92,302.29**	**100.0**	68,336.41	100.0

The U.K. operations contributed ₹ 43,225.73 lakhs in revenue as compared to ₹ 32,461.11 lakhs during the nine month period ended March 31, 2013. Even though the overall revenues from BT reduced with the anticipated drop in the onsite project, the company was able to make good the gap with business in the retail and financial services. The company's strong presence in the government sector has helped in winning strategic deals in the Home Office of department of the UK Government through the G-cloud framework. The company has also witnessed growing opportunities in the Retail space with one of its existing customer. The pipeline for the UK geography is much stronger than last year and the company is making necessary investments for the same.

The North American operations, registered an annualized growth of 1.9 % primary due to growth in the insurance segment both in the Life & Annuity (L&A) and Property & Casualty (P & C) space. The company's continued investments in the insurance segment in North America has resulted in the company attaining the top 3 vendor status. Going ahead, this segment will continue to drive growth for the company

The annualized growth of 6.3% in the India Asia Pacific region was driven by good level of wins from the India Government side. The Company's strong IP-based solutions for Government and Insurance business verticals continue to drive new client wins and deeper engagements with existing clients.

Break up of the Operating Revenue by Verticals

Vertical	**2013-14 (₹ in Lakhs)**	**% of Revenue**	2012-13 (9 months) (₹ in Lakhs)	% of Revenue
Insurance	**44,865.0**	**45.0**	27,718.6	41.1
Government	**23,868.1**	**26.2**	20,006.1	29.7
Financial Services	**9,732.3**	**10.6**	10,569.9	15.7
IT & Other Services	**12,491.4**	**18.2**	9,082.0	13.5
Total – IT services revenue	**90,956.8**	**100.0**	67,376.6	100.0
Other operating revenue	**1,345.5**		959.8	
Total	**92,302.3**		68,336.4	

The key driver for the 21.4% annualized growth in the insurance segment has been the North America market i.e. both P&C and L&A.

The Government vertical de-grew by 10.5% on an annualized basis, primarily due to the anticpated drop in the Revenues from BT.

The Financial Services de-grew significantly with the anticipated drop in the services revenue in North America, whereas the IT and other services vertical grew by 3.2% on annualized basis with expansion of business with the retail segment in UK and travel business in India.

Profitability

During the year ended March 31, 2014, the Group earned a profit of ₹ 5,179.6 lakhs as compared to ₹ 3,432.3 lakhs for the nine month period ended March 31, 2013. The strong profitability was driven by the following:

- Higher proportion of Insurance revenue from North America.
- Improved operating efficiencies and higher utilization levels.
- Higher foreign exchange realizations as compared to previous period.

On an annualised basis, while operating revenues grew 1.3%, the employee benefits expense together with consultancy charges paid to sub-contractors decreased by 2.1%. Travel costs grew by 11.3%. Other operating expenses increased by 8%, depreciation and amortization expenses increased by 11.9%. Forex loss during the year ended March 31, 2014 was ₹ 141.6 lakhs as compared to a Forex gain of ₹ 29.7 lakhs during the nine month period ended March 31, 2013.

(A more detailed discussion of the Company's strategy and performance appears in the Management Discussion & Analysis section of this annual report.)

B) Mastek standalone operations

On a stand-alone basis, Mastek reported an operating income of ₹ 55,042.7 lakhs for the year ended March 31, 2014, as compared to ₹ 40,101.8 lakhs for nine month period ended March 31, 2013. The Company made a Net profit of ₹ 2,697.11 lakhs for the year ended March 31, 2014 as compared to Net Profit of ₹ 3,019.0 lakhs for the nine month period ended March 31, 2013.

C) Update on Board of Directors

Mastek Board currently has 10 members, of which 6 are Independent Directors and the remaining 4 are Promoter Directors.

During the year under review, Dr. Arun Maheshwari was appointed as an Additional Director of the Company with effect from October 24, 2013 and is proposed to be appointed as an Independent Director in the ensuing Annual General Meeting. He is an Independent Director on the Board.

Mr. Ashank Desai - Approval from Ministry of Corporate Affairs, New Delhi.

As approved by Shareholders in the Annual General Meeting held on October 05, 2012, the Company had made an application to Ministry of Corporate Affairs, New Delhi for approval to make payment of certain benefits/ Perquisites to Mr. Ashank Desai, Non-Executive Director of the Company for a period of 3 years from July 01, 2012 up to June 30, 2015.

The Company has received approval thereto from Ministry of Corporate Affairs, New Delhi vide their letter no. SRN B64202435/4/2012-CL-VII dated September 19, 2013.

3. BUSINESS OUTLOOK

The Company's strategy of sustained product development in the insurance segment (both in P&C and L&A) seems to be paying off. It expects growth to be led by improved business opportunities in the insurance vertical in North America. The opportunities in the Government segment in the UK and India continue to remain attractive and the company will continue its sales & marketing spends to take advantage of the upcoming opportunities.

4. BUY BACK OF SHARES OF THE COMPANY

During the year, the Company had initiated a share buyback scheme intending to buy a maximum of 3,200,000 equity shares of the Company at a price not exceeding ₹ 250/- per share for a total amount not exceeding ₹ 5,450 lakhs. The company under the said scheme bought back 2,484,007 equity shares for an average price of ₹ 218.08 per share at a total value of ₹ 5,417.09 lakhs. All the shares bought back have been extinguished and necessary returns have been filed with the respective authorities.

5. LIQUIDITY

The Group continues to maintain a reasonable level of Current Investments and Cash and Bank balances which enable it to not only eliminate short and medium-term liquidity risks but also provide the leverage to scale up operations at a short notice. As at March 31, 2014 the amount of Current Investments and Cash and bank balances stood at ₹ 17,113.3 lakhs (₹ 15,904.5 lakhs) which amounted to 71 (68 days) of expenses and ₹ 77.2 (₹ 64.5) per share.

During the year, Mastek invested surplus funds in Liquid Schemes and Fixed Maturity Plans of leading Mutual Funds.

6. OTHER THAN TEMPORARY DECLINE IN VALUE OF INVESTMENT IN MAJESCOMASTEK CANADA LIMITED

The Company continuously evaluates the carrying value of its investments in its Subsidiaries. During the year, based on the review of the operations of its wholly owned subsidiary viz. Majescomastek Canada Limited (MCAN), it has determined and accounted for other than temporary decline in the carrying value of the Investment amounting to ₹ 1,555.01 lakhs.

7. AUDITED ACCOUNTS OF SUBSIDIARY COMPANIES

In view of the Circular No.2/2011 dated February 8, 2011 issued by the Government of India, Ministry of Corporate Affairs, New Delhi, the accounts of subsidiary companies are not attached to the audited accounts of the Company. The Board of Directors of the Company at its meeting held on April 23, 2014 has given its consent for not attaching the Balance Sheets of the subsidiaries. We, hereby, undertake that the Annual Accounts of subsidiary companies and related detailed information shall be made available to the shareholders at any point of time. Copies of the annual accounts of subsidiary companies shall also be available for inspection by any shareholder at the registered office of the Company. The Annual Accounts of subsidiary companies can be downloaded from Company's website www.mastek.com.

8. DIVIDEND

An Interim Dividend of ₹ 1.75 per Equity Share of ₹ 5/- was declared by the Board of Directors and was paid in November 2013.

Your Directors are pleased to recommend a final dividend of ₹ 2.75 per Equity Share for the year ended March 31, 2014 on the paid up Equity Share Capital of the Company, payable to those shareholders whose names appear in the Register of Members as on the book closure date.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

i. that in preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;

ii. that the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2014, and of the profit/(loss) of the Company for year ended on that date.

iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, to safeguard the Company's assets and prevent and detect fraud and other irregularities.

iv. that the annual accounts have been prepared on a going concern basis.

10. DIRECTORS RETIRING BY ROTATION

As per Section 152 of the Companies Act, 2013 read with Article 134 of Articles of Association of the Company, Mr. Ashank Desai, Non-Executive Director of the Company retires by rotation and, being eligible, offers himself for re-appointment subject to retirement by rotation.

Mr. Venkatesh Chakravarty, Director retires by rotation at the forthcoming Annual General Meeting and is proposed to the members for appointment as an Independent Director of the Company under Section 149 of the Companies Act, 2013 and would not be subject to retirement by rotation.

11. AUDITORS

You are requested to appoint Auditors and fix their remuneration. The retiring auditors, M/s. Price Waterhouse, Chartered Accountants, (Firm Registration No. 012754N) have confirmed their availability within the limits of section 139(1) of the Companies Act, 2013.

12. HUMAN RESOURCES

Mastek 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 world-class talent. Mastek continually undertakes measures to attract and retain such high quality talent.

As on March 31, 2014, Mastek Group had a total of 3123 employees. The Company has resumed recruitment of fresh talent for its different projects.

The Directors wish to place on record their appreciation for the contributions made by employees to the Company during the year under review.

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forms part of this report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956 the report and accounts, excluding the Statement of Particulars under Section 217(2A), are being sent to all members. Any member interested in obtaining a copy of the Statement of Particulars may write to the Company at its Registered Office.

13. EMPLOYEE STOCK OPTIONS

Plan III

The Company passed special resolutions at its Annual General Meeting held on September 20, 2004 approving the allocation of 700,000 stock options to the eligible employees of the Company and its subsidiaries.

The Company subsequently established a new scheme in 2004 for granting 700,000 stock options to the employees referred to above, each option representing one equity share of the Company. The exercise price is as governed by the guidelines issued by SEBI. The scheme is governed by the Employee Stock Option Scheme and Employee Stock Purchase Guidelines issued in 1999 by SEBI and as amended from time to time. The first vesting of the stock options shall happen only on completion of one year from the date of grant and the options are exercisable within two years from the date of vesting. As per the SEBI guidelines, the excess of market price of the underlying equity shares as of the date of the grant of the options over the exercise price of the option is to be recognized and amortized on a straight line basis over the vesting period. No options have been granted under the scheme at below market price and consequently, there is no compensation cost in the current period. In April, 2006 the Company issued Bonus Shares in the ratio of 1:1 and the number of unvested and unexercised options and the price of the said options have been adjusted accordingly.

Particulars	(No. of options)	
	Year Ended March 31, 2014	Nine month period ended March 31, 2013
Opening Balance	**42,125**	94,750
Granted during the year	**-**	-
Exercised during the year	**-**	-
Cancelled during the year	**(42,125)**	(52,625)
Balance unexercised options	**-**	42,125

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 exercise price is as governed by the guidelines issued by SEBI. The scheme is governed by the Employee Stock Option Scheme and Employee Stock Purchase Guidelines issued in 1999 by SEBI and as amended from time to time. The first vesting of the stock options shall happen only on completion of one year from the date of grant and the options are exercisable within two years from the date of vesting. During the year ended June 30, 2011 the Company has extended the vesting period from two years to seven years. As per the SEBI guidelines, the excess of market price of the underlying equity shares as of the date of the grant of the options over the exercise price of the option is to be recognized and amortized on a straight line basis over the vesting period. No options have been granted under the scheme at below market price and consequently, there is no compensation cost in the current year.

Particulars	(No. of options)	
	Year Ended March 31, 2014	Nine month period ended March 31, 2013
Opening Balance	**277,915**	319,834
Granted during the year	**-**	-
Exercised during the year	**-**	-
Cancelled during the year	**(1,279)**	(41,919)
Balance unexercised options	**276,636**	277,915

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 exercise price as may be determined by the Compensation 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 and will be governed by the guidelines issued by SEBI. The scheme is governed by the Employee Stock Option Scheme and Employee Stock Purchase Guidelines issued in 1999 by SEBI and as amended from time to time. The first vesting of the stock options shall happen only on completion of one year from the date of grant and the options are exercisable within seven years from the date of vesting. As per the SEBI guidelines, the excess of market price of the underlying equity shares as of the date of the grant of the options over the exercise price of the option is to be recognized and amortized on a straight line basis over the vesting period. During the financial year ended June 30, 2011, 50,000 options were granted at a price less than the market price. Consequently, amortized compensation cost of ₹ NIL (Previous Year ₹ 35.0 Lakhs) in respect of options granted in earlier periods has been charged to the Profit and Loss account.

Particulars	(No. of options)	
	Year Ended March 31, 2014	Nine month period ended March 31, 2013
Opening Balance	**853,514**	895,458
Granted during the year	**-**	-
Exercised during the year	**-**	-
Cancelled during the year	**(180,000)**	(41,944)
Balance unexercised options	**673,514**	853,514

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 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 and will be governed by the guidelines issued by SEBI. The scheme is governed by the Employee Stock Option Scheme and Employee Stock Purchase Guidelines issued in 1999 by SEBI and as amended from time to time. The first vesting of the stock options shall happen only on completion of one year from the date of grant and the options are exercisable within seven years from the date of vesting. As per the SEBI guidelines, the excess of market price of the underlying equity shares as of the date of the grant of the options over the exercise price of the option is to be recognized and amortized on a straight line basis over the vesting period. No options have been granted under the scheme at below market price and consequently there is no compensation cost in the current year.

Particulars	(No. of options)	
	Year Ended March 31, 2014	Nine month period ended March 31, 2013
Opening Balance	**1,123,800**	1,054,200
Granted during the year	**1,003,750**	84,600
Exercised during the year	**(6,500)**	-
Cancelled during the year	**(228,750)**	(15,000)
Balance unexercised options	**1,892,300**	1,123,800

PLAN VII

The Company introduced ESOP VII scheme in 2013 for granting 2,500,000 stock options to its employees, employees of its subsidiaries each option giving a right to apply for one equity share of the Company on its vesting. The exercise price as may be determined by the Nomination & 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 and will be governed by the guidelines issued by SEBI. The scheme is governed by the Employee Stock Option Scheme and Employee Stock Purchase Guidelines issued in 1999 by SEBI and as amended from time to time. The first vesting of the stock options shall happen only on completion of one year from the date of grant and the options are exercisable within seven years from the date of vesting. As per the SEBI guidelines, the excess of market price of the underlying equity shares as of the date of the grant of the options over the exercise price of the option is to be recognized and amortized on a straight line basis over the vesting period.

Till date no options have been granted under ESOP VII scheme.

Disclosure required under SEBI (ESOS & ESPS) Guidelines, 1999

In order to enable the Company to continue with its ESOP, the Company passed special resolutions through postal ballot in January, 2002 for issue of 700,000 stock options to its employees. At the Annual General Meeting held on September 20, 2004, the Company passed special resolutions to issue 700,000 stock options to its employees. The Company passed special resolutions through postal ballot in August 9, 2007 for issue of 1,000,000 stock options to its employees. On March 20, 2009, the shareholders of the Company approved the further issue of 1,500,000 options to the employees. At the Annual General Meeting of the Company held on October 1, 2010, the shareholders of the Company approved the further issue of 2,000,000 options. At the Annual General Meeting of the Company held on July 17, 2013, the Shareholders of the Company approved the further issue of 2,500,000 options.

a)	Options granted: Opening	2,297,354
b)	Issued / Granted during the year	1,003,750
c)	Pricing formula	Market Price as defined by SEBI from time to time or face value or such price as may be decided by the Compensation committee from time to time
d	Options vested:	1,099,691
e)	Options exercised	6,500
f)	Total Number of shares arising as a result of exercise of option	6,500
g)	Options lapsed:	452,154
h)	Variations of terms of options	NIL
i)	Money realized by exercise of options	598,000
j)	Total number of options in force	2,842,450
k)	Employee-wise details of options granted to	
(1)	Senior managerial personnel:	1
(2)	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	NIL
(3)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL
	Diluted EPS pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20	₹ 10.84

l) The impact of this difference on profits and on EPS of the Company.

(₹ in Lakhs)

	Year Ended March 31, 2014	Nine months period ended March 31, 2013
Profit After Tax (PAT)	**2,697.11**	3,018.97
Less : Change in Empoyee compensation cost based on Fair value	**(36.49)**	156.90
PAT as per Fair value method	**2,660.61**	2,862.07
Proforma Basic EPS (in ₹)	**10.83**	10.89

m) Weighted-average exercise price and fair value of Stock Options granted during the year:

Stock options granted on	Weighted average exercise price (in ₹)	Weighted Average fair value	Closing market price at BSE on the date of grant (in ₹)
26 April 2013	133.00	61.86	132.35
19 July 2013	140.00	64.82	139.45
24 October 2013	161.00	77.49	158.25

n) Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information: : The Black Scholes option pricing model was developed for estimating fair value of traded options that have no vesting restrictions and are fully transferable. Since Option pricing models require use of substantive assumptions, changes therein can materially affect fair value of options. The option pricing models do not necessarily provide a reliable measure of fair value of options.

The main assumptions used in the Black-Scholes option-pricing model during the year were as follows:

Serial no	Grant Date	April 26, 2013	July 19, 2013	October 24, 2013
1	Risk Free Interest Rate	7.71%	7.25%	8.68%
2	Expected Life (years)	6	6	6
3	Expected Volatility	49.09%	48.90%	48.32%
4	Dividend Yield	2.27%	2.15%	1.90%

14. ADDITIONAL INFORMATION RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1968, forming part of the Directors' Report for the period ended March 31, 2014:

a) Conservation of Energy :

As a software Company, energy costs constitute a small portion of the total cost and there is not much scope for energy conservation.

Form A is not applicable for software industry.

b) Technology Absorption : Not Applicable

c) Foreign Exchange Earnings and Outgo Total foreign exchange used and earned by Mastek Ltd.

Particulars	(₹ In Lakhs)	
	Year Ended March 31, 2014	Nine month period ended March 31, 2013
Exchange Used	**22,678.55**	17,163.53
Exchange Earned	**54,386.98**	39,874.86

d) Expenditure on Product Development incurred by Mastek Ltd.

(₹ in Lakhs)

Description	**Year Ended March 31, 2014**	Nine month period ended March 31, 2013
Life & Annuity Products	**859.50**	729.85
Property & Casualty Products	**2,657.70**	1,655.87
Total	**3,517.20**	1,785.72

15. CORPORATE GOVERNANCE

Mastek follows best practices in Corporate Governance by benchmarking them with the best in the world.

16. ACKNOWLEDGEMENTS

The Directors would like to place on record their sincere appreciation for the continued co-operation, guidance, support and assistance provided by the SEEPZ Authorities, MIDC, Department of Electronics, ICICI Bank, Standard Chartered Bank Ltd and other government departments and authorities.

By the Order of the Board

Place: Mumbai **Sudhakar Ram**

Dated: April 23, 2014 Managing Director & Group CEO

MASTEK LIMITED

AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF MASTEK LIMITED

Independent Auditors' Report

To the Members of Mastek Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Mastek Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 of India (the "Act") read with the General Circular 15/ 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

   (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

   (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;

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

   (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;

   (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

Pradip Kanakia
Partner
Membership Number 39985

Mumbai
April 23, 2014

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Mastek Limited on the financial statements as of and for the year ended March 31, 2014

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.

ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 4(ii) of the said Order are not applicable to the Company.

iii. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)(b),(c) and (d) of the said Order are not applicable to the Company.

(b) The Company has not taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)(f) and (g) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

v. (a) According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.

(b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lakhs in respect of any party during the year.

vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

viii. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.

ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, and excise duty which have not been deposited on account of any dispute.

x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial period.

xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company

xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.

xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.

xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.

xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.

xvii. The Company has not raised any loans on short term basis. Accordingly, the provisions of Clause 4(xvii) of the Order are not applicable to the Company.

xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.

xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.

xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.

xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

Pradip Kanakia
Partner
Membership Number 39985

Mumbai
April 23, 2014

BALANCE SHEET AS AT MARCH 31, 2014

(All amounts in ₹ Lakhs, unless otherwise stated)

	Note	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	**1,108.03**	1,231.91
Reserves and surplus	4	**33,229.44**	37,007.35
		34,337.47	38,239.26
Non-current liabilities			
Long-term borrowings	5	**135.42**	123.98
Other long term liabilities	6	**-**	48.24
Long-term provisions	7	**1,754.32**	2,859.44
Current liabilities			
Trade payables	8	**278.77**	277.32
Other current liabilities	9	**6,518.78**	4,396.07
Short-term provisions	10	**1,850.90**	2,192.20
Total		**44,875.66**	48,136.51
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11 (i)	**6,720.15**	6,944.11
Intangible assets	11 (ii)	**1,061.06**	1,271.37
Capital work-in-progress		**33.66**	260.41
Non-current investments	12	**13,655.00**	15,223.93
Deferred tax assets	13	**1,882.15**	2,142.93
Long-term loans and advances	14	**6,089.88**	5,805.13
Current assets			
Current investments	15	**8,140.00**	3,700.00
Trade receivables	16	**3,368.78**	5,654.12
Cash and bank balances	17	**1,730.73**	3,808.90
Short-term loans and advances	18	**676.67**	1,137.48
Other current assets	19	**1,517.58**	2,188.13
Total		**44,875.66**	48,136.51
Summary of significant accounting policies	2		
Contingent Liabilities, capital and other commitments	20, 21		

The accompanying notes are an integral part of these financial statements.

