Mastek

ANNUAL REPORT 2012-2013

WE HOPE YOU HAD A GOOD YEAR, TOO...

The IT industry in India offers enormous opportunities for individual firms to specialize and focus. This has been a great playing field for Mastek. For over 3 decades now, we have remained steadfast to our vision of building a valuable, evergreen company.

And this year, the financial results have put a smile on our faces – it has been a turnaround year.

But more importantly, the results provide ample evidence that our focus, our ‘future-proof’ design and our commitment are indeed helping take clients, stakeholders, employees and millions of end users to new heights of success.

In the next few sections, we’d like to share with you not just the good news on the financials, but the inside story of ‘how we did it’, too.

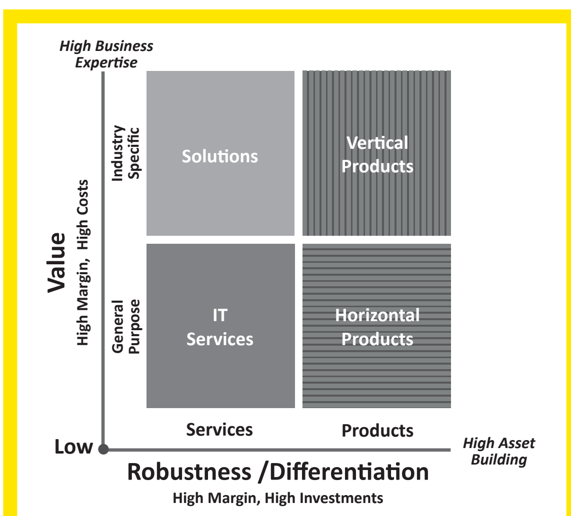
A BIRD'S EYE VIEW OF THE IT INDUSTRY

The IT industry is easily the most dynamic industry the world has ever known. Over the past 70 years, it has influenced the world through more innovations and paradigm shifts (not only in scientific, but cultural practices and stances, too) than the previous 1000 years put together.

Today, the major players in the IT industry have made conscious choices in the way they want to do business, grow, and 'help change the world'. They decide the segments that they want to address and the difference that they want to add.

Broadly speaking, the entire IT solutions landscape can be mapped into a 2x2 grid as shown alongside. Firms could differentiate on the basis of the assets that they build – broadly categorizing them into service and product offerings. They could also differentiate themselves on the basis of their industry / business focus – ranging from general purpose services to industry specific solutions. These lead to 4 broad types of offerings – IT Services, Solutions, Horizontal Products and Vertical Products. (It is clear that both these dimensions are a continuum rather than two discrete polarities – viewing them as a 2 x2 matrix is a simplification.)

Product firms offer a distinct benefit to customers – of robust, proven solutions that are quick to implement – with out-of-box access to best practices. They help the firm differentiate itself strongly, with higher gross margins. However, this differentiation calls for major investments in R&D and Product development.



Similarly, 'Solutions' firms offer higher value and higher impact, based on their business solutions and industry solutions. Delivering higher value allows firms to charge a higher price and hence get a better margin.

However, industry solutions firms have a high fixed cost due to lower utilization, higher spends on training. They also have a higher variable cost – with more senior, experienced resources required to deliver the service.

Most Indian companies tend to operate in Quadrant 1 – in IT Services. They enjoy lower fixed and variable costs, lower investment, are easier to scale and can operate with a high contingent of lower skilled resources.

Mastek, however, has followed a different path. Being committed to building a valuable company, we have always chosen to be in the high value end of the business – now with industry specific solution offerings. With our strong expertise in Insurance and Government verticals, and growing presence in Financial Services and Retail, Mastek aspires to be a leading solutions provider in these verticals. Similarly, our commitment to being an evergreen company has put us on the path of products: we've been building a strong foundation of assets, especially in the insurance vertical, which can reinforce our presence and differentiation over several decades. More than 70% of Mastek's business, therefore, comes from Industry Solutions and Vertical Products.

IDEALS–THE KEYSTONE THAT HOLDS THE STRUCTURE IN PLACE.

YOU WILL AGREE THAT HIGH ACHIEVEMENT IN ANY SPHERE OF HUMAN ACTIVITY HAS LITTLE VALUE IF THE ACHIEVEMENT ISN'T FOUNDED ON THE HIGHEST IDEALS.

THROUGHOUT OUR JOURNEY OF OVER THIRTY YEARS, EVERY STEP OF OUR PROGRESS AND GROWTH HAS BEEN GUIDED BY THE MASTEK IDEALS, LAID DOWN BY THE FOUNDERS.

BUILD AN 'EVERGREEN INSTITUTION'

Mastek is not just a company, but an institution with a 'soul', seeking to make a valuable difference to its world. Mastek believes that sustained contribution and a spotless reputation over the long run are more important than short-term growth and profits.

WIN-WIN FOR ALL

Mastek is committed to the success of every stakeholder, not just the shareholder. Mastek aims to ensure that every stakeholder benefits, without having to trade off anyone's interest against another's. Going beyond the contractual commitments, Mastek seeks to win the hearts and minds of the people it touches.

