

DIRECTORS' REPORT

Dear Members,

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

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

1. HIGHLIGHT OF COMPANY'S FINANCIAL RESULTS

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

(₹ in Lakhs)

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

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

DIRECTORS' REPORT

2. OVERVIEW OF COMPANY'S OVERALL FINANCIAL PERFORMANCE

• Mastek Operations

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

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

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

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

• Break-up of the Operating Revenue by Geographies

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

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

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

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

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

DIRECTORS' REPORT

• Break-up of the Revenue by Service Lines

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

• Break-up of the Revenue by Customer Segments

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

PROFITABILITY

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

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

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

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

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

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

4. DIVIDEND (RETURNS TO INVESTORS)

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

DIRECTORS' REPORT

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

Dividend Distribution Policy

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

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

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

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

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

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

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

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

6. TRANSFER TO GENERAL RESERVES

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

DIRECTORS' REPORT

7. MANAGEMENT DISCUSSION AND ANALYSIS

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

8. CREDIT RATING

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

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

9. EMPLOYEE STOCK OPTION PLANS

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

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

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

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

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

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

DIRECTORS' REPORT

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

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

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

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

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

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

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

11. SUBSIDIARY COMPANIES

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

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

DIRECTORS' REPORT

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

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

12. MATERIAL SUBSIDIARIES

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

13. RELATED PARTY TRANSACTIONS

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

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

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

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

14. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

15. BOARD OF DIRECTORS

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

DIRECTORS' REPORT

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

Board's Composition and Independence

• Board's Composition

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

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

• Independent Directors and their Declarations

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

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

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

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

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

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

• Non-Independent Director - Director Retiring By Rotation

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

DIRECTORS' REPORT

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

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

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

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

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

16. BOARD EFFECTIVENESS

- **Performance Evaluation**

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

- **Annual evaluation by the Board**

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

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

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

DIRECTORS' REPORT

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

- **Familiarisation Programme**

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

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

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

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

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

17. MEETINGS OF THE BOARD OF DIRECTORS

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

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

18. COMMITTEES OF THE BOARD

The Board of Directors have constituted the following Committees:

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

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

DIRECTORS' REPORT

19. Key Managerial Personnel

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

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

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

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

20. COMPANY'S POLICY ON NOMINATION AND REMUNERATION

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

Some of the salient features of which are as follows:

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

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

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

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

21. STATUTORY AUDITORS AND THEIR REPORT

Statutory Auditors

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

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

Report of Statutory Auditors

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

DIRECTORS' REPORT

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

22. SECRETARIAL AUDITORS AND THEIR REPORT

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

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

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

23. RISK MANAGEMENT

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

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

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

24. INTERNAL CONTROL SYSTEMS

Internal Financial Controls over Financial Reporting

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

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

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

DIRECTORS' REPORT

Internal Audit

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

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

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

25. HUMAN RESOURCES

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

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

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

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

- **Equal opportunity employer**

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

- **Prevention of Insider Trading**

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

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

- **Vigil Mechanism (Whistle Blower Policy)**

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

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

DIRECTORS' REPORT

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

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

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

- **Anti - Corruption and Bribery Policy**

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

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

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

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

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

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

28. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

29. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

DIRECTORS' REPORT

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

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

30. BUSINESS RESPONSIBILITY REPORT

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

31. CORPORATE GOVERNANCE

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

32. ANNUAL RETURN

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

33. COMPLIANCE WITH SECRETARIAL STANDARDS

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

34. INSURANCE

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

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

Conservation of Energy and Technology Absorption

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

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

DIRECTORS' REPORT

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

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

Foreign exchange earnings and outgo

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

(₹ In lakhs)

Particulars		Year Ended March 31, 2021	Year Ended March 31, 2020
Foreign Exchange Used		515	271
Foreign Exchange Earned		15,877	18,450

36. OTHER DISCLOSURES

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

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

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

37. SIGNIFICANT DEVELOPMENTS

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

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

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

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

38. DIRECTORS' RESPONSIBILITY STATEMENT

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

DIRECTORS' REPORT

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

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

39. APPRECIATION AND ACKNOWLEDGEMENT

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

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

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

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

For and on behalf of the Board of Directors

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

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

Date: April 28, 2021
Place: Mumbai