In terms of our report of even date

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

Pradip Kanakia
Partner
Membership Number: 39985

Mumbai, April 23, 2014

For and on behalf of the Board

Sudhakar Ram
Managing Director and Group CEO

S. Sandilya
Non-Executive Chairman and Independent Director

Bhagwant Bhargawe
Company Secretary

Mumbai, April 23, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(All amounts in ₹ Lakhs, unless otherwise stated)

	Note	Year ended March 31, 2014	Nine month period ended March 31, 2013
Revenue	22	**55,042.70**	40,101.76
Other income	23	**2,144.58**	2,999.47
Total Revenue		**57,187.28**	43,101.23
Expenses			
Employee benefits expense	24	**32,524.74**	24,090.89
Finance costs	25	**26.87**	15.39
Depreciation and amortization expenses	26	**2,566.34**	1,779.66
Other expenses	27	**17,241.90**	13,965.67
Total Expenses		**52,359.85**	39,851.61
Profit before exceptional item and tax		**4,827.43**	3,249.62
Exceptional item - Provision for other than temporary decline in value	40	**1,555.01**	-
Profit before tax		**3,272.42**	3,249.62
Tax expense:			
Current tax		**1,122.78**	899.30
Less: Minimum alternate tax credit entitlement		**(91.54)**	(322.64)
Net current tax		**1,031.24**	576.66
Deferred tax charge / (credit)		**260.78**	(268.94)
Income tax refund / write back for earlier years		**(716.71)**	(77.07)
Profit for the year / period		**2,697.11**	3,018.97
Earnings per equity share	28		
Basic (Face value of ₹ 5/- each)		**10.98**	11.49
Diluted (Face value of ₹ 5/- each)		**10.84**	11.42
Summary of significant accounting policies	2		

The accompanying notes are an integral part of these financial statements.

In terms of our report of even date

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

Pradip Kanakia
Partner
Membership Number: 39985

Mumbai, April 23, 2014

For and on behalf of the Board

Sudhakar Ram
Managing Director and Group CEO

S. Sandilya
Non-Executive Chairman and Independent Director

Bhagwant Bhargawe
Company Secretary

Mumbai, April 23, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(All amounts in ₹ Lakhs, unless otherwise stated)

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Cash flows from operating activities		
Profit before exceptional item and tax	**4,827.43**	3,249.62
Adjustments for :		
Interest income	**(389.40)**	(368.51)
Interest on finance lease	**20.66**	10.37
Depreciation and amortization	**2,566.34**	1,779.66
Provision for doubtful debts and other receivables	**78.55**	111.03
Bad debts written off	**0.28**	0.62
(Reversal of provision) / Provision for cost overrun on contracts, net	**(124.63)**	93.74
Dividend from subsidiaries	**(1,143.67)**	(2,018.41)
Profit on sale of fixed asset, net	**(0.56)**	(14.54)
Profit on sale of investments	**(435.79)**	(297.18)
Loss on closure of subsidiary	**-**	0.48
Reversal of provision for other than temporary decline in value of investment in subsidiary	**-**	(118.96)
Operating profit before working capital changes	**5,399.21**	2,427.92
Decrease in trade receivables	**2,206.51**	702.07
Decrease / (Increase) in loans and advances and other assets	**1,150.40**	(533.77)
Increase in trade payables, other liabilities and provisions	**838.12**	576.23
Cash generated from operations	**9,594.24**	3,172.45
Income taxes paid, net of refunds received	**(703.21)**	(581.38)
Net cash generated from operating activities	**8,891.03**	2,591.07
Cash flows from investing activities		
Proceeds from sale of tangible assets	**2.61**	16.26
Purchase of tangible and intangible assets, net of capital work-in-progress capitalised	**(1,825.15)**	(1,441.09)
Interest received	**361.61**	82.55
Dividend from subsidiaries	**1,143.67**	2,018.41
Proceeds from closure of subsidiary	**-**	2.98
Proceeds from reduction of share capital in subsidiaries	**-**	177.47
Sale proceeds of current investments	**53,032.99**	26,207.18
Realisation of fixed deposits having maturity over three months	**999.00**	1.00
Purchase of current investments	**(57,037.20)**	(25,600.00)
Net cash (used in) / generated from investing activities	**(3,322.47)**	1,464.76
Cash flows from financing activities		
Proceeds from issue of ESOP shares	**5.98**	-
Payment made to shareholders on buyback of shares	**(5,417.09)**	(3,591.41)
Repayment of finance lease obligation	**(40.44)**	(15.31)
Dividends paid including dividend distribution tax	**(1,174.85)**	-
Interest paid on finance lease	**(20.66)**	(10.37)
Net cash used in financing activities	**(6,647.06)**	(3,617.09)
Net (decrease) / increase in cash and cash equivalents during the year / period	**(1,078.50)**	438.74
Cash and cash equivalents at the beginning of the year / period	**2,765.14**	2,326.40
Cash and cash equivalents at the end of the year / period	**1,686.64**	2,765.14

Notes :
1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard -3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
2 Cash and cash equivalents - Refer Note 17.
3 Figures in brackets indicate cash outgo.
4 Previous period's figures have been regrouped/reclassified wherever necessary.

In terms of our report of even date

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

Pradip Kanakia
Partner
Membership Number: 39985

Mumbai, April 23, 2014

For and on behalf of the Board

Sudhakar Ram
Managing Director and Group CEO

S. Sandilya
Non-Executive Chairman and Independent Director

Bhagwant Bhargawe
Company Secretary

Mumbai, April 23, 2014

1 Company Information :

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 and platforms in Insurance (Life, Pensions and General), Government / Public Sector and Financial Services sectors.

The Company's offering portfolio includes business and technology services comprising IT Consulting, Application Development, Systems Integration, Application Management Outsourcing, Testing, Data Warehousing and Business Intelligence, Application Security, CRM services and Legacy Modernisation. The Company has its primary operations in India through its offshore software development centers at Mumbai, Pune, Chennai and Mahape and also operates through its subsidiaries / branch in U.S., Canada, U.K. and Asia-Pacific.

2 Summary of significant accounting policies:

2.1 Basis of preparation

These financial statements have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention on accrual basis and comply in all material aspects with the accounting standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of services and the time between the acquisition of assets / inputs for processing and their realisation in cash and cash equivalents, the Company has ascertained its normal operating cycle as 12 months for the purpose of current / non current classification of assets and liabilities.

2.2 Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported year. Actual results could differ from those estimates.

2.3 Tangible assets and depreciation

Tangible assets are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalized until the assets are ready for use and include inward freight, duties, taxes and expenses incidental to acquisition and installation

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation on tangible assets is provided on the Straight Line Method, on a pro rata basis, over the useful life of assets, as estimated by management or as per Schedule XIV of the Companies Act in cases where the rates specified therein are higher. Assets individually costing less than ₹ 5,000/- are depreciated fully in the year of acquisition. The rates determined based on useful lives estimated by management which are higher than rates specified as per Schedule XIV are as under:

Assets	Useful Life
Buildings	25 - 30 years
Computers	2 years
Plant and Equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years
Office equipment	2 - 5 years
Leasehold Land	Lease Term ranging from 95-99 years
Leasehold improvements	5 years or the primary period of lease whichever is less

2.4 Intangible assets and amortization

Intangible assets are stated at cost of acquisition less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line method over their estimated useful lives as follows:

Assets	Useful Life
Goodwill	3 years
Computer software	1 - 5 years

2.5 Impairment of assets

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, management estimates the recoverable amount. Recoverable amount is higher of an asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of the its useful life. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss to the extent carrying amount exceeds recoverable amount.

2.6 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for other than temporary decline in value

is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

2.7 Foreign currency transactions and translation

Foreign currency transactions of the Company and its integral foreign branch are accounted at the exchange rates prevailing on the date of the transaction or at an average rate that approximates the actual rate at the date of the transaction. Monetary assets and liabilities are translated at the rate prevailing on the Balance Sheet date whereas non-monetary assets and liabilities are translated at the rate prevailing on the date of the transaction. 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.

In case of forward exchange contracts which are open on the balance sheet date and are backed by receivables, the premium or discount arising at the inception of such a forward exchange contract is amortized as expense or income over the life of the contract. The exchange difference on such contracts is computed by multiplying the foreign currency amount of the forward exchange contract by the difference between a) the foreign currency amount of the contract translated at the exchange rate at the reporting date or the settlement date where the transaction is settled during the reporting period, and b) the same foreign currency amount translated at the latter of the date of inception of the forward exchange contract and the last reporting date. The exchange difference so computed on such contracts is recognised in the Statement of Profit and Loss. Any profit or loss arising on cancellation or renewal of such forward exchange contracts is recognised as income or expense for the year.

2.8 Derivative instruments and hedge accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company designates these hedging instruments as cash flow hedges.

The use of hedging instruments is governed by the policies of the Company which are approved by its Board of Directors.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in the hedging reserve and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

For derivative financial instruments that do not qualify for hedge accounting, the premium or discount arising at the inception of the contract is amortized as expense or income over the life of the contract. Gains/losses on settlement of transaction arising on cancellation or renewal of such a forward exchange contract are recognized as income or expense for the year.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in shareholders' funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in hedging reserve is transferred to the Statement of Profit and Loss for the year.

2.9 Employee benefits

(i) Long-term employee benefits

(a) Defined contribution plans

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). The Company also makes contributions towards defined contribution plans in respect of its branches in foreign jurisdictions, as applicable. 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 plans

The Company has defined benefit plans for post employment benefits in the form of gratuity and leave encashment for its employees in India. The gratuity scheme of the Company is administered through Life Insurance Corporation of India (LIC). The Company also provides for leave encashment liability towards employees of its UK branch. Leave encashment vests to employees at the time of retirement, death while in employment or on termination of employment equivalent to salary payable for number of days of accumulated leave balance subject to an upper limit as per the Company's policy. Liability for defined benefit plans is provided on the basis of actuarial valuation, as at the balance sheet date, carried out by independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss as income or expense.

(ii) 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.

2.10 Revenue recognition

The Company derives revenues primarily from information technology services. Revenue is recognised in accordance with the terms of the contracts with customer. Revenues on time and material contracts are recognised when services are rendered and related costs are incurred. Revenues on fixed price, fixed time bound contracts are recognised over the life of the contract based on a proportion completion method measured by the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the period in which the change becomes known. Provisions for estimated losses on such contracts are made during the period in which a loss becomes probable and can be reasonably estimated.

Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

Revenues from resale of software and hardware are recognised upon delivery of products to the customer.

Amounts received from customers or billed to customers, in advance of services performed are recorded as unearned revenue under 'Other Current Liabilities'. Unbilled revenue included in 'Other Current Assets', represents amounts recognised in respect of services performed in accordance with contract terms, not yet billed to customers at the year end.

2.11 Other income

Dividend income from subsidiaries and on other investments is recognised when the right to receive payment is established. Interest income is recognised on time proportion basis taking into account the amounts invested and the rate of interest. Rental income is recognised on a straight line basis over the term of the lease as per the terms of contract with the lessee.

2.12 Leases

Assets taken on leases which transfer substantially all the risks and rewards incidental to ownership of the assets to the lessee i.e. finance leases, in terms of provisions of Accounting Standard (AS) 19 – 'Leases', are capitalized. The assets acquired under finance leases are capitalized at the lower of the fair value at the inception of the lease and the present value of minimum lease payments and a liability is created for an equivalent amount. Such assets are disclosed as leased assets under tangible assets and are depreciated accordingly. Each lease rental paid on the finance lease is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. Other leases are classified as operating leases and rental payments in respect of such leases are charged to the Statement of Profit and Loss on a straight line basis over the lease term. Assets given under operating leases are capitalised in the Balance Sheet under tangible assets and are depreciated as per the Company's depreciation policy.

2.13 Earnings per share

Basic earnings per share (EPS) are calculated by dividing the net loss / profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by adjusting the number of shares used for basic EPS with the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value i.e. average market value of outstanding shares. The number of shares and potentially dilutive shares are adjusted for share splits and bonus shares, as appropriate. In calculating diluted earnings per share, the effects of anti dilutive potential equity shares are ignored. Potential equity shares are anti-dilutive when there conversion to equity shares would increase earnings per share or decrease loss per share.

2.14 Income Taxes

Provision for tax for the year comprises of current tax and deferred tax. Current tax is measured by the amount of tax expected to be paid 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 income and the taxable income for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognised and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unabsorbed depreciation or carry forward losses are recognised only to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each balance sheet date for any write down or reversal, as considered appropiate.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Current 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing the current tax and where the deferred tax assets and liabilities relate to taxes on income levied by the same governing taxation laws.

2.15 Accounting for Employee Stock Options

Stock options granted to employees of Mastek Limited and its subsidiaries under the stock option schemes established after June 19, 1999 are accounted as per the treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines issued in 1999 (SEBI guidelines) issued by the Securities and Exchange Board of India (SEBI) and as amended from time to time and the guidance note on Employee Share-based Payments issued by the Institute of Chartered Accounts of India. The intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to share options outstanding account. The Expense on deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to Expense on Employee Stock Option Scheme, equal to the amortized portion of value of lapsed portion and debit to share options outstanding account equal to the un-amortized portion.

2.16 Provisions and 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 recognized as a separate asset, only when such reimbursement is virtually certain.

2.17 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.

3 Share capital

	As at March 31, 2014	As at March 31, 2013
Authorised:		
40,000,000 (March 31, 2013: 40,000,000) equity shares of ₹ 5/- each	**2,000.00**	2,000.00
2,000,000 (March 31, 2013: 2,000,000) preference shares of ₹ 100/- each	**2,000.00**	2,000.00
Total	**4,000.00**	4,000.00
Issued, subscribed and fully paid-up :		
22,160,680 (March 31, 2013 : 24,638,187) equity shares of ₹ 5/- each fully paid	**1,108.03**	1,231.91
Total	**1,108.03**	1,231.91

(a) Reconciliation of number of shares

	As at March 31, 2014		As at March 31, 2013	
	No. of shares	**Amount**	No. of shares	Amount
Equity Shares				
Balance as at the beginning of the year / period	**24,638,187**	**1,231.91**	27,026,187	1,351.31
Add : Addition on account of ESOP [Refer note 29 (a) iv]	**6,500**	**0.32**	-	-
Less : Shares extinguished on buy back	**(2,484,007)**	**(124.20)**	(2,388,000)	(119.40)
Balance as at the end of the year / period	**22,160,680**	**1,108.03**	24,638,187	1,231.91

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par 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 in 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

	As at March 31, 2014		As at March 31, 2013	
Equity Shares of ₹ 5 each held by :	**No. of shares**	**% of holding**	No. of shares	% of holding
Ashank Desai	**3,099,552**	**13.99%**	3,099,552	12.58%
Sudhakar Ram	**2,791,680**	**12.60%**	2,791,680	11.33%
Ketan Mehta	**2,519,100**	**11.37%**	2,519,100	10.22%
Fidelity Purita Trust Fidelity Low Priced	**2,025,000**	**9.14%**	2,025,000	8.22%
Life Insurance Corporation of India	**1,550,404**	**6.99%**	1,375,623	5.58%
Radhakrishnan Sundar	**1,445,800**	**6.52%**	1,445,800	5.87%
Ashish Dhawan	**1,313,935**	**5.93%**	2,326,906	9.44%

(d) Shares reserved for issue under options

	As at March 31, 2014	As at March 31, 2013
Number of shares to be issued under the Employee Stock Option Plans (Refer note 29 for details of shares to be issued under the Employee Stock Option Scheme.)	**2,842,450**	2,297,354

(e) Shares bought back (during 5 years immediately preceding March 31, 2014)

	March 31, 2014	March 31, 2013	June 30, 2012	June 30, 2011	June 30, 2010
Equity Shares bought back	**2,484,007**	2,388,000	-	-	-

Shares bought back during the year ended March 31, 2014 :

At the meeting of the Board of Directors of the Company held on January 08, 2014, the Board had given consent for the buy back of Company's fully paid up equity shares of ₹ 5/- each from existing shareholders and beneficial owners in accordance with the relevant provisions of Companies Act, 1956 and Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1988 for an amount not exceeding ₹ 5,450 and for a price not exceeding ₹ 250/- per equity share. The number of shares to be bought back shall be subject to a minimum of 950,000 Equity Shares and a maximum of 3,200,000 Equity Shares.

Since the commencement of the buy back until the closure date (March 25, 2014), the Company had bought back 2,484,007 equity shares at an average price of ₹ 218.08 per equity share. Consequently a sum of ₹ 5,417.09 had been utilised from General Reserve in respect of the buy back. Out of the amount utilised from General Reserve, an amount of ₹ 124.20 had been appropriated to the Capital redemption reserve account and the paid up share capital had been reduced by the same amount. The company had fully extinguished the shares bought back during the above mentioned period.

Shares bought back during the period ended March 31, 2013 :

At the meeting of the Board of Directors of the Company held on November 05, 2012, the Board had given consent for the buy back of Company's fully paid up equity shares of ₹ 5/- each from existing shareholders and beneficial owners in accordance with the relevant provisions of Companies Act, 1956 and Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1988 for an amount not exceeding ₹ 3,600 and for a price not exceeding ₹ 175/- per equity share. The number of shares to be bought back shall be subject to a minimum of 825,000 Equity Shares and a maximum of 3,200,000 Equity Shares.

Since the commencement of the buy back until the closure date (February 5, 2013), the Company had bought back 2,388,000 equity shares at an average price of ₹ 150.39 per equity share. Consequently a sum of ₹ 331.09 had been utilised from Securities Premium Account and a sum of ₹ 3,260.32 from General Reserve in respect of the buy back. Out of the amount utilised from General Reserve, an amount of ₹ 119.40 had been appropriated to the Capital redemption reserve account and the paid up share capital had been reduced by the same amount. The company had fully extinguished the shares bought back during the above mentioned period.

4 Reserves and surplus

	As at March 31, 2014	As at March 31, 2013
Capital Reserve		
Balance as at the beginning of the year / period	**106.07**	106.07
Balance as at the end of the year / period	**106.07**	106.07
Capital Redemption Reserve Account		
Balance as at the beginning of the year / period	**1,414.67**	1,295.27
Add : Transferred from General Reserve (Refer note 3(e))	**124.20**	119.40
Balance as at the end of the year / period	**1,538.87**	1,414.67
Securities Premium Account		
Balance as at the beginning of the year / period	**-**	331.09
Add : Addition on account of ESOP allotment	**5.66**	-
Less : Utilised for buy back of shares (Refer note 3(e))	**-**	(331.09)
Balance as at the end of the year / period	**5.66**	-
General Reserve		
Balance as at the beginning of the year / period	**7,132.76**	10,043.08
Less : Utilised for buy back of shares (Refer note 3(e))	**(5,292.89)**	(3,140.92)
Less : Transferred to Capital Redemption Reserve Account (Refer note 3(e))	**(124.20)**	(119.40)
Add : Transfer from Surplus in Statement of Profit and Loss	**520.00**	350.00
Balance as at the end of the year / period	**2,235.67**	7,132.76
Hedging Reserve Account		
Balance as at the beginning of the year / period	**195.92**	(1,681.61)
Add: Changes in the fair value of the effective cash flow hedges	**(164.72)**	1,877.53
Balance as at the end of the year / period (Refer note 33)	**31.20**	195.92
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year / period	**28,157.93**	26,353.73
Profit for the year / period	**2,697.11**	3,018.97
Less: Appropriations		
Interim Dividend	**(431.17)**	-
Proposed final dividend on Equity Shares for the year / period	**(609.42)**	(739.15)
Dividend distribution tax, net*	**17.52**	(125.62)
Transfer to General Reserve	**(520.00)**	(350.00)
Balance as at the end of the year / period	**29,311.97**	28,157.93
Total	**33,229.44**	37,007.35

*Dividend Distribution Tax (DDT) net, pertaining to the current year comprises the DDT liability of ₹ 103.57 on proposed final dividend and the credit of ₹ 121.09 in respect of tax paid u/s 115 BBD of the Indian Income Tax Act, 1961 by the Company on dividend received from a foreign subsidiary during the year.

(All amounts in ₹ Lakhs, unless otherwise stated)

5 Long-term borrowings

	As at March 31, 2014	As at March 31, 2013
Secured :		
Long term maturities of finance lease obligations	**135.42**	123.98

(a) Nature of Security and terms of repayment for secured borrowings

Nature of Security	Terms of Repayment
Finance Lease Obligations are secured by hypothecation of assets underlying the leases.	Monthly payment of Equated Monthly Installments beginning from the month subsequent to taking the lease.