100% RESPONSIBILITY FOR OUTCOMES

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

SUSTAIN A COLLABORATIVE CULTURE

Mastek embraces collaboration as the method to solve complex problems. Openness, mutual respect and teamwork — within the company as well as with clients / partners — are the three pillars of this collaborative approach. Collaboration is enhanced with Mastek's simple, sincere and straightforward approach to work and relationships.

THE PROOF OF THE PUDDING...

FORTUNE 500 COMPANIES ARE OUR CLIENTS; OUR RANGE OF ENTERPRISE SOLUTIONS IN THE INSURANCE AND GOVERNMENT VERTICALS ARE TOUCHING THE LIVES OF MILLIONS OF USERS. AND SOME OF OUR SOLUTIONS IN OTHER INDUSTRIES ARE VERILY FIRST-OF-ITS-KIND.

TRANSFORMATION PROGRAMS – INSURANCE

- Transforming 8 legacy systems into a single, modern, policy administration system for Individual and Group life – handling hundreds of products
- An automated claims processing system that consolidated around 12 claims systems into 1, and reduced claims processing time by 70%
- A complete end-to-end system for Group Protection business for employees of the UK Employers consisting of various Employee Benefits products covering more than 2 million employees
- For a large fraternal Life Carrier – a transformation program to reduce policy acquisition costs by 30% via straight-through processing
- Build of Commercial Insurance Policy Admin Legacy Modernization initiative spanning Auto, Property, GL, Crime & Inland Marine LOB's for all US States with more than $1 Billion in Premium

TRANSFORMATION PROGRAMS – GOVERNMENT AND FINANCIAL SERVICES

- 9 systems which form the backbone of ePrescriptions, health services, physician performance and health records to the citizens of UK
- Reduced traffic congestion and pollution in London by 20% with camera-capture and payment reconciliation every day
- Managing Critical Business Applications for the leading micro-finance institution, with operations across 6 countries.

OUR INSURANCE PRODUCTS REACH

$20 billion worth of direct written premium

12 million individual life policies

10 million owners of vehicles, properties and pets

3.5 million employees get group protection

1 million agents

100,000 automobiles dealerships

700 employers & 140,000 employees/workers compensation

100 insurance carriers globally

OUR POSITION AT A GLANCE

OUR POSITION IN THE NORTH AMERICA MARKET TODAY:

- We are amongst the Top 3 product vendors in the North American insurance business
- 7 of the Top 25 Property and Casualty Insurance carriers are our customers
- We have 15 Tier–1/2 clients in North America
- 3 Life and Annuity clients under implementation
- Over 90% of our customers are engaged in active relationships
- Over 75% of our business comes from existing customers
- Our customers rank us highly in our Delivery and Support services (average 6.0/7)

OUR POSITION IN THE UK MARKET TODAY:

- We win customers every year who stay with us for a long time. One of our key customers has been with us for 17 years
- We are well known for our track record in delivering large programs in partnership with large system integrators
- We have successfully delivered one of the largest data warehouses in the world and have reference customers
- We have delivered business transform - ation programs in the insurance vertical with our Intellectual Property
- We have customers who rank us highly in our Delivery and Support services (average 5.7/7)

OUR POSITION IN THE INDIA ASIA MARKET TODAY:

- 12 of the 22 Insurance companies in India transact business through Elixir Distribution Management and PAS modules
- Successful product implementations for customers in the Asia-Pac region for customers like Etiqa Insurance – Malaysia, Ocean Life Insurance – Thailand, Aviva – Singapore etc.
- Delivering niche programs in the Government domain. Making a difference to Indian society through solutions for:
  - e-scholarship - Maharashtra
  - HOPE - Bihar
  - MGNREGS - Odisha
  - Mahavikas - Maharashtra
  - e-MHADA - Maharashtra

AWARD WINNERS

CELENT

- FAMI won the overall award for Mastek's STG Billing Solution
- Apollo Munich Health Insurance won the award in the policy administration category
- Transamerica Insurance won the award in the underwriting category for the innovative Mortality Management solution that helped carriers improve profitability
- INNOVATORS (Insurance and networking news):US Mutual Insurance company serving credit unions : an automated claims processing system that consolidated 12 claims systems into 1, and reduced claims processing time by 70%

INDIA AWARDS

- One of Mastek's customers, Commercial Tax Department, Government of Odisha, won the Jury Award for 'The Best Project under the Government to Business (G2B) Category' at the eWorld Forum for our e-Services solution
- Mastek and its client, Department of Social Justice & Special Assistance, Government of Maharashtra, won the Jury Award for 'Best ICT in Financial Inclusion Initiative of The Year' at the eIndia Awards for the e-Scholarship solution developed by Mastek
- Mastek and its client, Maharashtra Housing and Area Development Authority (MHADA), Government of Maharashtra, won the Jury Award for 'Best Urban ICT Initiative of The Year' award at the eIndia Awards for the Integrated Housing Lottery Management System (IHLMS) solution developed by Mastek
- Mastek's 'Claims Surveyor' solution won IDC's FIIA Award for Innovation in Mobility

DEAR SHAREHOLDERS,

The Company had seen a mini crisis during the period 2009-2011 impacted both by company specific factors, and the general slowdown in the global economy. In my address to you last year, I had outlined that our Company is taking some key initiatives to improve its overall operating and financial performance. Some of the initiatives included continued investment in the Insurance business in North America, strong governance on reviewing business unit performance, alignment of the organization structure to focus on improving sales and operational efficiency, costs and other rationalization measures. The actions were targeted at improving the bottom line without compromising our long term vision of being a high-end industry solutions company.

