

March 9, 2011

**The Listing Department
National Stock Exchange of India Limited
Exchange Plaza
Plot no. C/1, G Block
Bandra- Kurla Complex
Bandra(E)
Mumbai- 400 051**

**Corporate Relations Dept.
The Stock Exchange
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001.**

Dear Sirs,

Subject: Corporate announcement/Business update

This is to inform you of a business update on the Company's Insurance vertical operations in the UK market for your records and specifically in relation to the Company's partnership with Capita in the UK Life and Pensions Market and its focus on creating a state of the art Elixir4 platform suitable for implementation for Capita's clients.

The first go-live for a Capita client was achieved last year and since then we have been working on migrating policies of other Capita clients on to Elixir4. However, as a result of Capita reviewing this strategy with its client base this activity with us has been paused for the time being. Mastek's involvement in this area has therefore reduced with immediate effect. This development is expected to reduce revenues from Capita CLPS Q4FY2011 (April-June 2011 quarter) onwards. We expect the revenue impact to be in the region of £1.2mn to £1.4mn per quarter. However, the Company does expect to make up this shortfall through business growth within the next two quarters.

Capita continues to view Elixir4 as a strategic platform for new products and clients.

Thanking you,

Yours faithfully

For Mastek Limited



**Bhagwant Bhargawa
Company Secretary**