6 Other long-term liabilities

	As at March 31, 2014	As at March 31, 2013
Security and other deposits	**-**	48.24

7 Long-term provisions

	As at March 31, 2014	As at March 31, 2013
Provision for employee benefits		
Provision for gratuity (Refer note 30)	**727.18**	1,665.35
Provision for leave encashment	**1,009.46**	1,009.41
Others		
Provision for cost overrun on contracts	**17.68**	142.31
Provision for mark-to-market losses on derivatives (Refer note 33)	**-**	42.37
Total	**1,754.32**	2,859.44

8 Trade payables

	As at March 31, 2014	As at March 31, 2013
Trade payables (Refer note 36)	**278.77**	277.32

9 Other current liabilities

	As at March 31, 2014	As at March 31, 2013
Current maturities of finance lease obligations	**53.03**	36.60
Unearned revenue	**1,915.95**	39.88
Unpaid dividends (Refer note (a) below)	**44.09**	44.76
Security and other deposits	**48.54**	2.70
Other payables		
Employee benefits payable	**2,050.51**	1,900.32
Accrued expenses	**1,833.78**	1,857.58
Capital creditors	**165.87**	141.70
Statutory dues including provident fund and tax deducted at source	**407.01**	372.53
Total	**6,518.78**	4,396.07

(a) There is no amount due for payment to Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

10 Short-term provisions

	As at March 31, 2014	As at March 31, 2013
Provision for employee benefits		
Provision for leave encashment	**803.50**	669.79
Others		
Provision for taxes, net of advance tax	**332.34**	471.47
Provision for mark-to-market losses on derivatives (Refer note 33)	**2.07**	186.17
Provision for proposed dividend on equity shares	**609.42**	739.15
Provision for dividend distribution tax on proposed dividend on Equity Shares	**103.57**	125.62
Total	**1,850.90**	2,192.20

(All amounts in ₹ Lakhs, unless otherwise stated)

11 Fixed assets

(i) Tangible assets

	Gross Block (at cost)				Depreciation				Net Block	
	As at April 1, 2013	Additions	Deductions	**As at March 31, 2014**	As at April 1, 2013	For the year	Deductions	**As at March 31, 2014**	**As at March 31, 2014**	As at March 31, 2013
a. Own assets:										
Buildings	5,891.77	-	-	**5,891.77**	1,620.92	150.19	-	**1,771.11**	**4,120.66**	4,270.85
Computers	1,956.31	616.35	(0.22)	**2,572.44**	1,538.05	414.49	(0.22)	**1,952.32**	**620.12**	418.26
Plant and equipment	4,180.52	103.85	(3.62)	**4,280.75**	3,598.89	286.10	(3.62)	**3,881.37**	**399.38**	581.63
Furniture and fixtures	5,557.94	269.59	(7.79)	**5,819.74**	4,898.66	357.71	(7.79)	**5,248.58**	**571.16**	659.28
Vehicles	351.06	70.20	(13.80)	**407.46**	190.96	65.83	(13.80)	**242.99**	**164.47**	160.10
Office equipment	1,815.00	93.21	(2.35)	**1,905.86**	1,666.48	61.36	(2.13)	**1,725.71**	**180.15**	148.52
Total (A)	**19,752.60**	**1,153.20**	**(27.78)**	**20,878.02**	**13,513.96**	**1,335.68**	**(27.56)**	**14,822.08**	**6,055.94**	6,238.64
Previous Period	20,751.98	564.33	(1,563.71)	19,752.60	14,037.87	1,038.94	(1,562.85)	13,513.96	6,238.64	
b. Leased assets:										
Leasehold land	558.45	-	-	**558.45**	43.73	61.37	-	**105.10**	**453.35**	514.72
Leasehold improvements	459.03	-	(58.61)	**400.42**	442.17	7.50	(58.61)	**391.06**	**9.36**	16.86
Vehicles	195.05	72.69	(5.62)	**262.12**	21.16	43.25	(3.79)	**60.62**	**201.50**	173.89
Total (B)	**1,212.53**	**72.69**	**(64.23)**	**1,220.99**	**507.06**	**112.12**	**(62.40)**	**556.78**	**664.21**	705.47
Previous Period	1,099.44	118.05	(4.96)	1,212.53	497.58	13.58	(4.10)	507.06	705.47	
Total (A + B)	**20,965.13**	**1,225.89**	**(92.01)**	**22,099.01**	**14,021.02**	**1,447.80**	**(89.96)**	**15,378.86**	**6,720.15**	6,944.11
Previous Period	21,851.42	682.38	(1,568.67)	20,965.13	14,535.45	1,052.52	(1,566.95)	14,021.02	6,944.11	

(ii) Intangible assets

	Gross Block (at cost)				Amortization				Net Block	
	As at April 1, 2013	Additions	Deductions	**As at March 31, 2014**	As at April 1, 2013	For the year	Deductions	**As at March 31, 2014**	**As at March 31, 2014**	As at March 31, 2013
Goodwill	130.32	-	-	**130.32**	130.32	-	-	**130.32**	**-**	-
Computer software	3,567.16	894.31	(541.24)	**3,920.23**	2,295.79	1,104.62	(541.24)	**2,859.17**	**1,061.06**	1,271.37
Total	**3,697.48**	**894.31**	**(541.24)**	**4,050.55**	**2,426.11**	**1,104.62**	**(541.24)**	**2,989.49**	**1,061.06**	1,271.37
Previous Period	9,329.22	614.81	(6,246.55)	3,697.48	7,955.96	716.70	(6,246.55)	2,426.11	1,271.37	

Notes:

(a) Own buildings include subscription towards share capital of Co-operative societies amounting to Rupees Two Hundred and Fifty (Previous year Rupees Two Hundred and Fifty).

(All amounts in ₹ Lakhs, unless otherwise stated)

12 Non-current investments

		As at March 31, 2014	As at March 31, 2013
(A) Investment property			
Gross block			
Opening and Closing		**389.41**	389.41
Less : Accumulated depreciation			
Opening		**120.73**	110.29
Depreciation for the year / period		**13.92**	10.44
Closing		**134.65**	120.73
Net block		**254.76**	268.68
(B) Trade investments			
Investment in subsidiaries - fully paid equity shares (Unquoted, at cost)			
MajescoMastek, USA			
128,415,000 (Previous period - 128,415,000) Equity Shares of US $ 0.002 each, fully paid up		**11,565.47**	11,565.47
Mastek Asia Pacific Pte Ltd., Singapore			
2,850,000 (Previous period - 2,850,000) Equity Shares of S $ 1 each, fully paid up	**717.98**		
Less : Provision for other than temporary decline in value (Refer Note 39) (Previous period Gross value ₹ 717.98, Provision for other than temporary decline in value ₹ 542.44)	**(542.44)**	**175.54**	175.54
Mastek MSC Sdn Bhd., Malaysia			
11,262,000 Equity Shares (Previous period - 11,262,000) of RM 1 each, fully paid up		**1,443.42**	1,443.42
Mastek (UK) Ltd., UK			
200,000 (Previous period - 200,000) Equity Shares of £ 1 each, fully paid up		**215.81**	215.81
MajescoMastek Canada Ltd., Canada			
3,500,000 (Previous period - 3,500,000) Shares of CN $ 1 each, fully paid up	**1,555.01**		
Less : Provision for other than temporary decline in value (Refer Note 40) (Previous period Gross value ₹ 1,555.01, Provision for other than temporary decline in value ₹ Nil)	**(1,555.01)**	**-**	1,555.01
Total		**13,400.24**	14,955.25
Total (A + B)		**13,655.00**	15,223.93
Aggregate amount of investment property		**254.76**	268.68
Aggregate amount of unquoted investments		**13,400.24**	14,955.25
Aggregate provision for other than temporary decline in value of unquoted investments		**2,097.45**	542.44

13 Deferred tax assets

	As at March 31, 2014	As at March 31, 2013
Deferred tax assets		
Depreciation	**976.09**	964.66
Provision for gratuity and leave encashment	**824.15**	1,085.14
Provision for doubtful debts and advances	**68.53**	81.78
Other timing differences	**13.38**	11.35
Total	**1,882.15**	2,142.93

14 Long-term loans and advances

	As at March 31, 2014	As at March 31, 2013
Unsecured, considered good, unless otherwise stated		
Capital advances	**8.55**	50.84
Security deposits	**204.22**	145.95
Prepaid expenses	**31.13**	39.91
Other loans and advances		
Advance Income tax, net of provision for tax	**2,708.19**	2,557.43
MAT credit entitlement	**3,100.53**	3,001.75
Advance to employees	**10.80**	9.25
Mark-to-market gains on derivatives (Refer note 33)	**26.46**	-
Total	**6,089.88**	5,805.13

(All amounts in ₹ Lakhs, unless otherwise stated)

15 Current investments

	As at March 31, 2014	As at March 31, 2013
At cost or market value, whichever is less:		
Investment in Mutual Funds (quoted):		
IDFC Yearly Series Interval Fund - Series II - Growth	-	500.00
(Nil units, Previous period - 5,000,000 units)		
ICICI Prudential - Fixed Maturity Plan Series 65 - 366 Days Plan I - Growth	-	500.00
(Nil units, Previous period - 5,000,000 units)		
HDFC FMP 371D November 2012 (1) - Growth	-	500.00
(Nil units, Previous period - 5,000,000 units)		
IDFC Fixed Term Plan - Series 73 (50 days) -Regular - Growth	**500.00**	-
(5,000,000 units, Previous period - Nil units)		
UTI Fixed Term Income Fund - Series XV - II (367 Days) - Growth	**1,000.00**	-
(10,000,000 units, Previous period - Nil units)		
HDFC FMP 372D May 2013 (1) - Series 26 - Regular - Growth	**500.00**	-
(5,000,000 units, Previous period - Nil units)		
IDFC Fixed Term Plan Series 20 - Regular - Growth	**750.00**	-
(7,500,000 units, Previous period - Nil units)		
UTI - Fixed Term Income Fund Series - XV - VI (368 Days) - Growth	**1,200.00**	-
(12,000,000 units, Previous period - Nil units)		
ICICI Prudential - Fixed Maturity Plan Series 68 - 369 Days Plan E - Regular - Growth	**630.00**	-
(6,300,000 units, Previous period - Nil units)		
DWS Interval Fund - Annual Plan Series 1 -Regular - Growth	**1,200.00**	-
(12,000,000 units, Previous period - Nil units)		
LIC Nomura MF Fixed Maturity Plan - Series 66 - 371 Days - Growth	**2,360.00**	-
(23,600,000 units, Previous period - Nil units)		
Investment in others (unquoted):		
Deposit with Housing Development Finance Corporation	-	2,200.00
Total	**8,140.00**	3,700.00
Aggregate amount of quoted investments	**8,140.00**	1,500.00
Market value of quoted investments	**8,618.20**	1,527.46

16 Trade receivables

	As at March 31, 2014	As at March 31, 2013
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered doubtful	**211.21**	247.86
Less: Provision for doubtful debts	**(211.21)**	(247.86)
Others		
Unsecured, considered good	**3,368.78**	5,654.12
Total	**3,368.78**	5,654.12

17 Cash and bank balances

	As at March 31, 2014	As at March 31, 2013
Cash and cash equivalents		
Cash on hand	**1.87**	1.34
Bank balances		
In current accounts	**1,536.18**	1,275.45
Fixed deposits (with original maturity of less than 3 months)	**148.59**	1,488.35
	1,686.64	2,765.14
Other bank balances		
Fixed deposit (with original maturity more than 3 months but less than 12 months)	-	999.00
Unpaid dividend account	**44.09**	44.76
	44.09	1,043.76
Total	**1,730.73**	3,808.90

(All amounts in ₹ Lakhs, unless otherwise stated)

18 Short-term loans and advances

	As at March 31, 2014	As at March 31, 2013
Unsecured, considered good, unless otherwise stated:		
Other Loans and Advances		
Security deposits	**11.77**	49.62
Prepaid expenses	**224.08**	214.91
Service tax credit receivable	**127.68**	626.57
Advance to suppliers		
Considered good	**214.61**	202.44
Considered doubtful	**7.26**	-
Less: Provision for doubtful	**(7.26)**	-
Advance to employees	**98.53**	43.94
Total	**676.67**	1,137.48

19 Other current assets

	As at March 31, 2014	As at March 31, 2013
Unsecured, considered good, unless otherwise stated:		
Interest accrued	**325.51**	297.72
Margin money deposit	**1.65**	1.65
Unbilled revenue	**1,141.46**	774.31
Reimbursable expenses receivable		
Considered Good	**48.96**	1,114.45
Considered doubtful	**-**	4.19
Less: Provision for doubtful	**-**	(4.19)
Total	**1,517.58**	2,188.13

20 Contingent liabilities

	As at March 31, 2014	As at March 31, 2013
Corporate performance guarantees given by the Company on behalf of the following subsidiaries:		
(a) MajescoMastek Canada Ltd.	**7,837.96**	6,211.43
(b) Mastek MSC (Thailand) Co. Ltd.	**1,497.88**	1,033.32
(c) Mastek (UK) Ltd.	**9,047.71**	15,680.00

The Company does not expect any outflows in respect of the above contingent liabilities.

21 Capital and other commitments

	As at March 31, 2014	As at March 31, 2013
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for	**235.20**	503.42

(All amounts in ₹ Lakhs, unless otherwise stated)

22 Revenue

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Information Technology Services	**54,459.34**	39,675.26
Other operating revenue		
Secondment fees	**339.38**	332.02
Resale of software and hardware	**131.84**	1.69
Doubtful debts recovered	**112.14**	92.79
Total	**55,042.70**	40,101.76

23 Other income

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Interest income		
On deposit	**143.04**	236.90
On income tax refunds	**226.00**	128.12
On others	**20.36**	3.49
Dividend income from subsidiaries	**1,143.67**	2,018.41
Profit on sale of tangible assets, net	**0.56**	14.54
Profit on sale of current investments	**435.79**	297.18
Rental income from investment properties	**108.88**	89.45
Net gain on foreign currency transactions and translation	**-**	57.17
Reversal of provision for other than temporary decline in value of investment in subsidiary	**-**	118.96
Miscellaneous income	**66.28**	35.25
Total	**2,144.58**	2,999.47

24 Employee benefits expense

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Salaries, wages and performance incentives	**30,392.33**	21,957.82
Gratuity (Refer note 30)	**(97.72)**	526.65
Contribution to provident and other funds (Refer note 30)	**911.21**	653.30
Staff welfare expense	**1,318.92**	953.12
Total	**32,524.74**	24,090.89

25 Finance costs

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Interest on finance lease	**20.66**	10.37
Bank charges	**3.98**	5.02
Other finance charges	**2.23**	-
Total	**26.87**	15.39

26 Depreciation and amortization expenses

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Depreciation on tangible assets	**1,447.80**	1,052.52
Amortization on intangible assets	**1,104.62**	716.70
Depreciation on investment property	**13.92**	10.44
Total	**2,566.34**	1,779.66

27 Other expenses

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Hire charges	**211.71**	146.22
Recruitment and training expenses	**162.03**	137.59
Travelling and conveyance	**2,096.63**	998.23
Communication charges	**285.60**	220.73
Electricity	**669.75**	529.34
Consultancy charges	**10,586.71**	9,617.36
Purchase of software and hardware	**418.02**	202.20
Rates and taxes	**234.26**	210.40
Repairs to buildings	**472.16**	260.86
Repairs : others	**935.13**	593.80
Insurance	**103.47**	85.68
Printing and stationery	**57.79**	38.74
Professional fees (Refer note (a) below)	**496.31**	415.16
Rent (Refer note 31)	**114.25**	104.10
Advertisement and publicity	**156.83**	40.84
Donation	**48.74**	28.97
Net loss on foreign currency transactions and translation	**66.36**	-
Provision for doubtful debt and other receivables	**78.55**	111.03
Bad debt written off	**0.28**	0.62
(Reversal of provision) / Provision for cost overrun on contracts, net	**(124.63)**	93.74
Loss on closure of subsidiary (Refer note 38)	**-**	0.48
Commission	**-**	0.01
Miscellaneous expenses	**171.95**	129.57
Total	**17,241.90**	13,965.67

(a) Professional fees include payment to auditors :

	Year ended March 31, 2014	Nine month period ended March 31, 2013
i. As auditor		
Statutory audit	**46.00**	46.00
Limited review	**24.00**	16.00
Other services	**8.00**	8.00
ii. For reimbursement of expenses	**4.00**	3.29

(b) Other expenses shown above are net of reimbursable expenses recovered from subsidiaries under appropriate line items.

28 Earnings Per Share (EPS)

	Year ended March 31, 2014	Nine month period ended March 31, 2013
The components of basic and diluted earnings per share are as follows:		
(a) Net profit attributable to equity shareholders	**2,697.11**	3,018.97
(b) Weighted average number of outstanding equity shares		
Considered for basic EPS	**24,572,517**	26,273,905
Add : Effect of dilutive potential equity shares arising from outstanding stock options	**299,906**	165,248
Considered for diluted EPS	**24,872,423**	26,439,153
(c) Earnings per share in ₹		
Basic	**10.98**	11.49
Diluted	**10.84**	11.42
(Nominal value per share ₹ 5/- each)		

29 Employee Stock Option Scheme

(a) Nature and extent of employee share-based payment plans that existed during the year :

i. Plan III

The Company passed special resolutions at its Annual General Meeting held on September 20, 2004 approving the allocation of 700,000 stock options to the eligible employees of the Company and its subsidiaries.

The Company subsequently established a new scheme in 2004 for granting 700,000 stock options to the employees referred to above, each option representing one equity share of the Company. The exercise price is as governed by the guidelines issued by SEBI. The scheme is governed by the Employee Stock Option Scheme and Employee Stock Purchase Guidelines issued in 1999 by SEBI and as amended from time to time. The first vesting of the stock options shall happen only on completion of one year from the date of grant and the options are exercisable within two years from the date of vesting. As per the SEBI guidelines, the excess of market price of the underlying equity shares as of the date of the grant of the options over the exercise price of the option is to be recognized and amortized on a straight line basis over the vesting period. No options have been granted under the scheme at below market price and consequently, there is no compensation cost in the current year. In April, 2006 the Company issued Bonus Shares in the ratio of 1:1 and the number of unvested and unexercised options and the price of the said options have been adjusted accordingly.

(No. of Options)

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Opening Balance	**42,125**	94,750
Granted during the year / period	**-**	-
Exercised during the year / period	**-**	-
Cancelled during the year / period	**(42,125)**	(52,625)
Balance unexercised options	**-**	42,125

ii. 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 exercise price is as governed by the guidelines issued by SEBI. The scheme is governed by the Employee Stock Option Scheme and Employee Stock Purchase Guidelines issued in 1999 by SEBI and as amended from time to time. The first vesting of the stock options shall happen only on completion of one year from the date of grant and the options are exercisable within two years from the date of vesting. During the year ended June 30, 2011, the Company has extended the vesting period from two years to seven years. As per the SEBI guidelines, the excess of market price of the underlying equity shares as of the date of the grant of the options over the exercise price of the option is to be recognized and amortized on a straight line basis over the vesting period. No options have been granted under the scheme at below market price and consequently, there is no compensation cost in the current year.

(No. of Options)

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Opening Balance	**277,915**	319,834
Granted during the year / period	**-**	-
Exercised during the year / period	**-**	-
Cancelled during the year / period	**(1,279)**	(41,919)
Balance unexercised options	**276,636**	277,915

iii. 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 exercise price as may be determined by the Nomination & Remuneration Committee ("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 and will be governed by the guidelines issued by SEBI. The scheme is governed by the Employee Stock Option Scheme and Employee Stock Purchase Guidelines issued in 1999 by SEBI and as amended from time to time. The first vesting of the stock options shall happen only on completion of one year from the date of grant and the options are exercisable within seven years from the date of vesting. As per the SEBI guidelines, the excess of market price of the underlying equity shares as of the date of the grant of the options over the exercise price of the option is to be recognized and amortized on a straight line basis over the vesting period. During the financial year ended June 31,2011, 50,000 options were granted at price less then the market price. There is no compensation cost in the current year.

(No. of Options)

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Opening Balance	**853,514**	895,458
Granted during the year / period	**-**	-
Exercised during the year / period	**-**	-
Cancelled during the year / period	**(180,000)**	(41,944)
Balance unexercised options	**673,514**	853,514

iv. 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 exercise price as may be determined by the 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 and will be governed by the guidelines issued by SEBI. The scheme is governed by the Employee Stock Option Scheme and Employee Stock Purchase Guidelines issued in 1999 by SEBI and as amended from time to time. The first vesting of the stock options shall happen only on completion of one year from the date of grant and the options are exercisable within seven years from the date of vesting. As per the SEBI guidelines, the excess of market price of the underlying equity shares as of the date of the grant of the options over the exercise price of the option is to be recognized and amortized on a straight line basis over the vesting period. No options have been granted under the scheme at below market price and consequently, there is no compensation cost in the current year.