It gives me great pleasure to state that these measures have resulted in a turnaround performance by our Company this year. We have recorded growth in revenues quarter on quarter over the last 6 quarters and also reported net profits over the last 5 quarters ended March 2013. With our financial year end now changed to March, I am happy to report that the Company finished the 9-month period ended March 2013 with an operating revenue of ₹ 683.4 crore as compared to ₹ 733.5 crore for the FY 2011-12 reflecting an annualized increase of 24% in rupee terms. More importantly, the operational and efficiency measures highlighted above, enabled the company to post an EBITDA of ₹ 66.2 crore (9.6% of total income) as compared to an EBITDA of ₹ 35.4 crore (4.8% of total income) in the previous year. The net profit stood at ₹ 34.3 crore as against a marginal net profit of ₹ 0.5 crore last year.

Though the business and economic conditions in North America have seen some signs of improvement lately, the conditions in Mainland Europe and in the UK are yet to recover. Our strategy of expanding the Insurance footprint in North America has started to pay off and we have had a good share of success both on the Property & Casualty (P&C) and the Life & Annuity (L&A) businesses in North America this year. It is pertinent to mention

IN KEEPING WITH OUR IMPROVED PERFORMANCE, THE COMPANY HAS COME BACK TO THE DIVIDEND LIST AND THE BOARD HAS RECOMMENDED A DIVIDEND OF 60%, (₹ 3 PER SHARE).

that Mastek is rated amongst the Top 3 vendors in the North American insurance business with 7 of the Top 25 P&C insurance carriers as our customers. We will continue to invest in this segment with a clear goal of gaining market leadership. We expect this segment to clearly drive growth in the business in the coming years.

The Government business in the UK is our predominant business but the large multi-year deals are yet to open up due to the Government's austerity measures. However, we did well growing our relationships with British Telecom (BT). We also won a large retail client, Morrisons Plc, which is the UK's fourth largest food retailer, to deliver a comprehensive business intelligence and data warehousing solution across all areas of Morrisons' business. Mastek has had a great track record in the UK on delivering insightful and enduring solutions to its clients and their positive references are expected to help us garner new clients and drive growth in the future.

On the domestic front, the company has been at the forefront of key government initiatives in many states of India including the Social Justice project in Maharashtra, the Commercial Tax Department in the state of Odisha and the Benefit Management System in Gujarat. We will continue to look at direct benefit transfer programs in central and state governments, partnering with lending/aid agencies and their grantee companies and build replicable frameworks that can help implement niche programs faster and more cost effectively.

Before I conclude, let me assure you that Mastek is committed to the success of every stakeholder. We believe in going beyond just the contractual commitments and seek to win the hearts and minds of the people we touch. This approach and ideal has driven - and will continue to drive in the future – our progress and growth and will enable us to build an evergreen institution with a soul.

On behalf of the Board of Directors, I would like to place on record my sincere appreciation to our customers, partners, shareholders, employees and vendors for their support. In anticipation of the new changes in corporate governance requirements, Mr. S Sandilya, Independent Non-executive Director will take over as the Non-executive Chairman of our Company while I will continue to serve in the capacity of Group CEO and Managing Director.

In keeping with our improved performance, the Company has come back to the dividend list and the Board has recommended a dividend of 60% i.e. ₹ 3 per share.

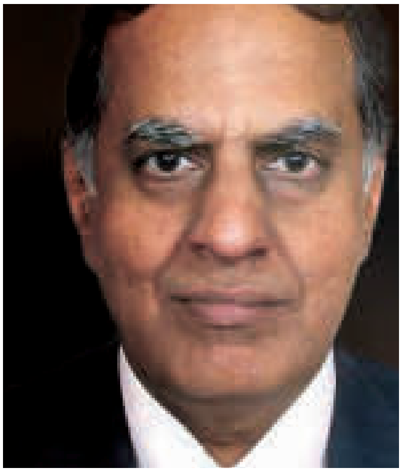
Yours truly,

Sudhakar Ram

THE BOARD OF DIRECTORS

Mr. Sudhakar Ram

Group CEO and Managing Director



Mr. S Sandilya

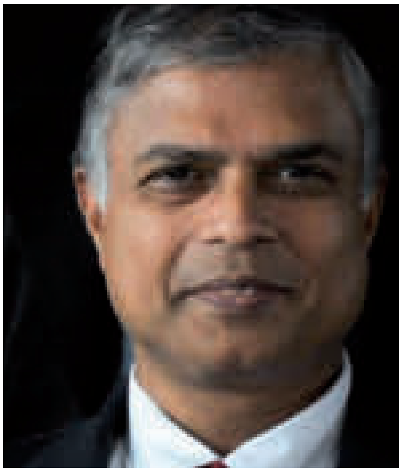
Chairman and Non-Executive Director (Independent)

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)

TOP MANAGEMENT

NAME	DESIGNATION
Sudhakar Ram	Group CEO and Managing Director
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
Stefan Van Overtveldt	Chief Engineer
Kalpana Jaishankar	Senior Vice President & Group Head HR

BANKERS
ICICI Bank
Standard Chartered Bank

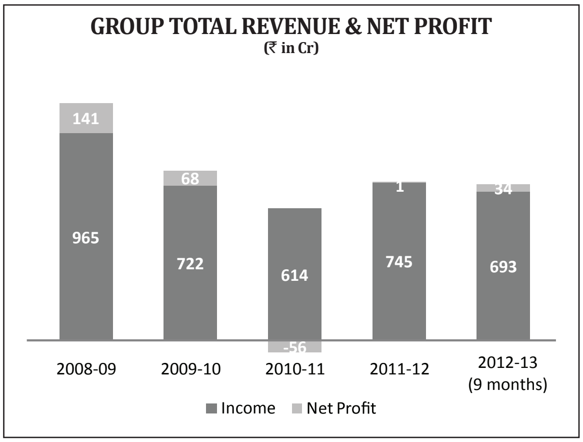
COMPANY SECRETARY
Bhagwant Bhargawe

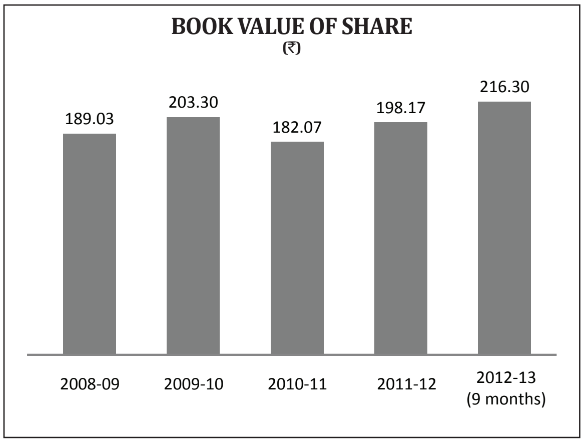
AUDITORS
Price Waterhouse

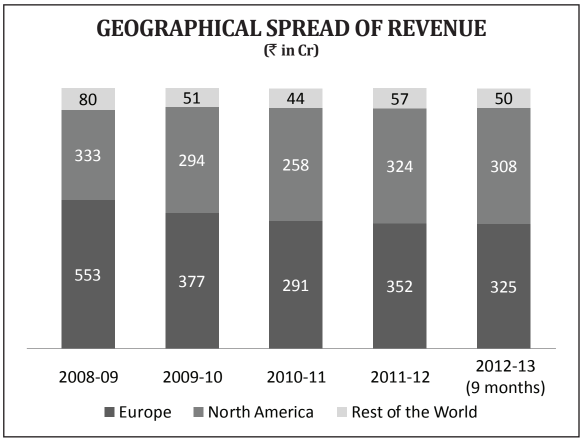
REGISTERED OFFICE
804/805, President House, Opp. C. N. Vidyalaya,
Near Ambawadi Circle, Ahmedabad 380 006, India

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

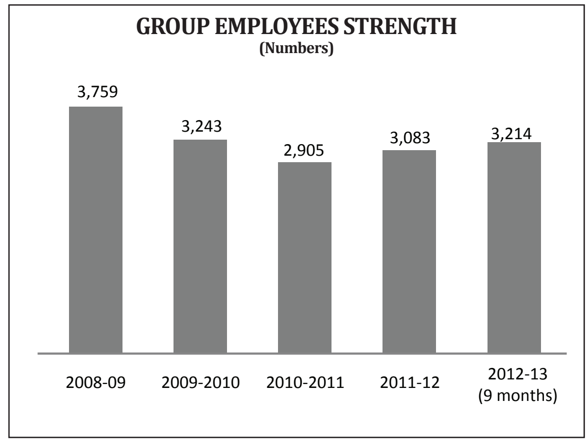
PERFORMANCE ANALYSIS OF MASTEK GROUP

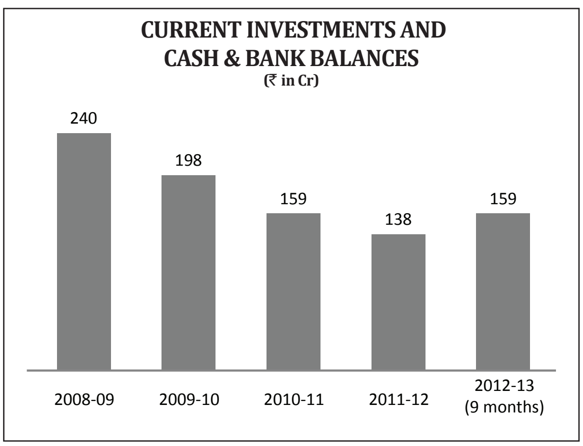


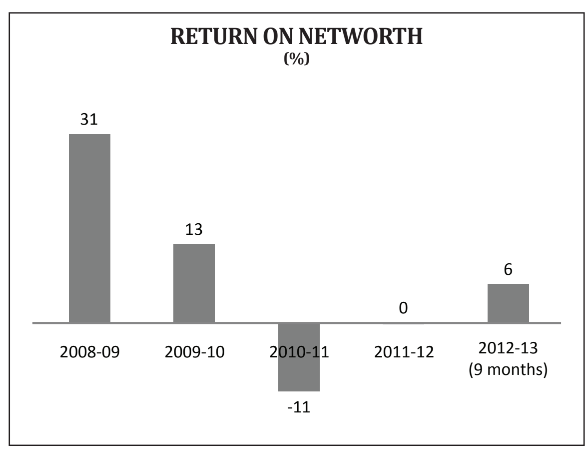




PERFORMANCE ANALYSIS OF MASTEK GROUP (CONTD.)