(No. of Options)

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Opening Balance	**1,123,800**	1,054,200
Granted during the year / period	**1,003,750**	84,600
Exercised during the year / period	**(6,500)**	-
Cancelled during the year / period	**(228,750)**	(15,000)
Balance unexercised options	**1,892,300**	1,123,800

v. Plan VII

The Company introduced a new scheme in 2013 for granting 2,500,000 stock options to its employees, employees of its subsidiaries and its Independent Directors, each option giving a right to apply for one equity share of the Company on its vesting. The exercise price as may be determined by the 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 and will be governed by the guidelines issued by SEBI. The scheme is governed by the Employee Stock Option Scheme and Employee Stock Purchase Guidelines issued in 1999 by SEBI and as amended from time to time. The first vesting of the stock options shall happen only on completion of one year from the date of grant and the options are exercisable within seven years from the date of vesting. As per the SEBI guidelines, the excess of market price of the underlying equity shares as of the date of the grant of the options over the exercise price of the option is to be recognized and amortized on a straight line basis over the vesting period. No options have been granted under the scheme during the year.

(b) The Company has adopted the intrinsic value method as permitted by the SEBI Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India for measuring the cost of stock options granted.

The Company's net profit and earnings per share would have been as under, had the compensation cost for employees stock options been recognised based on the fair value at the date of grant in accordance with Black Scholes model.

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Profit after taxation	**2,697.11**	3,018.97
(Less): Change in employee compensation cost based on fair value	**(36.49)**	(156.90)
Profit after taxation as per fair value method	**2,660.62**	2,862.07
Basic Earnings per share (EPS)		
Number of shares	**24,572,517**	26,273,905
Basic EPS as reported (₹)	**10.98**	11.49
Proforma Basic EPS (₹)	**10.83**	10.89
Diluted Earnings per share (EPS)		
Number of shares	**24,872,423**	26,439,153
Diluted EPS as reported (₹)	**10.84**	11.42
Proforma Diluted EPS (₹)	**10.70**	10.83

(c) Stock options exercised during the year / period :

	Year ended March 31, 2014	Nine month period ended March 31, 2013
No. of options exercised during the year / period	**6,500**	-
Weighted average share price at the date of exercise (₹)	**138.80**	NA

(d) For stock options outstanding at the end of the year, the range of exercise prices and weighted average remaining contractual life (Vesting period + exercise period)

	Options Outstanding	Weighted Average Exercise Price (₹)	Weighted Average remaining Contractual Life(years)
As at March 31, 2014			
Range of Exercise Price (₹)			
0 - 150	**2,006,200**	**125.12**	**7.71**
151- 250	**300,920**	**208.76**	**7.28**
250 - 350	**390,330**	**298.28**	**3.99**
Above 350	**145,000**	**376.79**	**5.41**
Total	**2,842,450**	**170.60**	**7.04**
As at March 31, 2013			
Range of Exercise Price (₹)			
0 - 150	1,367,700	119.77	7.96
151- 250	210,920	245.07	6.94
250 - 350	486,609	298.34	4.89
Above 350	232,125	381.66	5.92
Total	2,297,354	195.56	7.01

(e) Information on stock options granted during the year :

	Year ended March 31, 2014	Nine month period ended March 31, 2013
No. of options granted during the year / period	**1,003,750**	84,600
Option Pricing model used	Market price as defined by SEBI	
Weighted average share price (₹)	**136.09**	135.52
Exercise Price (₹)	**137.01**	135.34
Expected volatility (%)	**48.98%**	49.84%
Option life (Vesting period + Exercise period) (Years)	**6.00**	8.00
Dividend yield (%)	**2.21%**	1.54%
Risk free interest rate (%)	**7.81%**	8.05%

The risk free interest rates are determined based on the zero-coupon yield curve for government securities. The volatility is determined based on annualized standard deviation of stock price on NSE over the time to maturity of the option. The expected dividend yield is based on the average dividend yields for preceding seven years.

(f) Effect of share-based payment plan on the Balance Sheet and Statement of Profit and Loss :

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Expense arising from employee share-based payment plan	**-**	-
Deferred stock compensation	**-**	-

30 Employee benefit plans

The disclosures required as per the revised Accounting Standard (AS) 15 - Employee Benefits (revised 2005) are as under:

	Year ended March 31, 2014	Nine month period ended March 31, 2013
(a) Defined contribution plans		
The Company has recognized the following amounts in Statement of Profit and Loss for the year / period:		
Contribution to Provident Fund	**874.00**	629.85
Contribution to Employees' State Insurance Corporation	**5.32**	3.26
Contribution to Maharashtra Labour Welfare Fund	**1.38**	0.70
Superannuation Contribution	**30.51**	19.49
	911.21	653.30

(b) Defined benefit plan

As per the independent actuarial valuation carried out as at March 31, 2014

	As at March 31, 2014	As at March 31, 2013
(i) Change in defined benefit obligations (DBO) :		
Projected benefit obligation - opening	**2,968.23**	2,493.54
Service cost	**430.91**	282.95
Interest cost	**262.61**	174.41
Actuarial (gain) / loss	**(611.46)**	130.21
Benefits paid	**(166.33)**	(112.88)
Projected benefit obligation - closing	**2,883.96**	2,968.23
(ii) Change in fair value of assets:		
Fair value of plan assets - opening	**1,302.88**	876.95
Expected return on plan assets	**113.02**	61.38
Employer's contribution	**840.45**	474.69
Benefit paid	**(166.33)**	(112.88)
Actuarial gain	**66.76**	2.74
Fair value of plan assets - closing	**2,156.78**	1,302.88
(iii) Amount recognized in the Balance Sheet		
Present value of obligations	**2,883.96**	2,968.23
Less: Fair value of plan assets	**(2,156.78)**	(1,302.88)
Net liability recognized	**727.18**	1,665.35
Recognized under:		
Long-term provisions (Refer note 7)	**727.18**	1,665.35
Total	**727.18**	1,665.35

	Year ended March 31, 2014	Nine month period ended March 31, 2013
(iv) Net gratuity cost for the year		
Service cost	**430.91**	286.15
Interest cost	**262.61**	174.41
Expected return on plan assets	**(113.02)**	(61.38)
Net actuarial (gain) / loss recognized in the current year / period	**(678.22)**	127.47
Net gratuity cost	**(97.72)**	526.65
(v) Asset information		
Life Insurance Corporation of India	**100%**	100%
(vi) Assumptions used in accounting for the gratuity plan:		
Discount rate (p.a.)	**9.25%**	7.95%
Return on plan Assets (p.a.)	**8.96%**	7.50%
Salary escalation rate (p.a.)	**10.00%**	10.00%
Retirement age	**60 years**	60 years
(vii) Expected Contribution to the fund in the next year		
Gratuity	**600.00**	600.00

(viii) Historical data of DBO, fair value of plan assets and experience adjustments :

	March 31, 2014	March 31, 2013	June 30, 2012	June 30, 2011	June 30, 2010
Defined benefit obligation	**2,883.96**	2,968.23	2,493.54	2,246.19	2,230.95
Plan assets	**2,156.78**	1,302.88	876.95	466.85	-
Deficit	**(727.18)**	(1,665.35)	(1,616.59)	(1,779.34)	(2,330.95)
Experience adjustments					
On plan liabilities	**(145.51)**	(9.25)	(143.20)	(434.66)	(402.73)
On plan assets	**66.76**	2.74	(18.40)	-	-

(c) Leave encashment charged during the year amount to ₹ 528.58 (Previous period ₹ 478.89)

31 Leases

(i) Operating lease

		As at March 31, 2014	As at March 31, 2013
(a)	Future minimum lease payments under non-cancellable operating leases (in respect of properties):		
	Due within one year	**30.40**	15.94
	Due later than 1 year but not later than 5 years	**30.40**	-
	Total minimum lease payments	**60.80**	15.94

		Year ended March 31, 2014	Nine months period ended March 31, 2013
(b)	Operating lease rentals recognised in the Statement of Profit and Loss (Refer note 27)	**114.25**	104.10

(c) Description of significant operating lease arrangements:

The Company has given refundable interest free security deposit under the lease agreements.

All agreements contain provision for renewal at the option of either party.

All agreements provide for restriction on sub-lease.

(ii) Finance lease

		As at March 31, 2014	As at March 31, 2013
(a)	Total minimum finance lease payments outstanding (in respect of vehicles):		
	Due within one year	**75.99**	56.64
	Due later than 1 year but not later than 5 years	**164.02**	155.44
	Total minimum lease payments	**240.01**	212.08
	Less: Interest not due	**(51.56)**	(51.50)
	Present value of net minimum lease payments	**188.45**	160.58
	Disclosed under:		
	Long-term borrowings (Refer note 5)	**135.42**	123.98
	Other current liabilities (Refer note 9)	**53.03**	36.60
		188.45	160.58

32 Income Taxes

(a) In accordance with the Indian Income Tax Act, the Company has calculated its tax liability after considering Minimum Alternate Tax (MAT). Payments under MAT can be carried forward and set off against future tax liability for a period of ten years. Accordingly, a sum of ₹ 3,100.53 (Previous year ₹ 3,001.75) has been carried forward and shown under 'Long-term loans and advances'. (Refer Note 14).

(b) The Company had received tax demands aggregating to ₹ 2,385.72 (including interest of ₹ 784.55) primarily on account of transfer pricing issues for the assessment years 2006-07 to 2010-11. For the assessment year 2006 -07 and assessment year 2007-08, the second appellate authority (the Income Tax Appellate Tribunal) has allowed these issues in favour of the Company and for assessment year 2006-07, the income tax authorities have filed an appeal with the Honourable High Court. For the assessment years 2008-09, 2009-10 and 2010-11, the matter is pending before the first appellate authority (the Commissioner of Income tax (Appeals)).

Considering the facts and favourable order of the second appellate authority for assessment year 2006-07 and assessment year 2007-08, the management believes that the final outcome of the above disputes for the remaining years should be in favour of the Company and there should not be any material impact on financial statements.

33 Derivative Financial Instruments

The Company, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to hedge against foreign currency exposures relating to higly probable forecast transaction. The Company does not enter into any derivative instrument for trading or speculative purposes. The counter party is generally a bank. These contracts are for a period between one day and four years.

The following "sell" foreign exchange forward contracts are outstanding as at :

		March 31, 2014		March 31, 2013	
	Foreign Currency (FC)	**No. of Contracts**	**Notional amount of Forward contracts (FC in Lakhs)**	No. of Contracts	Notional amount of Forward contracts (FC in Lakhs)
a	USD	**70**	**238.10**	82	206.80
b	GBP	**69**	**123.60**	27	105.40
c	CAD	**1**	**2.50**	NIL	–

Mark-to-Market losses	**As at March 31, 2014**	As at March 31, 2013
Mark-to-market losses provided for	**6.81**	424.46
Mark-to-market (gains) reported in Hedging Reserve Account (Refer note 4)	**(31.20)**	(195.92)
Mark-to-market (gains) / losses (net)	**(24.39)**	228.54
Classified as long term - (loans and advances) (Refer Note 14) / provisions (Refer note 7)	**(26.46)**	42.37
Classified as short term provisions (Refer note 10)	**2.07**	186.17

34 Related Party Disclosures

A. Enterprises where control exists

Subsidiaries / step down subsidiaries - wholly owned, except as indicated: MajescoMastek, USA (70% held by the Company); Mastek (UK) Ltd., UK; Mastek Asia Pacific Pte. Ltd., Singapore; Mastek MSC Sdn. Bhd., Malaysia; MajescoMastek Canada Ltd., Canada; Mastek MSC (Thailand) Co Ltd., Thailand; MajescoMastek Insurance Software and Solutions Inc., USA (Formerly "System Task Group International Ltd.") and Vector Insurance Services LLC, USA (90% held by the MajescoMastek, USA).

B. Other related parties with whom the Company had transactions during the year

Key Management Personnel: Sudhakar Ram
Radhakrishnan Sundar
Vinay Rajadhyaksha
Stefan Van Overtveldt
Farid Kazani
Kalpana Jaishankar

Disclosure of transactions between the Company and related parties and the status of outstanding balances as on March 31, 2014, including names of the related parties comprising more then 10% of the total transactions / balances of the same type :

(a) The Company has entered into transactions with the following related parties:

	Year ended March 31, 2014	Nine month period ended March 31, 2013
i. Information Technology Services rendered to		
Mastek (UK) Ltd.	**35,780.25**	26,190.81
MajescoMastek Insurance Software and Solutions Inc. (Formerly "System Task Group International Ltd.")	**13,280.70**	7,293.07
Others	**3,461.27**	3,937.64
ii. Other operating revenue - Secondment fees received from		
MajescoMastek Insurance Software and Solutions Inc. (Formerly "System Task Group International Ltd.")	**163.56**	139.40
MajescoMastek	**99.05**	126.90
Mastek MSC Thailand Co Ltd.	**41.78**	-
Others	**35.01**	65.72
iii. Dividend from subsidiary		
Mastek (UK) Ltd.	**1,143.67**	1,994.61
Mastek GmbH	**-**	23.80
iv. Proceeds from reduction of capital / closure of subsidiary		
Mastek GmbH (Refer note 38)	**-**	12.21
Mastek Asia Pacific Pte Ltd. (Refer note 39)	**-**	168.24
v. Reimbursable expenses recovered from		
Mastek (UK) Ltd.	**437.27**	1,609.14
MajescoMastek Insurance Software and Solutions Inc.(Formerly "System Task Group International Ltd.")	**172.18**	106.67
MajescoMastek	**78.31**	80.28
Others	**17.19**	33.40
vi. Total remuneration to key management personnel		
Sudhakar Ram	**124.20**	138.90
Radhakrishnan Sundar	**27.28**	47.60
Vinay Rajadhyaksha	**168.58**	134.57
Stefan Van Overtveldt	**475.69**	179.41
Farid Kazani	**109.76**	75.12
Kalpana Jaishankar	**49.46**	37.04

(b) Balances :

	As at March 31, 2014	As at March 31, 2013
i. Trade receivables		
Mastek (UK) Ltd.	**1,944.95**	3,294.66
MajescoMastek Insurance Software and Solutions Inc. (Formerly "System Task Group International Ltd.")	**444.67**	1,352.72
Others	**367.19**	348.60
ii. Unearned revenue		
MajescoMastek Insurance Software and Solutions Inc. (Formerly "System Task Group International Ltd.")	**1,833.40**	-
iii. Reimbursable expenses receivable		
MajescoMastek Insurance Software and Solutions Inc. (Formerly "System Task Group International Ltd.")	**18.21**	21.94
Mastek (UK) Ltd.	**11.60**	1,086.84
Others	**9.35**	-
iv. Unbilled revenue		
Mastek MSC (Thailand) Co Ltd.	**199.48**	-
v. Corporate guarantees given on behalf of subsidiaries disclosed as contingent liabilities		
Mastek (UK) Ltd.	**9,047.71**	15,680.00
MajescoMastek Canada Ltd.	**7,837.96**	6,211.43
Mastek MSC (Thailand) Co. Ltd.	**1,497.88**	1,033.32
vi. Investment in equity shares		
MajescoMastek	**11,565.47**	11,565.47
Mastek MSC Sdn Bhd.	**1,443.42**	1,443.42
MajescoMastek Canada Ltd. (Refer note 40)	**-**	1,555.01
Others	**391.35**	391.35

35 Segment reporting

The Company has presented data relating to its segments in its consolidated financial statements which are presented in the same annual report as Mastek Limited. In terms of provisions of Accounting Standard (AS) 17 – 'Segment Reporting', no disclosures related to segments are therefore presented in these stand-alone financial statements.

36 Micro, Small and Medium Enterprises

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. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous period.

37 Other disclosures

a. The Company is engaged in the development of computer software and other software related services. Considering the nature of business, certain details required under the revised schedule VI are not applicable.

b. Value of imports on C.I.F basis

	Year ended March 31, 2014	Nine month period ended March 31, 2013
Capital goods	**677.10**	340.18

c. Expenditure in foreign currency (including expenditure incurred by the Company's overseas branch)

Salaries, wages and performance incentives	**9,843.42**	6,448.47
Travelling and conveyance	**879.54**	406.13
Consultancy charges	**9,710.82**	8,771.88
Professional fees	**22.77**	71.93
Advertisement and publicity	**2.25**	0.90
Communication charges	**38.26**	39.54
Electricity	**7.87**	3.74
Insurance	**8.32**	9.55
Printing & stationery	**7.56**	5.66
Rates and taxes	**36.33**	27.71

(All amounts in ₹ Lakhs, unless otherwise stated)

		Year ended March 31, 2014	Nine month period ended March 31, 2013
	Recruitment and training expense	**46.42**	32.95
	Rent	**62.54**	47.22
	Repairs to buildings	**52.25**	29.02
	Repairs : others	**90.19**	62.59
	Purchase of software and hardware	**290.87**	200.54
	Commission	**-**	0.01
	Bank charges	**0.31**	0.45
	Hire charges	**-**	0.20
	Staff welfare expenses	**850.80**	609.32
	Miscellaneous expenses	**50.94**	55.54
d.	Earnings in foreign exchange		
	Income from services	**52,896.22**	37,520.83
	Other operating revenue - Secondment fees	**339.38**	332.02
	Dividend from subsidiaries	**1,143.67**	2,018.41
	Others	**7.71**	3.60

38 Reduction of capital of Mastek Gmbh and subsequent closure

Pursuant to management decision to discontinue business operation in Germany during the period ended March 31, 2013 the share capital of Mastek GmbH (wholly owned subsidiary) has been reduced by ₹ 9.23 (Euro 13,500) to align with business requirements and the subsidiary is fully closed down. During the period ended March 31, 2013, the Company received ₹ 2.98 as liquidation proceeds and the resulting loss of ₹ 0.48 on closure has been charged to the Statement of Profit and Loss.

39 Reduction of capital of Mastek Asia Pacific Pte Ltd., Singapore

During the period ended March 31, 2013, the Company had reduced its investment in its wholly owned subsidiary Mastek Asia Pacific Pte Ltd, Singapore by ₹ 168.24. The remittance of proceeds had resulted in an exchange gain of ₹ 188.73 and a partial write back of provision for other than temporary decline in value of investment of ₹ 118.96, both of which had been credited in the Statement of Profit and Loss.

40 Exceptional Item - Other than temporary decline in the value of investment in a Subsidiary

Based on the review of the operations and the expected cash flow of its wholly owned subsidiary, MajescoMastek Canada Ltd., Canada ("MCAN"), the Management of the Company has determined and accounted an other than temporary decline in the carrying value of this investment amounting to ₹ 1,555.01. (Refer note 12).

41 During the previous period, the company had changed its accounts closing date from June 30 to March 31. Accordingly, the figures for the previous period are for the nine month period from July 1, 2012 to March 31, 2013 and are therefore not comparable with those of the current year.

42 Previous period figures have been regrouped and reclassified wherever necessary.

In terms of our report of even date

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

Pradip Kanakia
Partner
Membership Number: 39985

Mumbai, April 23, 2014

For and on behalf of the Board

Sudhakar Ram
Managing Director and Group CEO

S. Sandilya
Non-Executive Chairman and Independent Director

Bhagwant Bhargawe
Company Secretary

Mumbai, April 23, 2014

STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Information relating to subsidiaries as at March 31, 2014 **(₹ in Lakhs)**

Sr. no.	Name of the Subsidiary Company	Reporting currency	Exchange rate*	Capital	Reserves	Total assets	Total liabilities	Investment other than investment in subsidiary	Turnover (including other income)	Profit / (Loss) before tax	Provision for tax	Profit / (Loss) after tax	Proposed dividend	Country
1	Mastek (UK) Limited	GBP	99.765	199.53	15,935.96	20,632.64	4,497.15	-	45,448.55	1,843.62	418.87	1,424.75	-	UK
2	MajescoMastek - Consolidated (Refer note 1)	USD	59.915	143.84	22,790.07	29,972.32	7,038.42	-	40,762.64	1,741.32	608.59	1,132.74	-	USA
3	Mastek Asia Pacific Pte Ltd.	SGD	47.583	1,356.12	(1,217.09)	199.72	60.69	-	403.73	(51.72)	-	(51.72)	-	Singapore
4	Mastek MSC Sdn Bhd.- Consolidated (Refer note 2)	RM	18.353	2,066.92	34.24	2,495.19	394.03	-	2,604.12	52.22	8.26	43.96	-	Malaysia
5	MajescoMastek Canada Ltd.	CAD	54.273	1,555.01	(1,079.92)	1,601.55	1,126.46	-	3,482.62	15.60	-	15.60	-	Canada

Notes :

1 MajescoMastek, USA - has following subsidiaries:
- MajescoMastek Insurance Software and Solutions Inc., USA (formerly -System Task Group International Limited) - 100%
- Vector Insurance Services LLC, USA - 90%

2 Mastek MSC Sdn Bhd. - has following subsidiary:
- Mastek MSC (Thailand) Co. Ltd, Thailand - 100%

* Exchange rate as on 31 March, 2014.

Mumbai
April 23, 2014

Sudhakar Ram
Managing Director and Group CEO

S. Sandilya
Non-Executive Chairman and Independent Director

Bhagwant Bhargawe
Company Secretary

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT 2013-14

PART- I CLAUSE 49 OF LISTING GUIDELINES

Mastek always believes that sound Corporate Governance is critical for enhancing long-term shareholder value and retaining investor trust.