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NOTICE

Notice to Members

NOTICE is hereby given that the Thirty First Annual General Meeting of **MASTEK LIMITED** will be held on Wednesday, July 17, 2013 at **Ahmedabad Management Association 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 Statement of Profit and Loss Account for nine month period ended March 31, 2013, the Balance Sheet as on that date together with reports of the Directors and the Auditors thereon and the Consolidated Financials for nine month period ended March 31, 2013 along with the Auditors' Report thereon.
2. To declare a Dividend on Equity Shares of the Company.
3. To appoint a Director in place of Dr. Rajendra Sisodia, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms. Priti Rao, who retires by rotation and being eligible, offers herself for re-appointment.
5. To re-appoint M/s. Price Waterhouse, Chartered Accountants, (Firm Registration No. 012754N), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

6. **Appointment of Mr. Atul Kanagat as a Director**

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

   "**RESOLVED THAT** Mr. Atul Kanagat, who has been appointed as an Additional Director of the Company with effect from January 21, 2013 and who, in terms of Section 260 of the Companies Act, 1956, 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 257 of the Companies Act, 1956 signifying his intention to propose Mr. Atul Kanagat, as a candidate for the office of Director, be and is hereby appointed as a Director of the Company, subject to retirement by rotation under the provisions of the Articles of Association of the Company."

7. **Payment of Commission to Non-Executive Directors**

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

   "**RESOLVED THAT** pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act 1956, a sum not exceeding 1% p.a. of the net profit of the Company, determined in accordance with the provisions of Section 198, 349 and 350 of the Companies Act 1956, be paid by way of commission to the Non-Executive Directors of the Company, in such amounts or proportions and in such manner as may be determined by the Board of Directors of the Company, during each of the five financial years of the Company or any part thereof commencing from April 01, 2013 till March 31, 2018."

8. **Employee Stock Option Plan- ESOP Plan VII**

   To consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION:**

   "**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act,1956, (including any statutory modifications or re-enactments thereof), the provision of Clause 6.1 and other applicable provisions of SEBI(Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time hereinafter referred to as ("**ESOP Guidelines**") and subject to all other applicable rules, regulations and guidelines of the Securities and Exchange Board of India ("**SEBI**"), the Listing Agreement entered into with the Stock Exchanges where the shares of the Company are listed or any other relevant authority, from time to time to the extent applicable, and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and subject to such other consents, approvals, sanctions and permissions as may be necessary being obtained from the appropriate authorities and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to or accepted by the Board of Directors of the Company (hereinafter referred to as the "**Board**" which expression shall also include a Committee thereof constituted / to be constituted by the Board to exercise its powers including the powers conferred by this resolution) in its absolute discretion and further subject to such conditions and modifications as may be considered necessary by the Board , the consent of the Company be and is hereby accorded to the Employee Stock Option Scheme being the **ESOP Plan VII,** for grant of stock options to the employees of the Company (brief particulars whereof are specified in the Explanatory Statement hereto) and in pursuance thereof and in relation thereto consent of the Company be and is hereby accorded to the Board to create, offer, issue, allocate or allot, in one or more tranches, at the sole discretion of the Board, to such persons who are in the permanent employment of the Company and to the non- promoter Managing / Whole time Directors/ Non- Executive Directors, (if any) whether present or future of the Company, a maximum of 25,00,000 equity shares of the Company (including equity shares that may be allotted pursuant to grant of stock options to employees of subsidiary companies and identified employees to whom stock options equivalent to 1% or more of the paid-up equity share capital are issued in any one year, as mentioned in resolution no. 9 and 10 herein below), as may be reduced to the extent of shares which may be allotted to the employees of the subsidiaries and the identified employees and / or warrants (whether attached to any security or not) with an option exercisable by the warrant holder to subscribe for equity shares, equity linked securities and / or bonds, debentures, preference shares or other securities convertible into equity shares not exceeding such percentage of the capital of the Company as may be permitted by law, as the Board may in its absolute discretion deem fit, at such price as may be fixed and determined by the Board, considering the prevailing market conditions and other relevant factors, in accordance with the ESOP Guidelines and provisions of law and on such other terms and conditions and at such time or times as the Board in its absolute discretion and in the best interest of the Company deem fit.

   RESOLVED FURTHER THAT subject to the terms stated herein the equity shares allotted pursuant to the aforesaid resolution shall rank *pari passu* in all respects with the existing equity shares of the Company, save and except that such equity shares which may be with or without voting rights, if permitted by law and shall carry the right to receive the full dividend from the date of allotment, as may be decided by the Board, declared for the financial year in which the allotment of the shares shall become effective.

   RESOLVED FURTHER THAT the issue of shares to any non-resident employee(s), non-resident Director(s) shall be subject to such approvals, permissions or consents, if any, as may be necessary from Reserve Bank of India or any other relevant authority in this regard.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the shares allotted upon exercise under the **ESOP Plan VII**, on the stock exchanges where the Company's shares are listed as per the terms and conditions of the listing agreement entered into with the stock exchanges and other applicable guidelines, rules and regulations.

   RESOLVED FURTHER THAT the Board or the Compensation Committee of the Board be and is hereby authorized to amend the Employee Stock Option Scheme as to its terms and conditions including issue of additional options at the adjusted price in order to give effect to the bonus shares or rights shares or stock splits which may be issued, vesting and exercise schedules of stock options granted under the **ESOP Plan VII**, eligibility criteria of such shares, etc. in the best interest of the Company and the employees, in accordance with the provisions of the ESOP Guidelines.

   RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to determine the form and terms of the issue, the issue price and all other terms and conditions connected therewith, and to make and accept any modifications in the proposal as may be required by the concerned authorities involved in such issues, and to settle any questions or difficulties that may arise in regard to the issue.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors."

9. **Employee Stock Option Plan- ESOP Plan VII**

To consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION:**

"**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any amendment thereto or re-enactment thereof), the provision of Clause 6.3 (a) and other applicable provisions of ESOP Guidelines and subject to all other applicable rules, regulations and guidelines of SEBI, the Listing Agreement entered into with the Stock Exchanges where the shares of the Company are listed or any other relevant authority, from time to time to the extent applicable and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary being obtained from the appropriate authorities and subject to such conditions as may be prescribed by any of them, while granting such approvals, consents, permissions and sanctions, which may be agreed to or accepted by the Board in its absolute discretion and further subject to such conditions and modifications as may be considered necessary by the Board the consent of the Company is hereby accorded to the Employee Stock Option Scheme being the **ESOP Plan VII,** for grant of stock options to the employees of its subsidiary companies, and in pursuance thereof and in relation thereto consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot, to or for the benefit of such person or persons as are in the permanent employment of the subsidiary Companies and the non-promoter directors whether present or future of the subsidiary Companies, a maximum of 25,00,000 equity shares of the Company (including equity shares that may be allotted pursuant to grant of stock options to employees of the Companies and identified employees to whom stock options equivalent to 1% or more of the paid-up equity share capital are issued in any one year), as may be reduced to the extent of shares allotted to the employees of the Company and the identified employees and / or warrants (whether attached to any security or not) with an option exercisable by the warrant holder to subscribe for equity shares, equity linked securities and / or bonds, debentures, preference shares or other securities convertible into equity shares not exceeding such percentage of the capital of the Company as may be permitted by law, as the Board may in its absolute discretion deem fit, at such price as may be fixed and determined by the Board, considering the prevailing market conditions and other relevant factors, in accordance with the ESOP Guidelines and provisions of law and on such other terms and conditions and at such time or times as the Board in its absolute discretion and in the best interest of the Company deem fit.

RESOLVED FURTHER THAT subject to the terms stated herein, the equity shares allotted pursuant to the aforesaid resolution shall in all respects rank pari passu interse as also with the then existing equity shares of the Company save and except that such equity shares which may be with or without voting rights, if permitted by law and shall carry the right to receive the full dividend from the date of allotment declared for the financial year in which the allotment of the shares shall become effective.

RESOLVED FURTHER THAT the issue of shares to any non-resident employee(s), non-resident Director(s) of subsidiary Companies shall be subject to such approvals, permissions or consents, if any, as may be necessary from Reserve Bank of India or any other relevant authority in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the shares allotted upon exercise under the **ESOP Plan VII**, on the stock exchanges where the Company's shares are listed as per the terms and conditions of the listing agreement entered into with the stock exchanges and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT the Board or the Compensation Committee of Board be and is hereby authorized to amend the Employee Stock Option Scheme as to its terms and conditions including issue of additional stock options at the adjusted price in order to give effect to the bonus shares or rights shares or stock splits which may be issued, vesting and exercise schedules of options granted under the **ESOP Plan VII**, eligibility criteria of such shares, etc. in the best interest of the Company and the employees in accordance with the provisions of the ESOP Guidelines.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of equity shares or securities or instruments representing the same, as described above under the **ESOP Plan VII**, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters, and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and to settle all questions, difficulties or doubts that may arise in regard to such issue or allotment (including to amend or modify any of the terms of such issue or allotment) without being required to seek any further consent or approval of the members, as it may, in its absolute discretion, deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors."