A Corporation is a congregation of various stakeholders, namely, customers, employees, investors, vendor partners, Government and society. A Corporation should be fair and transparent to its stakeholders in all its transactions. This has become imperative in today's globalized business world where corporations need to access global pools of capital, need to attract and retain the best human capital from various parts of the world, need to partner with vendors on mega collaborations and need to live in harmony with the community. Unless a Corporation embraces and demonstrates ethical conduct, it will not be able to succeed.

N. R Narayana Murthy Committee has defined Corporate Governance as

"Corporate Governance is beyond the realm of law. It stems from the culture and mindset of management, and cannot be regulated by legislation alone. Corporate Governance deals with conducting the affairs of a company such that there is fairness to all stakeholders and that its actions benefit the greatest number of stakeholders. It is about openness, integrity and accountability. What legislation can and should do, is to lay down a common framework – the "form" to ensure standards. The "substance" will ultimately determine the credibility and integrity of the process. Substance is inexorably linked to the mindset and ethical standards of management."

Mastek has always strived to go beyond the statutory and regulatory requirements of Corporate Governance. Our endeavor is to follow good governance in letter as well as spirit.

A. **Company's Philosophy**

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency, fairness in all its transactions with all its stakeholders in the widest sense. The Company's philosophy of Corporate Governance, that of timely disclosures, transparent accounting policies and a strong and Independent Board, goes a long way in preserving Shareholders' interest, while maximizing long-term shareholder value.

Corporate Governance practised at the Company is not restricted to the Board of Directors. It is an approach to Sustainable Development.

B. **Board of Directors**

(i) **Size and Composition of the Board**

The Board of the Directors of the Company has a combination of Executive and Independent Directors with varied professional background in the field of Information Technology, Insurance, Finance, Marketing and Strategic Management. As on March 31, 2014 the Board has ten members, four are promoter-directors and the rest six are Independent Directors. The Chairman of the Board is a Non-Executive Independent Director.

(ii) **Number of Board Meetings**

During the year ended March 31, 2014**,** there were 8 (eight) Board Meetings, which were held on April 26, 2013, June 20, 2013, July 19, 2013, October 24, 2013, January 8, 2014, January 23, 2014, February 24, 2014 and March 27, 2014.

During the year ended March 31, 2014, there were 3 (three) meetings of Independent Directors. These meetings were held on July 19, 2013, January 23, 2014 and March 27, 2014.

(iii) **Directors' Attendance and Directorships held**

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM on July 17, 2013	No. of other Directorship in other Companies	No. of Committees Memberships in other Companies	No. of Board Committees of Mastek on which member
Mr. S. Sandilya	Non- Executive Chairman & Independent Director	8	Yes	5	4	1
Mr. Sudhakar Ram	Managing Director & Group CEO (Promoter)	6	Yes	2	Nil	1
Mr. Ashank Desai	Non-Executive Director (Promoter)	7	Yes	5	Nil	1
Mr. Ketan Mehta	Non-Executive Director (Promoter)	6	No	5	Nil	Nil
Mr. Radhakrishnan Sundar	Executive Director (Promoter)	7	Yes	Nil	Nil	1
Dr. Rajendra Sisodia	Non- Executive Director (Independent)	6	No	1	Nil	1

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM on July 17, 2013	No. of other Directorship in other Companies	No. of Committees Memberships in other Companies	No. of Board Committees of Mastek on which member
Ms. Priti Rao	Non- Executive Director (Independent)	8	No	1	Nil	1
Mr. Venkatesh Chakravarty	Non Executive Director (Independent)	8	No	2	Nil	2
Mr. Atul Kanagat	Non Executive Director (Independent)	7	No	1	Nil	Nil
Dr. Arun Maheshwari (with effect from October 24, 2013)	Non Executive Director (Independent)	3	N.A.	1	Nil	1

Notes:

1. None of the Directors is a member of more than 10 Board-level committees, or a Chairman of more than five such committees which is, in compliance with Clause 49 of the listing agreement.
2. Particulars of Directors retiring by rotation and seeking re-appointment have been given in the Notice convening the 32nd Annual General Meeting and explanatory statement, attached thereto.
3. The committees considered for the above purpose are those as specified in existing Clause 49 of the Standard Listing Agreement(s) i.e. Audit Committee and Share Transfer, Investors Grievances and Stakeholders Relationship Committee.
4. In calculating the number of Directorships, Private Limited Companies which is neither a subsidiary nor a holding Company of Public Ltd. Co., Associations or Companies not carrying on business for profit, Companies where a Director is Alternate to some Director have been excluded.

Pecuniary Relationship or Transactions with Non-Executive Directors

Mr. Ashank Desai, Non- Executive Director was provided perquisites aggregating to ₹ 130,875/- during the year ended March 31, 2014.

The Company has received an approval from the Ministry of Corporate Affairs, Government of India, New Delhi on September 19, 2013 vide their letter no No. SRN B64202435 / 4 /2012 - CL-VI for reimbursement of certain benefits/perquisites to Mr. Ashank Desai against the application made to Ministry of Corporate Affairs, New Delhi for payment of certain benefits/perquisites not exceeding ₹ 15 Lakhs per annum.

(iv) **Code of Conduct for Directors and Senior Management**

The Company has a code of conduct for Directors and Senior Management of the Company. The said code has been posted on the Company's website.

Profile of Independent Directors

1. **Ms. Priti Rao:**

Ms. Rao is a postgraduate in Computer Science from Indian Institute of Technology (IIT), Mumbai.

In her 25 years of diverse experience building and delivering a range of IT services for customers located across five continents, Ms. Rao has held very senior positions with global teams for best of breed IT companies. She has had long innings with Infosys as a senior executive heading the Pune development centre and heading their infrastructure services business and with Dell as vice president for global operations. Recently launched own venture Pumpkin Patch Daycare to cater to needs of young parents, who need a trusted place to keep their children and be able to focus on their careers. India lacks such world class infrastructure for a crèche, where love, safety, care are most important aspects.

Ms. Priti Rao is widely recognized as an accomplished business leader and was conferred with the prestigious "**IT woman of the year award**" **for 2002** by the Computer Society of India.

Ms. Priti Rao does not hold any shares in the Company.

2. **Dr. Rajendra S. Sisodia:**

Dr. Sisodia is an electrical engineer from BITS, Pilani, India and also has MBA degree in Marketing from the Bajaj Institute of Management Studies in Mumbai and a Ph.D. in Marketing & Business Policy from Columbia University, where he was the Booz Allen Hamilton Fellow.

Dr. Sisodia is FW Olin Distinguished Professor of Global Business and Whole Foods Market Research Scholar in Conscious Capitalism at Babson College. He was previously Trustee Professor of Marketing and the Founding Director of the Center for Marketing Technology at Bentley University. He is also the Co-Founder and Co-Chairman of Conscious Capitalism Inc.

Dr. Sisodia has authored several books (including Conscious Capitalism: Liberating the Heroic Spirit of Business and Firms of Endearment: How World Class Companies Profit from Passion & Purpose) and published over 100 articles (in publications such as the Harvard Business Review, Journal of Business Strategy, Journal of Marketing, and others.)

Dr. Sisodia does not hold any shares in the Company.

3. **Mr. Venkatesh Chakravarty:**

Mr. Chakravarty is qualified as an Associate Member of the Chartered Insurance Institute, UK (ACII, UK). He holds a Master's degree in Administrative Management from Bajaj Institute of Management Studies and a Bachelor of Arts Degree in Economics, Political Science & Sociology.

Mr. Chakravarty has more than 28 years of experience in the Insurance Industry. His experience spans across Insurance, Management Consulting, & Reinsurance. He has worked in various capacities in the Insurance industry beginning with Life Insurance Corporation of India, Eagle Star International in the Middle East and for KPMG India where he was an Associate Director, Management Consulting, responsible for Insurance practice. He joined Swiss Re Life & Health in September, 1998 as a Business Development Manager in London responsible for Life & Health business in India & Sri Lanka. He worked in Swiss Re, London for nearly a year before assuming responsibility in Swiss Re, Mumbai office. He has been the Head of Life & Health Business and a Director on the Board of Swiss Re Services India Pvt. Ltd. for more than 10 years. He resigned as a Director from Swiss Re on March 4, 2013 and has moved on to pursue personal interests.

Mr. Chakravarty does not hold any shares in the Company.

4. **Mr. S. Sandilya:**

Mr. Sandilya is a Commerce Graduate from Chennai University and holds MBA from the Indian Institute of Management, Ahmedabad and he has 39 years of professional experience. Mr. Sandilya is presently Chairman, Eicher Group. He joined Eicher Group in 1975 and has held various responsibilities in the areas of Group Finance including Information Technology, Strategic Planning, Manufacturing and General Management. Additionally, Mr. Sandilya is Director of Tube Investments of India Limited, Rane Brake Lining Limited, GMR Infrastructure Limited, Chairman of Lean Management Institute of India, Member of the Board of Lean Global Network USA, Past President of Society of Indian Automobile Manufacturers and President of International Motorcycle Manufacturers Association, Geneva for the period 2012-2014.

Mr. Sandilya holds 6,500 Equity Shares in the Company.

5. **Mr. Atul Kanagat:**

Mr. Atul Kanagat is a B.Tech in Mechanical Engineering from Indian Institute of Technology, Mumbai and a MBA from Harvard Business School, Boston, Massachusetts.

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

After completing his MBA at Harvard, in 1982, Mr. Kanagat joined McKinsey & Company in Chicago. He was elected as Partner in 1988, Director in 1994 and thereafter as Managing Director during the period 1995 to 2003.

During the period 1996 to 2003, Mr. Kanagat was a Member of the Boards of the following institutions:

- Seattle Symphony
- Fred Hutch Cancer Research Center
- Greater Seattle Chamber of Commerce

During the period 2003 to 2009, Mr. Kanagat was also on the Board of Liberty Science Center in Jersey City.

During the period 2010 to 2011, Mr. Kanagat worked for Harman International as Vice President- Strategy & Mergers & Acquisition.

Mr. Kanagat does not hold any shares in the Company.

6. **Dr. Arun Maheshwari:**

Dr. Arun Maheshwari studied at IIM, Calcutta, before leaving for the US in 1967 for further studies. Dr. Maheshwari has a Master's degree in Computer Science from Stanford University, an MBA from Columbia University and a Ph.D. from Wharton School of Business. Dr. Maheshwari taught at Wharton, Temple University's Fox School of Business, and NYU's Stern School while working on his Ph.D. degree.

Dr. Maheshwari returned to India in 1974 after his education in USA and joined Tata Consultancy Services (TCS), as a senior executive responsible for marketing, software development, and management consulting. Dr. Maheshwari was TCS's first head of marketing / business development. After about three years, he decided to migrate to the USA and joined McKinsey, in New York in 1977. At McKinsey, he specialized in strategy and information technology studies, many of them in the Insurance industry. In 1981, Dr. Maheshwari moved from McKinsey to Reliance Insurance in Philadelphia, and then to Continental Insurance (now CNA), as a senior information technology executive. Dr. Maheshwari obtained CPCU (Property Casualty Certification) and FLMI Part1 (Life Certification) while working at Continental Insurance.

In 1996, Dr. Maheshwari started CSC India from scratch. CSC India grew rapidly under his leadership and received many awards, including best employer in India. CSC India had more than 4,000 employees and customers in 25 countries when Dr. Maheshwari left it. The foundation built by him continued to support rapid growth of CSC India, and today it has about 25,000 employees. Dr. Maheshwari next started Fiserv Global Services Group in 2005. Fiserv Global Services grew rapidly to more than 2,000 employees in two years. Dr. Maheshwari retired at the end of 2009.

Dr. Maheshwari is currently associated with First Mark private equity group. He has served as a Board member for Duck Creek Technologies and is currently a Board member of Eagle Eye Analytics, where he acted as an interim CEO when the CEO had a heart attack and left suddenly. Dr. Maheshwari is a director of Fortegra, a NYSE listed insurance company. Dr. Maheshwari is active in technology investment through his personal fund RisingSun Ventures and in real estate investment through his firm Infinite Realty Ventures.

Dr. Arun Maheshwari does not hold any shares in the Company.

C. **Audit Committee**

(i) Terms of Reference

The terms of reference of the Audit Committee are as follows:

(a) Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

(b) Recommend the appointment and removal of the Statutory Auditors, fix Audit fees/ Remuneration and other terms of appointment and also grant approval for payments for services other than those specifically prohibited under the Companies Act, 2013.

(c) Review and monitor Auditors' independence and performance and effectiveness of the Audit process.

(d) Review/Examination of the financial statements with the management before submission to the Board along with Report of Auditors thereon, focusing primarily on:

- Any changes in accounting policies and practices.
- Major accounting entries based on the exercise of judgment by management.
- Qualifications in the draft audit report.
- Significant adjustments arising out of audit.
- The going concern assumption.
- Compliance with accounting standards.
- Compliance with stock exchange and legal requirements concerning financial statements.
- Any related party transactions, i.e. Approval or any subsequent modification of related party transactions of the Company.

(e) Review with the management, external and internal auditors the adequacy of internal control systems.

(f) Discuss with internal auditors any significant findings and follow-up action.

(g) Review with the management the quarterly financial statements before submission to the Board for approval.

(h) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud, irregularity, or failure of internal control systems of a material nature and report the matter to the Board.

(i) Discuss with external auditors before the audit commences about the nature and scope of audit and have post-audit discussion to ascertain any area of concern.

(j) Review the Company's Internal financial Control and Risk Management Systems/policies.

(k) Look into the reasons for substantial defaults in payment to depositors, debenture holders, shareholders (in the case of non-payment of declared dividends) and creditors.

(l) Review the functioning of the Whistle-Blower mechanism.

The minutes of the Audit Committee are circulated to the Board of Directors. The Chairman of the Audit Committee apprises the Board on the recommendations made by the Committee. Further, at the beginning of the financial year, the Committee prepares fresh plans for the internal audit. It discusses the areas covered by the internal audit and recommends the scope of audit for the current year. The Committee reviews the performance of the internal and statutory auditors and advises the Board on the re-appointment of internal and statutory auditors.

In compliance with Clause 49 of the Listing agreement, the Independent Directors of the Company had two separate meetings with Price Waterhouse - Statutory Auditors of the Company.

(ii) Composition

Mastek has an Audit Committee that currently comprises of three Independent Directors and a Non-Executive Promoter Director. The Independent Directors are accomplished professionals from the corporate fields. The Group CFO and Finance Director and the Chief Financial Officer of the Company attend the meetings on invitation. The Company Secretary is the Secretary of the Committee.

During the year ended March 31, 2014, the Committee met 4 times. The attendance of the members at the meetings is stated below:

Name of Member	Status	No. of Meetings attended
Mr. S. Sandilya	Chairman	4
Mr. Ashank Desai	Member	4
Ms. Priti Rao	Member	4
Mr. Venkatesh Chakravarty	Member	4

The meetings are attended by Internal Auditors and Statutory Auditors. 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.

D. **Remuneration of Directors**

The Board of Directors decides and approves the remuneration of Non-Executive Directors.

Details of Remuneration of Non-Executive Directors for the year ended March 31, 2014 are stated below:

Name	Perquisites (₹)	Sitting Fees (₹)	Commission (₹)	Total (₹)
Mr. Ashank Desai	130,875	180,000	-	310,875
Ms. Priti Rao	-	200,000	-	200,000
Dr. Rajendra Sisodia	-	120,000	-	120,000
Mr. Venkatesh Chakravarty	-	200,000	-	200,000
Mr. S. Sandilya	-	200,000	-	200,000
Mr. Atul Kanagat	-	140,000	-	140,000
Dr. Arun Maheshwari	-	-	-	-
Total	**130,875**	**1,040,000**	**-**	**1,170,875**

Criteria of payment of remuneration to Non- Executive Directors:-

Subject to availability of profits, calculated under Section 309 read with Section 349 & 350 of the Companies Act, 1956, Non- Executive Directors of the Company may also be entitled to commission and the same will be paid as per the following remuneration structure:

1. 50%- Fixed.
2. 50%- Variable, based on the number of Board meetings attended.

The total remuneration paid to all Independent Non-Executive Directors will have an upper limit of 1% of net profit of the Company. (Sitting fees are excluded in the above calculation).

To conserve the resources, no commission is paid to the Non-Executive Directors.

Number of options/equity shares held by Independent Directors as on March 31, 2014:

Name of Director	No. of Options granted	No. of Equity Shares held
Ms. Priti Rao	29,600	Nil
Dr. Rajendra Sisodia	26,944	Nil
Mr. Venkatesh Chakravarty	26,900	Nil
Mr. S. Sandilya	26,000	6,500
Mr. Atul Kanagat	24,600	Nil

Number of equity shares held by other Non-Executive Directors as on March 31, 2014

Name of the Director	Number of Shares
Mr. Ashank Desai	3,099,552
Mr. Ketan Mehta	2,519,100

E. **Share Transfer, Investor Grievances and Stakeholders Relationship Committee**

(i) Terms of Reference

- Consider and resolve the grievances of Equity Shareholders of the Company.
- Approve allotment of shares on exercise of options by Employees under various ESOP Schemes, subject to completion of all necessary formalities.

(ii) Composition

The Chairman of the Committee is Mr. Venkatesh Chakravarty. Other members are Mr. Radhakrishnan Sundar, Dr. Rajendra Sisodia and Dr. Arun Maheshwari. The Company Secretary is the Secretary of the Committee.

The Committee meets periodically to review grievances of Investors/ Shareholders and to consider requests for share transfer/ transmission, allotment of shares etc.

During the year ended March 31, 2014, the Committee met 6 times on April 25, 2013, July 18, 2013, October 24, 2013, December 31, 2013, January 2, 2014 and March 3, 2014. The attendance of the members at the meetings is stated below:

Name of Member	Status	No. of Meetings attended
Mr. Venkatesh Chakravarty	Chairman	5
Mr. Radhakrishnan Sundar	Member	6
Dr. Arun Maheshwari (w.e.f. December 31, 2013)	Member	1
Dr. Rajendra Sisodia (w.e.f. December 31, 2013)	Member	1
Mr. Sudhakar Ram (upto October 24, 2013)	Member	3
Mr. Ashank Desai (upto April 25,2013)	Member	1
Mr. S. Sandilya (upto April 25,2013)	Member	1

F. **Corporate Social Responsibility Committee**

As per Section 135 of the Companies Act, 2013, a Company having net worth of ₹ 500 Crores or Turnover of ₹ 1000 Crores or Net Profit of ₹ 5 Crores or more during any financial year is required to constitute a Corporate Social Responsibility Committee (CSR) consisting of three or more Directors, out of which at least one Director shall be an Independent Director.

In compliance with the provisions of Section 135 of the Companies Act, 2013, the Board of Directors of the Company have formed a Corporate Social Responsibility Committee vide Board Resolution dated April 24, 2013.

(i) Terms of Reference

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities.
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

(ii) Composition

The Chairperson of the Committee is Ms. Priti Rao. The other members are Dr. Rajendra Sisodia, Mr. Sudhakar Ram and Mr. Ashank Desai. The Group CFO and Finance Director attends the meeting on invitation. The Company Secretary is the Secretary of the Committee. During the year ended March 31, 2014 the Committee met twice on October 24, 2013 and January 23, 2014. The attendance of the members at the meeting is stated below:

Name of the Member	Status	No. of Meetings attended
Ms. Priti Rao	Chairperson	2
Dr. Rajendra Sisodia	Member	2
Mr. Sudhakar Ram	Member	2
Mr. Ashank Desai	Member	2

OTHER COMMITTEES

G. **Compensation/Remuneration Committee**

(i) **Terms of Reference**

- To decide and formulate detailed terms and conditions of the Employee Stock Option Plan, governed by the guidelines issued by SEBI in June 1999 and as amended from time to time.

- To finalize the stock options to be granted to the employees and directors of the Company under the scheme & finalization of incentive plan.
- To recommend the compensation structure of the Directors to the Board.

During the year ended March 31, 2014 the Committee met 4 times on April 26, 2013, June 20, 2013, July 19, 2013 and October 24, 2013. The attendance of the members at the meetings is stated below:

Name of Member	Status	No. of Meetings attended
Dr. Rajendra Sisodia	Member	3
Mr. Ketan Mehta	Member	4
Mr. Venkatesh Chakravarty	Member	4
Mr. Atul Kanagat	Member	2

H. Nomination Committee

(i) Terms of Reference

- To oversee the Company's nomination process for the Senior management and the Non-Executive Directors.
- To review all documents pertaining to candidates and conduct evaluation of candidates in accordance with a process and if deem fit and appropriate, pass on the recommendation for the nomination to the Board.

(ii) Composition

The Chairman of the Committee is Mr. S. Sandilya. The other members are Mr. Sudhakar Ram, Mr. Ketan Mehta and Mr. Atul Kanagat. The Company Secretary is the Secretary of the Committee.

During the year ended March 31, 2014 the Committee met once on September 7, 2013 for appointment of Dr. Arun Maheshwari. The attendance of the members at the meetings is stated below:

Name of Member	Status	No. of Meetings attended
Mr. S. Sandilya	Chairman	1
Mr. Sudhakar Ram	Member	1
Mr. Ketan Mehta	Member	1
Mr. Atul Kanagat	Member	1

I. Nomination and Remuneration Committee

In compliance with the provisions of Section 178 of The Companies Act 2013, the Board of Directors of the Company vide their Board Resolution dated October 24, 2013 merged the two existing separate Committees of the Board viz. Nomination Committee and Compensation Committee as mentioned above and formed a new Committee called Nomination and Remuneration Committee with reorganization of its members.

(i) Terms of reference

- To identify the persons who are qualified to become Director, or who may be appointed in senior management of the Company.
- To lay down criterias for the Company's nomination process for the above positions and oversee the implementation thereof.
- To review all documents pertaining to candidates and conduct evaluation of candidates in accordance with a process and if deemed fit and appropriate, do the recommendation for the nomination to the Board or for the senior management of the Company and their removal, if any.
- To decide and formulate detailed terms and conditions of the Employees Stock Option Plan, governed by the guidelines issued by SEBI in June 1999 and as amended from time to time.
- To finalize the stock options to be granted to the employees of the Company under the scheme & finalization of incentive plan for the employees of the Company.
- To recommend the compensation structure of the Directors to the Board.
- 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 other employees.
- ensure that—
  - (a) 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;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) remuneration to directors, key managerial personnel and senior management 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.

(ii) Composition

The Chairman of the Committee is Mr. S. Sandilya. The other members are Mr. Atul Kanagat, Mr. Sudhakar Ram, Mr. Ketan Mehta and Dr. Rajendra Sisodia. The Company Secretary is the Secretary of the Committee. The Group CFO and Finance Director, Senior Vice President & Group Head HR attends the meeting on invitation.

During the year ended March 31, 2014 the Committee met two times on January 23, 2014 and March 27, 2014. The attendance of the members at the meetings is stated below:

Name of Member	Status	No. of Meetings attended
Mr. S. Sandilya	Chairman	2
Mr. Sudhakar Ram	Member	2
Mr. Ketan Mehta	Member	2
Dr. Rajendra Sisodia	Member	2
Mr. Atul Kanagat	Member	2

J. Governance Committee

(i) Terms of reference

- To develop and recommend to the Board of Directors a set of corporate governance principles applicable to the Company, to review these principles periodically and to monitor compliance with those principles.

- To review and approve new policies relating to corporate governance and to review current policies and practices and recommend improvements.
- To develop norms for evaluation of the Board of Directors.
- To recommend the areas of training needed for Board members.

(ii) Composition

The Chairman of the Committee is Mr. Ashank Desai. The other members are Mr. Ketan Mehta, Ms. Priti Rao and Mr. Radhakrishnan Sundar. The Company Secretary is the Secretary of the Committee. The Group CFO and Finance Director, President - Delivery, Operations & IA and Senior Vice President & Group Head HR attends the meeting on invitaion.

During the year ended March 31, 2014 the Committee met 4 times on April 25, 2013, July 18, 2013, October 25, 2013 and January 22, 2014. The attendance of the members at the meetings is stated below:

Name of Member	Status	No. of Meetings attended
Mr. Ashank Desai	Chairman	4
Mr. Ketan Mehta	Member	4
Ms. Priti Rao	Member	4
Mr. Radhakrishnan Sundar	Member	3

K. Corporate Directions Committee

The Board of Directors of the Company decided to revive the Corporate Directions Committee at their meeting held on October 24, 2013 and reconstituted it with the following members:

1. Dr. Arun Maheshwari - Chairman
2. Mr. Atul Kanagat - Member
3. Mr. Ketan Mehta - Member
4. Mr. Sudhakar Ram - Member

Terms of reference

- To establish Vision, Mission, Values.
- To formulate 5 year strategic direction and goals of the Company for consideration and approval of the Board.

L. General Body Meetings

(i) Particulars of Annual General Meetings held during the last three years:

Financial Year	Date	Time	Location
2012-2013	July 17, 2013	11.00 A.M.	Ahmedabad Management Association Hall, Ahmedabad
2011-2012	October 05, 2012	11.00 A.M.	Gajjar Hall, Ahmedabad
2010-2011	September 23, 2011	11.30 A.M.	Gajjar Hall Ahmedabad

(ii) Special Resolutions passed in 3 previous Annual General Meetings:

Annual General Meeting	Special Resolution
Thirty First Annual General Meeting held on July 17, 2013	• Payment of Commission to Non Executive Directors. • Employee Stock Option Plan-ESOP Plan VII- to Employees of the Company. • Employee Stock Option Plan-ESOP Plan VII- to Employees of the Subsidiary Companies. • Employee Stock Option Plan-ESOP Plan VII- to certain identified employees of its company and its subsidiaries, stock options, which may be equal to exceed 1% of the issued capital of the Company.
Thirtieth Annual General Meeting held on October 5, 2012	• Payment of certain benefit Perquisites to Mr. Ashank Desai • Alteration of Articles Nos. 86, 99 and 147 of the Articles of Association of the Company.
Twenty Ninth Annual General Meeting held on September 23, 2011	• Waiver of recovery of excess remuneration paid to Mr. Sudhakar Ram, Chairman & Managing Director of the Company. • Waiver of recovery of excess remuneration paid to Mr. Radhakrishnan Sundar, Executive Director of the Company. • Re-appointment of Mr. Sudhakar Ram as Chairman & Managing Director of the Company. • Appointment of Mr. Radhakrishnan Sundar as Executive Director of the Company.

During the year ended March 31, 2014 one Special Resolution was passed through Postal Ballot for Buyback of Equity shares of the Company.

M. Notes on Directors seeking re-appointment

Name of Director	Mr. Ashank Desai
Resume of the Director	Mr. Ashank Desai, 61 is B.E. from Mumbai University and in graduating year, held the second rank in the University. He holds a M. Tech Degree from the Indian Institute of Technology, Mumbai. He also holds a management diploma granted by the IIM Ahmedabad, from where he graduated in 1979. He worked with Godrej and Boyce before founding the Company. He is a founder member and ex-chairman of NASSCOM and is also actively associated with several government bodies and trade associations.
Year of Joining the Board	1982

Expertise in Specific Functional Area	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, was also the President of Asian-Oceanic Computing Industry Organization (ASOCIO). He has expertise in all key functions relevant to the Company's operations.
Other Directorships	1. Mastek (UK) Ltd, UK 2. MajescoMastek, USA 3. Vector Insurance Services LLC, USA 4. MajescoMastek Insurance Software and Solutions Inc, USA 5. MajescoMastek, Canada
Chairman/member of Committees of the Company	1. Governance Committee- Chairman 2. Audit Committee- Member 3. Corporate Social Responsibility Committee- Member
No of Board Meetings attended during the year	7
No of shares held in the Company	3,099,552

Name of Director	**Dr. Arun Maheshwari**
Resume of the Director	Dr. Arun Maheshwari studied at IIM, Calcutta, before leaving for the US in 1967 for further studies. Dr. Maheshwari has a Master's degree in Computer Science from Stanford University, an MBA from Columbia University and a Ph.D. from Wharton School of Business. Dr. Maheshwari taught at Wharton, Temple University's Fox School of Business, and NYU's Stern School while working on his Ph. D. degree. Dr. Maheshwari returned to India in 1974 after his education in USA and joined Tata Consultancy Services (TCS), as a senior executive responsible for marketing, software development, and management consulting. Dr. Maheshwari was TCS's first head of marketing / business development. After about three years, he decided to migrate to the USA and joined McKinsey, in New York in 1977. At McKinsey, he specialized in strategy and information technology studies, many of them in the Insurance industry. In 1981, Dr. Maheshwari moved from McKinsey to Reliance Insurance in Philadelphia, and then to Continental Insurance (now CNA), as a senior information technology executive. Dr. Maheshwari obtained CPCU (Property Casualty Certification) and FLMI Part 1 (Life Certification) while working at Continental Insurance. In 1996, Dr. Maheshwari started CSC India from scratch. CSC India grew rapidly under his leadership and received many awards, including best employer in India. CSC India had more than 4,000 employees and customers in 25 countries when Dr. Maheshwari left it. The foundation built by him continued to support rapid growth of CSC India, and today it has about 25,000 employees. Dr. Maheshwari next started Fiserv Global Services Group in 2005. Fiserv Global Services grew rapidly to more than 2,000 employees in two years. Dr. Maheshwari retired at the end of 2009. Dr. Maheshwari is currently associated with First Mark private equity group. He has served as a Board member for Duck Creek Technologies and is currently a Board member of Eagle Eye Analytics, where he acted as an interim CEO when the CEO had a heart attack and left suddenly. Dr. Maheshwari is a director of Fortegra, a NYSE listed insurance company. Dr. Maheshwari is active in technology investment through his personal fund Rising Sun Ventures and in real estate investment through his firm Infinite Realty Ventures.
Year of Joining the Board	2013
Expertise in Specific Functional Area	Finance including Information Technology, Strategic Planning.
Other Directorships	MajescoMastek Insurnace Software and Solutions Inc., USA.
Chairman/member of Committees of the Company	1. Share Transfer, Investor Grievances and Stakeholder Relationship Committee - Member 2. Corporate Directions Committee - Member
No of Board Meetings attended during the year	2
No of shares held in the Company	Nil

Name of Director	Mr. Venkatesh Chakravarty
Resume of the Director	Mr. Chakravarty is qualified as an Associate Member of the Chartered Insurance Institute, UK (ACII, UK). He holds a Master's degree in Administrative Management from Bajaj Institute of Management Studies and a Bachelor of Arts Degreein Economics, Political Science & Sociology. Mr. Chakravarty has more than 27 years of experience in the Insurance Industry. His experience spans across Insurance, Management Consulting, & Reinsurance. He has worked in various capacities in the Insurance industry beginning with Life Insurance Corporation of India, Eagle Star International in the Middle East and for KPMG India where he was an Associate Director, Management Consulting, responsible for Insurance practice. He joined Swiss Re Life & Health in September, 1998 as a Business Development Manager in London responsible for Life & Health business in India & Sri Lanka. He worked in Swiss Re, London for nearly a year before assuming responsibility in Swiss Re, Mumbai office. He has been the Head of Life & Health Business and a Director on the Board of Swiss Re Services India Pvt. Ltd. for more than 10 years. He resigned as a Director from Swiss Re on March 4, 2013 and has moved on to pursue personal interests.
Year of Joining the Board	2011
Expertise in Specific Functional Area	Life Insurance, Management Consulting and Reinsurance
Other Directorships	Mastek (UK) Ltd, UK Mastek MSC SDN BHD, Malaysia
Chairman/member of committees of the Company	1. Share Transfer, Investor Grievances and Stakeholders Relationship Committee-Chairman 2. Audit Committee – Member 3. Compensation Committee – Member (up to October 24, 2013)
No. of Board Meetings attended during the year	8
No. of shares held in the Company	Nil

N. Disclosures

Your Company has entered into agreements with its overseas subsidiaries to provide software development, IT-related services and for secondment of employees. These agreements are regularly reviewed for amendments.

RELATED PARTIES

The Company has entered into transactions with the following related parties:

Key Management Personnel:

Mr. Sudhakar Ram
Mr. Radhakrishnan Sundar
Mr. Ashank Desai
Mr. Vinay Rajadhyaksha
Mr. Stefan Van Overtveldt
Mr. Farid Kazani
Ms. Kalpana Jaishankar

(₹ in Lakhs)

Particulars	**Transactions during the year ended March 31, 2014**	Transactions during the nine month period ended March 31, 2013
Remuneration to Key Management Personnel		
Mr. Sudhakar Ram	**124.20**	138.90
Mr. Radhakrishnan Sundar	**27.28**	47.60
Mr. Vinay Rajadhyaksha	**168.58**	134.57
Mr. Stefan Van Overtveldt	**475.69**	179.41
Mr. Farid Kazani	**109.76**	75.12
Ms. Kalpana Jaishankar	**49.46**	37.04

Notes:

1. i) Reimbursement of expenses incurred by related parties for and on behalf of the Company and vice versa has not been included above.

   ii) The disclosures given above have been reckoned on the basis of information available with the Company.

   iii) There has been no payment of commission to Directors for the year ended March 31, 2014 as well as for the nine month period ended March 31, 2014.

2. Generally, there were no instances of non-compliance on any matter related to the capital markets.

O. Management Discussion & Analysis forms part of the Annual Report. Investor information details are also provided separately in the Annual Report.

P. Means of Communication

1. Quarterly results subjected to Limited Review by Statutory Auditors are generally published in the Free Press Journal, Navshakti and Financial Express (Guajarati) Ahmedabad. The quarterly unaudited results along with the press releases are made available on the website of the Company (www.mastek.com). Other information relating to shareholding patterns, compliance with the requirements of corporate governance etc. are posted on BSE/NSE website and on Mastek's website in the Investors' section.
2. Official news releases and transcripts of conference calls with the analysts after the quarterly results are displayed on the Company's website.
3. Shareholding pattern is displayed on the Company's website; the information is updated on a monthly basis.

Q. Compliance with certain non-mandatory requirements

1. The Code of Business Conduct and Ethics which includes the Whistle Blower Policy and Conflict of Interest is in place. No employee of the Company was denied access to the Audit Committee.

PART – II REPORT OF THE COMMITTEES OF THE BOARD

1. AUDIT COMMITTEE

The Audit Committee of the Board consists of the following Directors:
Mr. S. Sandilya – Chairman
Ms. Priti Rao
Mr. Ashank Desai
Mr. Venkatesh Chakravarty

The Committee has, inter alia, the mandate to oversee the Company's financial reporting process and the disclosure of financial information in order to ensure that the financial statements are correct, sufficient and credible. The Committee reviewed the independence of both the internal and the statutory auditors and expressed its satisfaction with the same. The Committee discussed the quality of the accounting principles as applied and significant judgments affecting the financial statements, with the management as well as the internal and the statutory auditors of the Company. The Committee also discussed with the statutory auditors, without the presence of the management, the Company's financial disclosures and the quality of the Company's accounting principles as applied, underlying judgments affecting the financial statements, and other significant decisions made by the management in preparing the financial disclosures. The Committee, relying on the review and discussions conducted with the management and the statutory auditors, believes that the Company's financial statements are fairly presented in conformity with Indian Generally Accepted Accounting Principles in all material aspects. The Committee is satisfied that it adequately meets with its responsibilities as recommended in the SEBI Code.

The Committee had discussed with the internal and statutory auditors the internal controls to ensure that the accounts of the Company are properly maintained and that accounting transactions are in accordance with prevailing laws and regulations. The Committee reviewed the annual audit program and discussed with the auditors their findings and with the management, the follow-up actions. Nothing of a material nature was reported by the auditors.

The Independent Directors had two separate meetings with Price Waterhouse- Statutory Auditors of the Company.

The Committee reviewed the Foreign Exchange Exposure Status, related party transactions and Legal Compliance Status on quarterly basis and expressed its satisfaction with the same.

The committee has recommended to the Board the appointment of Price Waterhouse, Chartered Accountants (Firm Registration No. 012754N, as Statutory Auditors of the Company to hold office for a period of three years effective from July 23, 2014 and that the necessary resolutions for appointing them as Statutory Auditors be placed before the shareholders.

Mumbai **S. Sandilya**
April 23, 2014 Chairman

2. SHARE TRANSFER, INVESTOR GRIEVANCES AND STAKEHOLDER RELATIONSHIP COMMITTEE

The Share Transfer, Investor Grievance and Stakeholder Relationship Committee consists of the following Directors:
Mr. Venkatesh Chakravarty - Chairman
Mr. Radhakrishnan Sundar
Dr. Rajendra Sisodia
Dr. Arun Maheshwari

The Committee is headed by Mr. Venkatesh Chakravarty, Non- Executive Director (Independent). The committee has the mandate to review and redress shareholder grievances and to attend to share transfers and allotment of shares on exercise of ESOPs. The committee reviewed the shareholder grievance, redressal of shareholder grievance, share transfers and expressed satisfaction with the same. The committee also noted that the shareholding in dematerialized mode as on March 31, 2014 was 98.96 %.

No complaints were received during the year ended March 31, 2014 in respect of Dividend/ Annual Report.

Mumbai **Venkatesh Chakravarty**
April 23, 2014 Chairman

DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

To the Members of Mastek Limited

This is to confirm that the Company has adopted Code of Conduct for the Board of Directors and Senior Management Personnel of the Company, which is available at www.mastek.com.

I declare that the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company.

Mumbai **Sudhakar Ram**
April 23, 2014 Managing Director & Group CEO

CERTIFICATE FROM PRACTISING COMPANY SECRETARY ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

I have examined the compliance of conditions of Corporate Governance by Mastek Limited for year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreements of the Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. 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 of the financial statements of the Company.

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreements. I state generally that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Share Transfer, Investor Grievances and Stakeholder Relationship Committee.

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 V. Sundaram & Co.

V. Sundaram
Place: Mumbai Practising Company Secretary
Date: April 23, 2014 C.P.No. 3373

SECRETARIAL AUDIT REPORT

To,
The Board of Directors
Mastek Limited
Mumbai

We have examined the registers, records and documents of Mastek Limited ("the Company") (CIN: L74140GJ1982PLC005215) for the year ended March 31, 2014 according to the provisions of:-

- The Companies Act, 1956 and of 2013 wherever applicable and the Rules made under those Acts ("the Act");
- The Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 along with the Listing Agreements with BSE Limited and National Stock Exchange of India Limited and Debt Listing Agreement with BSE Limited and all Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
- The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under and to the extent applicable to Overseas Direct Investment (ODI), Foreign Direct Investment (FDI) and External Commercial Borrowings (ECB);

Based on our examination as well as information and explanation furnished by the Company, its executives and other officers and the records made available to us, we hereby report that:

1. The requisite statutory registers and other records required under the Act and the rules made thereunder have been maintained in accordance with the Act either in physical mode or electronic mode as applicable.
2. The requisite forms, returns and documents required under the Act and the rules made thereunder to be filed with the Registrar of Companies and other authorities have been duly complied with.
3. The Company has a Board consisting of 10 members and it met 8 times during the year ended March 31, 2014 and the minutes of the meetings have been recorded properly in the minutes book maintained for the purpose.
4. As required under the Listing Agreement and the Companies Act, the Company has the following Committees:
   i. **Audit Committee**: The Committee has met 4 times during the year ended March 31, 2014 under review and the minutes are properly recorded.
   ii. **Share Transfer, Investor Grievances and Stakeholders Relationship Committee**: The Committee has met 6 times during the year ended March 31, 2014 and the minutes are properly recorded.
   iii. **Compensation/Remuneration Committee**: The Committee has met 6 times during the year ended March 31, 2014. Subsequently vide Board Resolution dated October 24, 2014, the Board has combined Compensation Committee and Nomination Committee and formed a single committee which will be called as Nomination and Remuneration Committee and its membership be reconstituted to comply with the provisions under the Companies Act, 2013.
   iv. **Other non-mandatory committees**: Governance Committee, Corporate Directions Committee
5. The Company has passed one Special Resolution with respect of Buyback of Equity shares of the Company through the Postal Ballot route under the provisions of Section 192A and the rules made there under.
6. The Annual General Meeting for the financial year 2012-13 was held on July 17, 2013. The minutes of the same meeting have been properly recorded in the minutes book maintained for the purpose.
7. The re-appointment of Directors who retire by rotation have been made in accordance with the Companies Act, 2013. Dr. Arun Maheshwari was appointed as an Additional Director on October 24, 2013, whose term expires on the date of the AGM and has offered himself to be appointed as an Director.
8. Due disclosures under the provisions of the applicable statues have been made by the Company. The Company has also complied with the requirements of the listing agreements with the Stock Exchange. The Company has complied with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time. The Promoters of the Company had filed statements with the stock exchanges under the regulation 30 (3) of the said Regulations within the stipulated period.
9. The Company has complied with the requirements of the Depositories Act, 1996 as amended pertaining to dematerialization of shares and wherever rematerialization was required, share certificates were issued and delivered to the shareholders within the statutory period.
10. Requirements of transfer of monies lying in unclaimed dividend account to the Investors' Education and Protection Fund, wherever applicable have been duly complied with as per the requirements of the Act.
11. The Company has complied with the requisite provisions of the Companies Act, 1956 till notification and thereafter of the Companies Act, 2013 in respect of monies borrowed from Banks and Financial Institutions.
12. There was no Charge modified by the Company during the period under consideration of this report. The charges created earlier were entered in the register maintained for the purpose.
13. The Company has, wherever required, obtained the necessary approvals of the Board or Committee thereof, shareholders, the Central Government or other authority(ies) as per the requirements of the Act.
14. The Company has neither accepted any Fixed Deposits nor borrowed by way of debentures during year under review. The Company had

declared dividend during the last year and has paid the same within the stipulated time to the shareholders. The Annual Return and the Annual Reports have been filed with the ROC as required under the Act. The Company has, therefore not defaulted in any of the provisions of Section 274 (1) (g) of the Act, which would otherwise disqualify the Directors of the Company from acting as Directors of any other Company.