10. **Employee Stock Option Plan- ESOP Plan VII**

To consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION:**

"**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any amendment thereto or re-enactment thereof), the provision of Clause 6.3 (b) and other applicable provisions of the ESOP Guidelines and subject to all other applicable rules, regulations and guidelines of SEBI, the Listing Agreement entered into with the Stock Exchanges where the shares of the Company are listed or any other relevant authority, from time to time to the extent applicable, and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary, being obtained from the appropriate authorities and subject to such conditions as may be prescribed by any of them, while granting such approvals, consents, permissions and sanctions, which may be agreed to or accepted by the Board in its absolute discretion and further subject to such conditions and modifications as may be considered necessary by the Board, the consent of the Company is hereby accorded to the Employee Stock Option Scheme being the **ESOP Plan VII,** for grant of stock options of the Company for the benefit of identified employees, including, non-promoter Directors of the Company and its subsidiaries and in pursuance thereof and in relation thereto, consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot, to or for the benefit of identified employees, including, non-promoter Directors of the Company and its subsidiaries, a maximum of 25,00,000 equity shares of the Company (including equity shares that may be allotted pursuant to grant of stock options to employees of the Company and its subsidiaries) or other securities convertible into equity shares as may be reduced to the extent of shares allotted to the employees of the Company and the subsidiary companies, 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 of option subject to the conditions mentioned in the explanatory statement attached hereto as the Board may in its absolute discretion deem fit and at such price as may be fixed and determined by the Board, considering the prevailing market conditions and other relevant factors, in accordance with the ESOP Guidelines and provisions of law and on such other terms and conditions and at such time or times as the Board in its absolute discretion and in the best interest of the Company deem fit.

RESOLVED FURTHER THAT subject to the terms stated herein the equity shares allotted pursuant to the aforesaid resolution shall rank *pari passu* in all respects with the existing equity shares of the Company, save and except that such equity shares which may be with or without voting rights, if permitted by law and shall carry the right to receive the full dividend from the date of allotment, as may be decided by the Board, declared for the financial year in which the allotment of the shares shall become effective.

RESOLVED FURTHER THAT the issue of shares to any non-resident employee(s), non-resident Director(s) shall be subject to such approvals, permissions or consents as may be necessary from Reserve Bank of India or any other relevant authority in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the securities allotted upon exercise under the **ESOP Plan VII**, on the stock exchanges where the Company's shares are listed as per the terms and conditions of the listing agreement entered into with the stock exchanges and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT the Board or the Compensation Committee of the Board be and is hereby authorized to amend the Employee Stock Option Scheme as to its terms and conditions including issue of additional options at the adjusted price in order to give effect to the bonus shares or rights shares or stock splits which may be issued, vesting and exercise schedules of options granted under the **ESOP Plan VII**, eligibility criteria of such shares etc. in the best interest of the Company and the employees, in accordance with the provisions of the ESOP Guidelines.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to determine the form and terms of the issue, the issue price and all other terms and conditions connected therewith, and to make and accept any modifications in the proposal as may be required by the concerned authorities involved in such issues, and to settle any questions or difficulties that may arise in regard to the issue.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors."

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.**

   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 173 (2) of the Companies Act, 1956 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, 2013 to July 17, 2013 (both days inclusive), for the purpose of payment of dividend, if declared at the Annual General Meeting.

4. The 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 22, 2013 and before August 14, 2013.

5. Members are requested to immediately notify any change in their address and E-mail IDs to the Registrar and Share Transfer Agents of the Company at the following address:

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

6. The Unclaimed Interim Dividend for the financial year ended June 30, 2006 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, 2006 and thereafter are requested to make their claims to the Company/ Registrar and Share Transfer Agents.

8. Members are requested to bring the duly filled admission slips along with their copy of the Annual Report at the time of attending the Meeting.

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 (I) Pvt. Ltd, Registrar and Share Transfer Agents of the Company, for sending various notices, Annual Report and other documents through Electronic Mode.

10. Information pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, relating to the Code of Corporate Governance, regarding Directors seeking appointment and re-appointment is as follows:

Name of Director	**Dr. Rajendra Sisodia**
Resume of the Director	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 a Professor of Marketing at Bentley University and was previously Trustee Professor of Marketing and the Founding Director of the Center for Marketing Technology. He is also the Co-Founder and Co-Chairman of Conscious Capitalism Inc. Dr. Sisodia has authored several books and published over 100 articles in publications such as the Harvard Business Review, Journal of Business Strategy, Journal of Marketing, and others.
Year of Joining the Board	2010
Expertise in specific functional Measuring and Area	Corporate Strategy and Leadership, Marketing Strategy, Improving Marketing Productivity, Stakeholder Management
Other Directorships	MajescoMastek, USA
Chairman/member of Committees of the Company	Compensation Committee- Chairman Nomination Committee - Member

No. of Board Meetings attended during the year	2
No. of shares held in the Company	Nil

Name of Director	**Ms. Priti Rao**
Resume of the Director	Ms. Rao is a postgraduate in Computer Science from Indian Institute of Technology (IIT), Mumbai. In her 24 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 to 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.
Year of Joining the Board	2011
Expertise in specific functional Area	Building and delivering a range of IT services for customers located across five continents
Other Directorships	MajescoMastek Insurance Software and Solutions Inc. (Formerly - Systems Task Group International Limited)
Chairman/member of committees of the Company	Audit Committee – Member Governance Committee – Member Compensation Committee – Member
No. of Board Meetings attended during the year	4
No. of shares held in the Company	Nil

Name of Director	**Mr. Atul Kanagat**
Resume of the Director	Mr. Atul Kanagat is a B.Tech in Mechanical Engineering from Indian Institute of Technology (IIT), 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 and Mergers & Acquisitions.
Year of Joining the Board	2013
Expertise in specific functional area	Finance including Information Technology and Strategic Planning
Other Directorships	NIL
Chairman/member of committees of the Company	NIL
No. of Board Meetings attended during the year	1
No. of shares held of the Company	Nil

By Order of the Board of Directors

Mumbai
April 26, 2013

Bhagwant Bhargawe
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

Item No. 6.