15. The Company has complied with the relevant clauses of the listing agreement with the Stock Exchanges pertaining to submissions of the statements, documents, disclosure requirements, publication in newspapers, press releases, Corporate Governance Standards as prescribed in Clause 49 of the Listing Agreement within the time limit.

16. The Company has complied with the relevant provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time.

17. The Company has complied with the provisions of section 372A of the Companies Act, 1956 in respect of investments made by way of Equity Shares in subsidiaries and other companies during the year ended March 31, 2014. The necessary entries have been made as per the statutory requirements.

18. The Company has bought-back 2,484,007 Equity shares for an aggregate consideration of ₹ 5417.08 Lakhs during the period under review. All the Shares bought back have extinguished and necessary returns have been filed with the respective authorities.

19. The Directors of the Company have made proper disclosures of their interest in other companies and the same have been noted in the Register maintained under section 301 of the Companies Act, 1956.

20. The Company has been taking adequate measures with regard to Risk Management and a Risk Management Committee deliberates on the concerned issues and the same is being placed before the Governance Committee and the Board is being periodically apprised on the issue.

21. The Company has also instituted the Code of Conduct for Directors and other Senior Executives of the Company and has complied with the said code as required under the Clause 49 of the Listing Agreement.

For V. Sundaram & Co.
Company Secretaries

Place: Mumbai
Date: April 23, 2014

V. Sundaram
C.P.No. 3373

INVESTOR INFORMATION

1. **COMPANY OVERVIEW**:

Incorporated in 1982, Mastek is a leading IT player with global operations providing enterprise solutions to businesses and governments worldwide. The Company architects, designs, develops, integrates and maintains strategic applications that create a tangible business impact at customers' end. The Company is currently focused on two verticals – Insurance and Government. Mastek has substantial experience and intellectual property in both these verticals.

Mastek is having its operations in North America, UK, India and Asia Pacific. The Company was promoted by Mr. Ashank Desai, Mr. Ketan Mehta and Mr. Radhakrishnan Sundar. Mr. Sudhakar Ram joined the Company as Promoter Director during the year 1984.

Mastek had its IPO (Initial Public Offering) in December, 1992 and raised ₹ 422.1 lakhs in gross aggregate proceeds. There was an additional public offering in March 1996 when it raised ₹ 720 lakhs in gross aggregate proceeds.

2. **EQUITY HISTORY: Number of shares**

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 1996	56,640 shares of ₹ 10/- each
Second Public Offer in March, 1996	400,000 shares of ₹ 10/- each
Bonus Shares in January, 2000	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
Buy-Back of shares in 2003-04 & 2004-05	399,848 shares of ₹ 5/- each
Bonus Shares in April 2006	14,054,594 shares of ₹ 5/- each
Issued under Employees' Stock Option Plans from 2000-01 till 2008-09	1,078,283 shares of ₹ 5/- each
Shares Bought Back from May 2008 to June 30, 2008	1,438,232 shares of ₹ 5/- each
Shares Extinguish till June 30, 2008	915,714 shares of ₹ 5/- each
Issued under Employees Stock Option Plans in 2010-11	7,250 shares of ₹ 5/- each
Issued under Employees Stock Options plan in 2011-12	75,000 shares of ₹ 5/- each
Shares Bought Back & Extinguished from November 2012 to February 2013	2,388,000 shares of ₹ 5/- each
Issued under Employees Stock Options plan in 2013-2014	6,500 shares of ₹ 5/- each
Shares Bought Back & Extinguished from March 6, 2014 to March 25, 2014	2,484,007 shares of ₹ 5/- each

3. **THE COMPANY'S EQUITY SHARES ARE LISTED ON THE FOLLOWING STOCK EXCHANGES**:

National Stock Exchange of India Limited

BSE Limited

(i) All inquiries relating to the shareholder records, share transfers, transmission of shares, change of address, non-receipt of dividend, loss of share certificates, etc. should be addressed to:

The Registrar and Share Transfer Agent:

Sharepro Services (India) Pvt. Ltd.
Samhita Warehousing Complex,
13AB, Gala No. 52,
Nr. Sakinaka Telephone Exchange,
Off. Andheri-Kurla Road,
Andheri (East),
Mumbai – 400 072
Phone: 6772 0300 / 6772 0372 / Fax: 2837 5646
e-mail: saritam@shareproservices.com / indira@shareproservices.com

Contact Person: Ms. Indira Karkera / Ms. Sarita

(ii) Share Transfer System: The Company processes shares sent for transfer, transmission etc. every month. Transfers/transmissions which are complete in all respects are registered and returned within 30 days of lodgment.

The Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities as per the requirement of Clause 47 (c) of the Listing Agreements of the Stock Exchanges. The Company has obtained quarterly certificates for the timely dematerialization of shares of the Company as per the requirement of the SEBI (Depositories & Participants) Regulations, 1996. These certificates have been submitted to the Stock Exchanges and the National Securities Depository Limited / Central Depository Services (India) Limited. The Company has also carried out Secretarial Audits for the Reconciliation of Share Capital as required under the Listing Guidelines every quarter and the quarterly secretarial audit reports issued by an independent Practising Company Secretary have been regularly filed with the Stock Exchanges.

(iii) Bank Details for Electronic Shareholdings:

While opening accounts with Depository Participants (DP), you may have given your Bank Account details, which will be used by the Company for printing on dividend warrants for remittance of dividend. SEBI vide its circular no. DCC/FITTCIR-3/2001dated October 15, 2001, has advised that all companies should mandatorily use ECS facility wherever available. In the absence of availability of ECS facility, companies may use warrants for distributing the dividends. Vide its circular no. D&CC/FITTC/CIR-04/2001 dated November 13, 2001, SEBI has advised companies to mandatorily print the Bank Account details furnished by the Depositories on the dividend warrants. This ensures that dividend warrants, even if lost or stolen cannot be used for any purpose other than for depositing the money in the Account specified on the dividend warrants and ensures safety for the investors. Members are requested to furnish their Bank Account details to their DPs, if not already informed.

(iv) Ministry of Corporate Affairs (MCA), Govt. of India has issued circular No. 17/2011 dated April 21, 2011 and circular No. 18/2011 dated April 29, 2011 in respect of Green Initiative. Accordingly Company sent a communication to all the members requesting them to give their E-mail I.D's to their Depositary 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 I.D's to their DP's, are requested to do the same in the interest of environment.

4. ANNUAL GENERAL MEETING:

- Date and Time : July 23, 2014 at 11.00 a.m.
- Venue : Ahmedabad Management Association Hall, H.T. Parekh Hall, AMA Complex, ATRA. Dr. Vikram Sarabhai Marg, Ahmedabad 380015

5. FINANCIAL CALENDAR:

- Financial reporting for the quarters ending –

June 30, 2014 : around July 24, 2014

September 30, 2014 : around October 21, 2014

December 31, 2014 : around January 22, 2015

March 31, 2015 : around April 22, 2015

6. BOOK CLOSURE DATE: July 8, 2014 to July 15, 2014 (both days inclusive)

7. DIVIDEND PAYMENT DATE: On or after July 28, 2014 and before August 21, 2014.

8. STOCK CODE:

Name of Exchange	Script Code	Reuters	Bloomberg
BSE Limited	523704	MAST.BO	MAST@IN
National Stock Exchange of India Limited	MASTEK	MAST.NS	NMAST@IN

9. LISTING FEES PAID: The Company has paid annual listing fees for the year 2014-2015 of the Stock Exchanges where the Company's shares are listed.

10. CAPITAL STRUCTURE:

Authorized Capital	Equity	₹ 20,00,00,000/-
	Preference	₹ 20,00,00,000/-
Issued, Subscribed and Paid-up Capital	Equity	₹ 11,08,03,400/-

11. **DISTRIBUTION OF SHAREHOLDING**

Distribution of shareholding as on March 31, 2014

Range no. of shares	Shareholders Number	%	Value ₹	%
1- 500	14,876	91.17	6,631,340	5.99
501-1000	829	5.08	3,228,100	2.91
1001-5000	490	3.00	5,174,440	4.67
5001-10000	54	0.33	1,939,075	1.75
10001 and above	68	0.42	93,830,445	84.68
Total	16,317	100	110,803,400	100.00

Distribution of shareholding as on March 31, 2013

Range no. of shares	Shareholders Number	%	Value ₹	%
1- 500	15,154	91.35	6,768,425	5.49
501-1000	796	4.79	3,067,935	2.49
1001-5000	522	3.15	5,486,215	4.45
5001-10000	44	0.27	1,632,355	1.33
10001 and above	73	0.44	106,236,005	86.24
Total	16,589	100.00	123,190,935	100.00

12. ANNUAL HIGH-LOW PRICE HISTORY FOR PREVIOUS THREE YEARS

Fiscal Year	BSE LIMITED		NATIONAL STOCK EXCHAGE OF INDIA LIMITED	
	Price per Equity Shares (₹)		Price per Equity Shares (₹)	
	High	Low	High	Low
2014	227.90	103.00	227.90	101.7
2013	185.10	103.30	185.00	103.50
2012	136.00	73.00	136.00	72.25

13. QUARTERLY HIGH-LOW PRICE HISTORY FOR PREVIOUS TWO YEARS

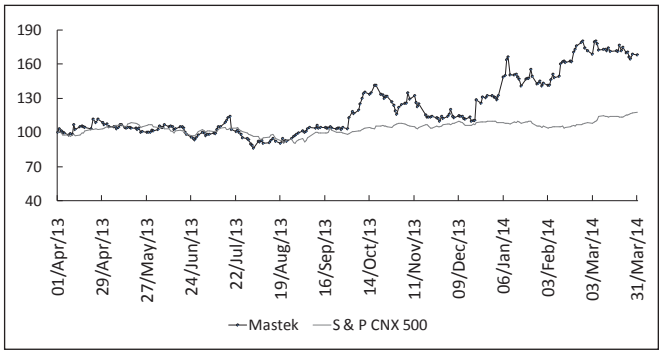
Fiscal Year	BSE LIMITED		NATIONAL STOCK EXCHAGE OF INDIA LIMITED	
	Price per Equity Shares (₹)		Price per Equity Shares (₹)	
	High	Low	High	Low
2014				
1st Quarter	144.10	110.00	143.60	112.00
2nd Quarter	142.00	103.00	142.50	101.70
3rd Quarter	178.00	117.00	180.00	124.25
4th Quarter	227.90	156.00	227.90	156.00
2013				
1st Quarter	185.10	103.30	185.00	103.50
2nd Quarter	155.15	125.00	154.75	123.50
3rd Quarter	166.15	115.10	166.85	117.90

14. MONTHLY VOLUMES AND PRICES: 2013-14

Month and year	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume (₹)	High (₹)	Low (₹)	Volume (₹)
April 2013	144.10	118.80	338,016	143.60	118.00	1,023,507
May 2013	134.75	121.00	133,182	134.95	120.80	350,939
June 2013	139.00	110.00	555,895	138.80	112.70	386,208
July 2013	142.00	108.10	358,626	142.50	107.65	892,432
August 2013	123.55	103.00	93,556	124.00	101.70	229,096
September 2013	133.40	120.00	65,047	134.15	120.70	173,655
October 2013	178.00	117.00	466,454	180.00	124.25	1,441,081
November 2013	170.80	133.50	244,250	170.00	132.50	721,265
December 2013	171.70	134.00	2,351,110	171.80	133.05	6,901,532
January 2014	213.85	156.00	4,153,427	214.00	156.00	13,238,377
February 2014	225.10	167.70	2,096,645	225.00	166.20	6,254,403
March 2014	227.90	199.00	1,273,557	227.90	199.25	6,294,075

MASTEK SHARE PRICE PERFORMANCE VERSUS NSE's S&P CNX 500

Relative Price Performance Mastek v/s 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

15. SHAREHOLDING PATTERN - AS ON MARCH 31, 2014

Sr. No.	Category	No. of Shares	% of Holding
1	INDIAN PROMOTERS	11,506,660	51.92
2	MUTUAL FUNDS AND UTI	16,856	0.08
3	FINANCIAL INSTITUTIONS/BANKS	4,536	0.02
4	INSURANCE COMPANIES	1,583,720	7.15
5	FII'S	3,305,166	14.91
6	BODIES CORPORATE	543,066	2.45
7	INDIVIDUALS HOLDING NOMINAL CAPITAL UPTO ₹ 1 LAKH	3,109,363	14.03
8	INDIVIDUALS HOLDING NOMINAL CAPITAL MORE THAN ₹ 1 LAKH	1,794,539	8.10
9	NRIs	296,774	1.34
	Grand Total	**22,160,680**	**100**

AS ON MARCH 31, 2013

Sr. No.	Category	No. of Shares	% of Holding
1	INDIAN PROMOTERS	11,506,660	46.70
2	MUTUAL FUNDS AND UTI	202,775	0.82
3	FINANCIAL INSTITUTIONS/BANKS	70	0.00
4	INSURANCE COMPANIES	2,453,000	9.96
5	FII'S	3,405,613	13.82
6	BODIES CORPORATE	642,124	2.61
7	INDIVIDUALS HOLDING NOMINAL CAPITAL UPTO ₹ 1 LAKH	3,240,965	13.15
8	INDIVIDUALS HOLDING NOMINAL CAPITAL MORE THAN ₹1 LAKH	2,985,083	12.12
9	NRIs	201,897	0.82
	Grand Total	24,638,187	100

16. DETAILS ON PHYSICAL & ELECTRONIC MODE

Date	Status of Shares - Physical versus Electronic mode		
	Physical	Electronic	Total
March 31, 2014	231,508	21,929,172	22,160,680
March 31, 2013	368,612	24,269,575	24,638,187

17. OVERVIEW OF THE VOLUME OF CORRESPONDENCE HANDLED DURING THE YEAR ENDED MARCH 31, 2014

	No of Letters (to confirm)
Investors' correspondence handled	
* Classification of correspondence handled	
1. General letters seeking information and advice	-
2. Cases of non-receipt despite proper dispatch of dividend Warrants and Share Certificates. (Complaints not amounting to grievance)	-
3. Complaints	-
Total	-

There were no pending share transfers as on March 31, 2014.

18. Shareholders with more than 1% holding as on March 31, 2014

Sr. No	Name of the shareholder	No. of shares	Shares as percentage of total no. of shares
1.	Fidelity Purita Trust Fidelity Low Price	2,025,000	9.14
2.	Life Insurance Corporation of India	1,550,404	6.99
3.	Ashish Dhawan	1,313,935	5.93
4.	Merrill Lynch Capital Markets Espana S.A.S.V.	591,988	2.67
5.	Fidelity Northstar Fund	438,000	1.98

19. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to Provisions of Section 205 A (5) and Section 205 C of the Companies Act, 1956 (the Act), the amount of Dividend which has remained unclaimed and unpaid for a period of seven years from the date of transfer of such amount to unpaid dividend account is required to be transferred to Investor Education and Protection Fund (IEPF) established by Central Government.

Accordingly, the amount of Final Dividend for the year 2005-2006 amounting to ₹ 411,859 and Interim Dividend for the year 2006-07 of ₹ 367,692 have been credited to IEPF on November 23, 2013 and on February 19, 2014 respectively.

Final Dividend for the year 2006-07 is due to be transferred to Investor Education and Protection Fund (IEPF) established by Central Government, in October 2014. All the members who have not encashed the dividend warrants are requested to take steps to encash the same. Please note that no claims shall lie against the IEPF or the Company in respect of such amounts after the date of transfer.

20. INFORMATION FOR SHAREHOLDERS ON THE INTERNET:

The Company actively communicates its strategy and the developments of its business to the financial markets. The Senior Executives of the Company along with M/s. Christensen Investor Relations (I) Private

Limited - our Investor advisor regularly meet the analysts. The Press release, Analysts' conference calls as well as the presentations at analysts meetings are organized by M/s. Christensen Investor Relations (I) Private Limited - our Investor advisor. Decisions 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.

21. 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. The options after vesting, when exercised, shall increase the equity share capital.

22. OFF-SHORE DEVELOPMENT CENTERS:

The Company has Off-Shore Software Development Centers at SEEPZ, Mumbai, Millennium Business Park, Mahape, Pune and Chennai.

23. COMPLIANCE OFFICER OF THE COMPANY:

Name: Bhagwant Bhargawe, Company Secretary

Address: Mastek Limited, #106, SDF-4, SEEPZ, Andheri (East), Mumbai-400 096
Phone No: + 91-22-66952222 Fax: +91-22-66951331.

Mastek Foundation

The mission of Mastek Foundation is to promote 'Informed Giving,and Responsible Receiving'. The foundation works towards inspiring individuals to give by creating awareness and also helps NGOs to be better governed and scale by providing IT support which is the core skill of Mastek.

The Mastek Foundation organises and supports a variety of meaningful social welfare campaigns and community and volunteering services. Through such activities, Mastekeers connect with their community to contribute their bit to building a better world.

The activities of Mastek Foundation include Transforming NGOs through IT and engaging employees with the community through payroll giving and employee volunteering.

Impacting Non-Profits – Transforming NGO's through IT

Mastek believes that social impact by corporations must be long-lived and enduring, and should go beyond providing mere financial support, whose impact lasts for a few weeks or months. Mastek is committed to providing sustainable support to the NGOs through IT capability building so that they can be better governed and also scale their operations across India, thus making a lasting impact.

Through its transforming NGOs through IT initiative Mastek has shown how an organization can leverage its core expertise for the betterment of the society at large.

Here are some of the initiatives Mastek Foundation took to help transform NGOs through IT:

Snehalaya

Mastek helped Snehalaya in evaluating a robust Donor Management System based on the Microsoft Dynamic CRM platform. Further, we handheld Snehalaya in Requirements Definition, Project Management, Testing, Training, Rollout and Implementing phases. The project was implemented in six months and is used by the NGO to manage donations, beneficiaries, volunteers and generating online receipts and MIS.

Impact

- Helped add 1500 New Donors in addition to 10000 old donors
- 2100 Donations ranging from Rs. 5 to 19 lakhs
- Up to date statistical information in terms of donations v/s beneficiaries and impact created.
- Elimination of xls based data management.

"We would like to express our deepest gratitude to Mastek for supporting and guiding Snehalaya in implementing the IT solution. As an NGO, we thought we had limited technical knowledge and capacity. But Mastek gave initial support and encouraged us with the necessary guidance and provided technical help. The support of Mastek is very helpful to Snehalaya."

Ambadas, Snehalaya

Kherwadi Social Welfare Association (KSWA)

Another beneficiary of Mastek's IT initiative is the Kherwadi Social Welfare Association (KSWA), which offers vocational training programmes for underprivileged youth.

Mastek is actively involved in driving the complete IT operations and program management at KSWA. Over a period of one-and-a-half years, KSWA's IT and MIS support team has grown from one person to an eight-person team. It services 67 centers across India, supporting over 800 employees and over 300,000 students across India at any point of time.

Mastek has supported KSWA in a variety of activities:

- Setting up of the IT infrastructure
- Implementing IRIS, a comprehensive school management ERP system
- Implementing YPIMS and Issue Management systems
- Implementing a tablet-based IRIS integrated solution for remote locations
- Evaluating the CRM system
- Evaluating YPLE, a livelihood employment exchange system
- Implementing QB (Question Bank) and E&C (Exam & Certification) system

Impact

- Over 120 Learning and development centers and camps are launched
- Target to impact over 5 Lakhs school dropouts by providing vocational training due to scalability
- Attendance registration through cell phones

"We would like to thank Mastek for all the help & support provided to KSWA. IRIS has been implemented across 47 centers at KSWA on April 25th and we have all the centers using this application regularly. Without Mastek's support and contribution, we would not have been in a position to implement this application."

Shivani Mehta, KSWA

Mission for Vision (MFV)

Mission for Vision (MFV) provides quality eye care for India's rural poor by supporting over 200,000 free eye surgeries annually with the help of partner hospitals.

MFV generates a huge amount of data through its surveys each year. However, as this data is in hard copy format, it is difficult to convert it into electronic format and then generate MIS to gauge the impact of its initiatives. The conversion can take over three months, which prevents the NGO from acting on its information quickly and effectively.

Mastek has helped the NGO develop a system that capture data in electronic format and make it available to the management in real-time.This will help MFV take informed decisions quickly and demonstrate the impact it has created to its stakeholders and donors.

Impact

- Helped scaling up from 20,000 patients per annum to 60,000 patients per annum
- Availability of immediate and up to date statistical information which would normally take 2 to 2 ½ month to generate

"On behalf of Mission for Vision, I would like to thank Mastek for their

immense support in developing Patient Care Quality Assurance (PCQA) MIS system. Your knowledge and hard work on MIS will make our life easy."

Mamta Singh, Head – Programs, Mission for Vision

Magic Bus

Magic Bus steers children towards a better life with better awareness, better life skills, and better opportunities, in the journey from childhood to livelihood.

Mastek is working with Magic bus to develop a robust IT enabled field reporting ,MIS and impact reporting system, this will help Magic Bus in their ambitious scaling plan which aims to target 1 million children by the end of 2016.

Future impact

- Provide Support around 7000 field staff in reporting
- Provide Complete Students & their parents details & Impact cause history through Survey Module
- Target to train 1 million childrens by the end of 2016

"In the brief three months that we have worked with Mastek, we have realized how much value can be added into an IT project simply by having a Project Manager who is committed to our organization's needs and understands IT. The degree of detail and focus Mastek has helped us to build into our digitization plan is very useful. We hope this is the beginning of a long and productive partnership."

Havovi Wadia, Head – Research & Development, Magic Bus

Engaging Employees through Volunteering and Payroll Giving

a. Volunteering

Tree Plantation Drives

Plantation drives are an integral part of Mastek Foundation and Green Initiatives.Mastekeers and their families take part enthusiastically in these drives. Such drives not only help the environment, they also sensitize Mastekeers and their families to ecological issues. During one such plantation drive, 1,250 seeds (mostly mango) and 65 mango saplings were planted. Three check dams were repaired.

Mastek's Cause-a-thon

Marathon for a cause (Cause-A-Thon) is now an annual event and is held at Sanjay Gandhi National Park in Mumbai every year on October 2nd. This year, over 80 Mastekeers, their families and alumni participated.

Thalassemia and Blood Donation Drive

Blood donation and thalassemia awareness camps were organized at Mastek's Mahape and Pune locations. It was the first blood donation camp to be organized at Pune and the response was good. Pune employees took the thalassemia test and no one was found to be carrying the thalassemia minor gene. Carriers won't be affected by thalassemia, but their children have a chance of getting the ailment.

Green Champs

Green Champs is a group of passionate Mastekeers who have come together to carry out green initiatives at Mastek. One of its most successful campaigns was to reduce C-fold paper napkins in the washroom. After the campaign, there was a 14% reduction in the use of such napkins at our MAHAPE facility.

Green Champs also participated in the internal audit training for ISO 14001 and OHSAS 18001 certification for the Mahape premises. After the training,

they conducted an internal audit. Internal audit reports contributed to the final certification of ISO 14001 and OHSAS 18001 for Mastek's Mahape office.

Workshop for NGOs

As part of the Responsible Receiving charter of 'Informed Giving, Responsible Receiving', Mastek Foundation organized a workshop for its NGO partners. This capacity-building workshop focused on innovative fund raising and the importance of reporting. Five partner NGOs participated in the workshop.

Engaging employees through Mastek Foundation Governing Council

A self-nominated group of Mastekeers form a part of Mastek Foundation's Governing Council. The Governing Council's objective is to help NGOs deliver on employees' expectations. A major part of Mastek Foundation's contribution to partner NGOs is through Payroll Giving. To help NGOs meet the expectations of employee donors, the Governing Council works closely with NGO partners.

b. Payroll Giving

Payroll Giving

In the year 2013-14, 1234 employees raised INR 36,66,768 through payroll giving for the community, a total of 16 NGOs were supported by the funds raised.

Drought Relief Fund

Maharashtra was hit by the worst drought in 40 years. Over a hundred Mastekeers donated INR 226,724 to provide drinking water to villagers and animals in Jalna district.

Uttarakhand Relief Fund

Mastekeers from various countries such as Malaysia, USA, UK and Singapore as well as India came forward to help flood victims, raising INR 650,000. After a matching grant from Mastek, we contributed INR 13,00,000 to Uttarakhand Flood Relief Fund.

Impact Selling

To help NGOs generate funds, Mastek Foundation organizes exhibitions where they are welcome to showcase and sell their products. This not only helps the NGOs with some much needed funds, but also increases the confidence of community women to showcase their talent and approach buyers.

During the Raksha Bandhan festival, women from the community displayed their creativity in the form of rakhis at Mastek's Mahape office. Total sales: INR 30,000.

PEOPLE PRACTICES

2013-14: Enduring Awesome Outperformance

This year we continue to focus on ensuring Awesome Outperformance in all our deliverables and creating an environment that would foster Mastek Ideals and become the foundation for Mastek 4.0.

We believe that individuals and teams need to stretch beyond their comfort zone to perform, develop and grow. In an endeavor to enable teams to enhance their performance, we are strengthening Empowerment and building an environment of trust where every action is taken with responsibility. As an Organization we are also committed to Individuals and Institutions being the best they can be!

Key Initiatives in the financial year 2013-14 that facilitated us to achieve our Goal:

Building Engaged Teams

Employee Engagement continues to be the key focus at Mastek. Mastekeers Engagement Survey (MES) was hosted in July 2013 with 88% participation from across the Globe. We also saw the highest movement in our scores and a rise from 3.57 to 3.77 in 2013. Notwithstanding the positive shift in scores, Mastek is committed to move Employee Engagement Score to 4 & above and to enable this, following focus areas have been identified:

- Rewards and Recognition
- Manager Effectiveness
- Employee Growth, Training & Development
- Company Growth

To enhance the learning about best practices in Engagement and to bring focus on Individual Action Planning, a brainstorming workshop was organized to support Managers to enhance their Teams Engagement.

Strengthening our Culture of Recognition

Every Mastekeer is valuable and we at Mastek believe that performance needs to be appreciated and encouraged. With a vision that each Mastekeer should feel recognized, we feel extremely gratified that we recognized 115% of Mastekeers in the year 2013-14 through our global awards framework. We continue to recognize and award team/ individual performances during our Quarterly Meets, Global Annual Awards, Long Service Awards and Attitude Awards.

Expressions 2014 a recognition week at Mastek was launched in its new avatar. A totally different approach was adopted right from the formation of the Cross Functional Team to planning and execution along with a vision of making Expressions BIGGER and BETTER so that it touches more number of Mastekeers across levels. Every event held in EXPRESSIONS 2014 provided a platform for a Mastekeer to appreciate and recognize his/her colleagues and seniors. We saw a lot of innovation and execution excellence while managing this event. It was a week-long carnival with active participation and enthusiasm from the participants across the Globe.

EXPRESSIONS 2014 helped not only strengthen the Recognition Culture at Mastek but also added fun to Mastekeers' life. It created bonding across various teams and was a perfect platform for each one to express their gratitude and appreciation for one another.

The more we talk about the events; the less it is! We saw Mastekeers eager to participate in events like **Wall of Fame, Treasure Hunt, Wind Beneath the Wings** and **Tech Galaxy** which received an overwhelming response for the latest and greatest techno – sphere in Mastek which was held at Mahape and for the first time in Pune and also in UK. Inspired by the enriching session of Nipun Mehta, we celebrated **Spreading Joy** by distributing smiley cards with a message of kindness specific to Mastek environment. This was an instant hit among all Mastekeers including all and also C level Mastekeers. More than the Mastekeers doing the act of kindness it was worthwhile to see the joy in the eyes of the recipients of the act. **M Power** was a platform that was provided to offshore Mastekeers to connect with their favorite leaders and converse on the topics of personal growth. This event was very well appreciated and was found enriching for both Mastekeers and the Participating Senior Leaders.

Through **Illumine Artist** we provided a platform to Mastekeers to express their moods on papers by splashing colors on Strips of paper displayed at every location. We also used this forum to contribute for a noble cause by donating for every painting to a NGO called Prerna who used this amount for Naunihal, a center that houses and educates girls of commercial sex workers. Last but not the least; **Chocolair** being hosted on the Valentine's Day received significant response with chocolates flowing all over! The week full of celebrations culminated with the distribution of **'Attitude Awards'** – the most awaited peer awards focusing on recognizing peers, juniors, and seniors with great Attitudes. We recorded a 20% increase in the number of recognitions this year.

We also extended our **Global Awards Program to recognize 'Specialist Skills' at Mastek**. With this we launched **'Mastek Top Coders Club'** a platform to develop, recognize and appreciate Mastekeers who possess exceptional Programming Skills.

Engaging & leveraging our Top Performers through Prism Club

As part of the Prism Club initiative we continue to design and implement programs that engage our top performers and enable their growth and development

With a vision to recognize & celebrate the outstanding performance of our top talents, Prism Event 2012 – 13 was held at Mastek, Mahape in November'13 for the Prism Members along with their family members. The event was well received and was widely appreciated.

In view of Empowering our high potential employees, Prism Members in Mumbai and Pune in Grade 8 and below were offered bestselling program in the world by Franklin Covey, '7 Habits of Highly Effective People'.

Under Individual Development Framework, we continued our focus on consolidating the inputs received on our Repeat Prism Members from their Managers and Unit Heads.

In order to provide a platform for Top Talent to interact with the Stalwarts, we invited an eminent speaker to address our Prism Members on the most discussed topic **'Collaborative Leadership'**. The speaker chose an innovative method to get his ideas reach the audience. He invoked thoughts by sharing his insights on the topic of Collaborative Leadership by showing clippings from the Indian epic sports drama film **Lagaan** that talks about a small village in Western India during the British Empire in 1893.

Business HR in action @ Mastek

The Business HR team gained significant momentum in this year with a plethora of innovative initiatives targeted at alleviating the levels of outside in strategies, inputs to making policies, sensitizing the CFs on the needs of Mastekeers, bringing in higher levels of engagement for Mastekeers and in all improving the reach of the organization to its people.

Through our CF connect initiative we brought in a platform for Mastekeers to interact with Corporate Function Leadership team on their issues and seek answers to their queries. This helped bring in the Outside – In perspective for short and long term goals of CF.

The team introduced an initiative named 'Reflect' – A Forum to seek feedback to identify scope of improvement in organizational processes and norms to facilitate better jumpstart to new joinees. This helped us get in touch with expectations of new joinees and gaps. Work with respective stakeholders to make on-boarding pleasant.

Talk Tuesdays and Top of Mind two very innovative methods to understand the pulse of people were put in place to bring about a healthy and positive work environment which drives the Mastek Values and Culture.

Mastekeers United,an in house sports team worked on various sports extravaganzas amidst high adrenaline with enthusiastic participation and outstanding feedback through the year which included a cricket tournament (name Mastek Premier League, MPL), Indoor sports and outdoor games and a Badminton tournament. This gave Mastekeers an opportunity to bond outside work that will help better workplace effectiveness and expand circle of influence. This helped create higher levels of engagement and energy.

Fun & Joy (FnJ) helped achieve high level of engagement across locations and fantastic feedback on various events. Mastek offshore has experienced high level of energy and enthusiasm with fullest of participation in celebrations and competition. FnJ has helped Mastekeers not only rejuvenate from time to time but also encourage talents of all kinds. Highlights of the year have been – Mastekchef @ Mastek Pune, Aadhar Card Drive in Pune & Mumbai, Self Defense Program, "Golu" Celebration in Chennai and Kitchen Superstar in Chennai, Fashion show in Mumbai - to name a few.

Compensation & Benefits and HR Operations

Compensation being an important element in the overall engagement of every employee, the C&B team ensured that the annual global revisions for 2013-14 were very successfully executed, after conducting detailed benchmark study within the industry and releasing the increases in line with average trends. Alongside, the variable pay entitlements were also released within committed timelines.

Awareness around the Whistle Blowing mechanism within our Code of Business Conduct & Ethics Policy was increased and dedicated capsules have been introduced as part of every employee induction. This resulted in significant change in the employee awareness levels as evidenced by number of instances coming to the fore and getting addressed during the year.

Various customer audits for compliance related to employee records, labour statutes, etc. were successfully handled and closed. System change support was also provided to the Business Units in tune with the changing structures and reorganization of various Units in Geo's. All existing HR Policies related to employee welfare and benefits continue to be reviewed on a periodic basis and changes, wherever required, are incorporated.

HR Operations has also taken up digitization of all employee records to enable quick retrieval at any given point of time and also to free up storage space within its premises.

Learning and Development @ Mastek

The learning and development Journey at Mastek continues to be exciting and innovative with the support of various practitioners, COE's. We now have a new training facility operational in Mahape premises which would enable us to launch many more programs for Mastekeers.

This year again we saw tremendous involvement of our employees in various learning initiatives. Their continuous inputs and recommendations helped us design focused learning events. Their direct involvement in our initiatives like "You Decide Your Training Calendar" helped us coming up with lots of relevant offerings like Microsoft BI/DW, ITIL, ASP.NET MVC, Trending technology stacks like Microsoft CRM, Big data/ Hadoop, Cognos, Android app development to name a few. All this resulted into significant upturn in training participation.

Dev Corner a platform for developers got launched and under this initiative various sessions were arranged like "Beautiful Code" and "Technical Debt". The objective was to make developers aware of importance of writing quality code. These events caught the attention of a sizable number of developers from Mumbai and Pune. To engage developers further we used gamification methodology and rolled out our virtual currency Dev Coins, which again had an enthusiastic participation of developers across projects.

Our major focus last year was towards Enterprise Agile which was one of the strategic initiatives for the organization. Within a short span of time we came out with Agile training and certification framework, training designs and started rolling out the same. To date we have trained around 51% of Mastekeers on agile concepts what we call as Level 1 certification.

We have now developed more detailed Agile Level 2 role based trainings with the help of various COE's. The courses are for Architects, BAs, Testers, Developers and Project Managers. The rollout of these courses has been started already in a phased manner along with our Level 1 training.

We also had various Mastekeers getting certified last year - mainly in the areas like Testing, Insurance, and Service Management. To support them focused preparatory workshops were arranged.

In the Insurance Domain our emphasis has been on building up our capabilities on the P&C insurance product and toolkit.

From a soft skills paradigm, the focus this year was to reach out to onsite Mastekeers. We conducted class room trainings for both UK and Malaysia region and webinars for the US region. These were well appreciated by the Mastekeers. We also launched a couple of new programs for Managers. This year we also saw a rise in training participation from the Corporate functions. We continued to enhance our designs and work with business to make training programs effective with focus on change in behaviors

All of this has been successful in instilling and enhancing skills and inculcating the desire to learn more...

To summarize, 2013-2015 has been an exciting year for HR where existing initiatives have been strengthened, there has been innovation in every sphere and we are now poised to move into a future where we will continue to strive to build a culture of empowered teams to enable exceptional value delivery to the customer and high levels of customer engagement.

SUSTAINABILITY REPORT

Sustainability Initiatives

Concern about environmental sustainability is growing across the world, and Mastek as a global Citizen has taken the responsibility to do the best in its capacity. Mastek has always been a catalyst for transformation in its core business operations.

Environment Management System

It has been Mastek's long-term objective to minimize the impact of its operations on the environment, thus contributing to one major aspect of sustainability. We are pleased to announce that Det Norske Veritas (DNV) has certified us for the implementation of ISO 14001:2004, an internationally recognized standard for Environment Management System at our Mahape facility.

Health & Safety

Another important aspect of sustainability is the implementation of adequate health and safety processes and systems at our premises. In this regard, we have been certified by DNV for the implementation of OHSAS 18001:2007, an internationally recognized standard for Occupational Health and Safety Management System. The OHSAS certification along with ISO 14001 is a milestone achievement in our journey on sustainability.

Sustainability policy & Sustainability Reporting

A Sustainability Policy and Health & Safety Policy has been framed, covering all areas of health, safety, environment, social and economic issues.

A Sustainability Roadmap has been prepared which would culminate in Sustainability Reporting for FY2014-15 as per GRI G4 guidelines.

Reduction in power Consumption

Energy costs account for around 40% of the total facility expenses. Over the last couple of years, there has been a sustained effort to reduce energy costs. We are replacing CFL lighting with LED lighting at our MNDC building at Mahape, which would result in 40-50% savings in the lighting energy consumption.

The air cooled chillers which provide air conditioning to this building will be replaced with the more efficient water cooled chiller(s), which is expected to reduce the HVAC energy consumption by around 15-20%. The installation of VFD will help in uniform cooling in the building and further reduce energy consumption. The Mastek Millenium Centre building has an aging VRV air conditioning system, which we are planning to replace with new units during the current year. The new systems will have more environment friendly gas and coolants as against that of the existing old units, thereby reaffirming our commitment towards sustainability and reducing impact of our operations on the environment.

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ANNUAL REPORT DESIGN CONCEPT

The design concept behind this year's Annual Report is 'transformation'. And what better way to capture 'transformation' than Origami - the ancient, beautiful, delicate and meticulous art of paper-folding which magically transforms a simple sheet of paper into a spectacular, 3-dimensional object?

The design is also aligned to 'transformation of the individual, society and the world' which was advocated by Sudhakar Ram, Managing Director and Group CEO of Mastek, in his highly readable and enjoyable book "The Connected Age".

Mastek

United Kingdom
United States of America
Canada
India
Malaysia
Singapore
Thailand

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Printed at PRINTHOUSE

MASTEK LIMITED **PROXY FORM**

CIN: L74140GJ1982PLC005215

Regd. Office: 804/805, President House, Opp. C. N. Vidyalaya, Near Ambawadi Circle, Ahmedabad-380006;
Email:investor_grievances@mastek.com; Website: www.mastek.com; Phone:+91-22-6695 2222; Fax +91-22-6695 1331

I/We being the member(s) holding ..... shares of the above named company hereby appoint:

(1) Name: .....Address: ..... E-mail id: .....

Signature: ..... or failing him;

(2) Name: .....Address: ..... E-mail id: .....

Signature: ..... or failing him;

(3) Name: .....Address: ..... E-mail id: .....

Signature: .....

as my/our proxy to attend and vote (on a poll) for me /us and on my/our behalf at the 32nd Annual General Meeting of the company, to be held on Wednesday, July 23, 2014 at 11.00 a.m. at Ahmedabad Management Association Hall, H. T. Parekh Hall, AMA complex, ATRA, Dr.Vikram Sarabhai Marg, Ahmedabad 380015 or at any adjournment thereof in respect of the resolutions as are indicated below:

Resolution No.	**RESOLUTIONS**	Vote/s given	
Ordinary Business		For	Against
1.	Adoption of Financial Statements for the year ended March 31, 2014.		
2.	Approval of Final Dividend for the year ended March 31, 2014 and confirm Interim Dividend declared and paid during the year 2013.		
3.	Appointment of Mr. Ashank Desai, who retires by rotation and being eligible, offers himself for re appointment.		
4.	Appointment of Mr. Venkatesh Chakravarty, who retires by rotation, as an Independent Director under Section 149 of the Companies Act, 2013.		
5.	Appointment of M/s. Price Waterhouse, Chartered Accountants, as Statutory Auditors and fixing their remuneration.		
Special Business			
6.	Appointment of Mr. Arun Maheshwari, Additional Director appointed by the Board, as an Independent Director under Section 149 of the Companies Act, 2013.		
7.	Re-appointment of Mr. Sudhakar Ram as Managing Director and Group CEO.		
8.	Re-appointment of Mr. Radhakrishnan Sundar as an Executive Director.		

Signed this.....day of 2014

Signature of Shareholder..... .....

Affix Revenue Stamp of ₹1/-

Signature of Proxy holder(s).....

Note :

1. **This form of proxy in order to be effective should be duly completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. For the notes, Resolutions and Explanatory Statement, please refer to the Notice of the 32nd Annual General Meeting.
3. It is optional to put number of votes in the appropriate column against the Resolutions indicated in the Box, so that the Proxy should vote accordingly. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate. Please note that the total number of votes given cannot exceed the number of shares held for each and every resolution.
4. Please complete all details of member(s) in the above box before submission.

MASTEK LIMITED **ATTENDANCE SLIP**

CIN: L74140GJ1982PLC005215

Regd. Office: 804/805, President House, Opp. C. N. Vidyalaya, Near Ambawadi Circle, Ahmedabad-380006;
Email:investor_grievances@mastek.com; Website: www.mastek.com; Phone:+91-22-6695 2222; Fax +91-22-6695 1331

32nd ANNUAL GENERAL MEETING

I/We hereby record my/our presence at the 32nd Annual General Meeting of the company at Ahmedabad Management Association Hall, H. T. Parekh Hall, AMA complex, ATRA, Dr. Vikram Sarabhai Marg, Ahmedabad 380015 on Wednesday, July 23, 2014 at 11.00 a.m.

.....	.....	.....
Member's Folio / DP ID - Client ID No.	Member's/Proxy's name in Block Letters	Member's/Proxy's Signature

Note:

1. Please complete the folio / DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Electronic copy of the Annual Report for 2014 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2014 and Notice of the Annual General Meeting alongwith Attendance Slip and proxy form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

MASTEK LIMITED **E-VOTING PARTICULARS**

CIN: L74140GJ1982PLC005215

Regd. Office: 804/805, President House,Opp .C.N. Vidyalaya, Near Ambawadi Circle, Ahmedabad-380006;
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ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN

NOTE: Please read instructions given at Note no. 12 of the Notice of the 32nd Annual General Meeting carefully before voting electronically.