Appointment of Mr. Atul Kanagat

The Board of Directors has appointed Mr. Atul Kanagat as an Additional Director with effect from January 21, 2013. He holds office upto the date of this Annual General Meeting. The Company has received a notice from a member under section 257 of the Companies Act, 1956 to propose the candidature of Mr. Atul Kanagat as a Director of the Company.

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

Mr. Atul Kanagat is a B.Tech in Mechanical Engineering from Indian Institute of Technology (IIT), 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 and 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 & M&A.

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

Save and except Mr. Atul Kanagat, no other director is in any way interested or concerned in the Resolution.

Item No. 7.

Payment of Commission to Non-Executive Directors

The Company had passed Special Resolution at the Annual General Meeting held on October 06, 2008 approving the payment of commission to Non-Executive directors of the Company for three years commencing July 1, 2008. The Special Resolution contained in Item No. 7 would enable the Company to pay commission to its Non-Executive Directors for a period of five years commencing from April 1, 2013 till March 31, 2018.

Article no. 122 of the Company, permits payment of such commission by the Company.

The Board of Directors recommend passing of the said resolution.

Non-Executive Directors may be deemed to be interested or concerned in the proposed resolution to the extent of the remuneration that may become payable to them. Save as aforesaid, none of the other directors are interested in the above resolution.

Item no 8, 9 & 10.

Employee Stock Option Plan- ESOP Plan VII

The Company has from time to time, issued stock options to its eligible employees and Directors of the Company and its subsidiary companies, under different stock option plans. Since the pool of options has almost been utilized, it is proposed that the Company may reserve and allocate fresh set of shares under a new Stock Option Scheme, being Employee Stock Option Plan VII. The shares may be allotted in accordance with the Stock Option Scheme framed in that behalf, in accordance with the provisions of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("**ESOP Guidelines**") issued by the Securities and Exchange Board of India ("**SEBI**"), as made from time to time as set out in the resolution, and will not exceed such percentage of the Company's equity capital as may be permitted by law. The Company shall comply with the disclosure and accounting policies specified in the ESOP Guidelines with respect to employee stock options.

Section 81(1A) of the Companies Act, 1956 ("**the Act**"), provides *inter alia,* that whenever it is proposed to increase the subscribed capital of the Company by the allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in the section unless the shareholders in General Meeting decide otherwise. The consent of the shareholders is, therefore, sought to authorize the Board of Directors to issue the shares in the manner set out in the resolution under section 81(1A) of the Act.

In terms of Clause 6.2 of the SEBI (ESOP & ESPS) Guidelines, 1999 the following particulars may be noted:

(a) **The total number of options to be granted under ESOP Plan VII** : **25, 00,000** options

(b) **Identification of classes of employees entitled to participate in the ESOP** : All grades of employees of the Company and its subsidiaries as decided by the Board or Compensation Committee from time to time.

(c) **Requirements of vesting and period of vesting** : Vesting of options will commence after a period of one year from the date of grant and may extend upto four years from the date of grant;

(d) **Maximum period within which the option shall be vested**: Four years;

(e) **Exercise price or pricing formula** : Exercise price means the face value of the equity share or any higher price which may be decided by the Board or Compensation Committee considering the prevailing market situations and the norms as prescribed by SEBI and other regulatory authorities.

(f) **Exercise period and process of exercise**: Seven years from the date of vesting. The option shall be deemed to be exercised when the Company received in writing or electronically, notice of exercise in the prescribed form from the person entitled to exercise the option along with the payment for the Options exercised.

(g) **Determine the eligibility of employees to ESOP**: Eligibility depends on the number of years worked in the Company or in its subsidiaries, grade of the employee, performance, and such other eligibility criteria as may be fixed by the Board or the Compensation Committee.

(h) **Maximum number of options to be issued per employee**: Number of Options to be given to each employee will be decided by the Compensation Committee;

(i) The Company shall conform to the accounting policies, as applicable under the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time.

(j) The Company calculates the employee compensation cost using the intrinsic value of the stock options;

(k) The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if the Company had used the fair market value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

SEBI ESOP Guidelines, 1999 prescribe that separate resolutions are required to be passed in relation to grant of options to (i) the employees of the Company, (ii) the employees of the subsidiary companies and to (iii) employees who are granted options equal to or exceeding 1% of the issued capital of the Company at the time of grant of options. Accordingly, three separate resolutions have been proposed in relation to grant of stock options to the three categories of employees aforesaid.

None of the Directors (except the Directors to the extent who may be offered options under the ESOP Plan VII) is concerned or interested in the resolution.

The Board of Directors recommend passing of the aforesaid resolutions as Special Resolutions.

By Order of the Board of Directors

Mumbai
April 26, 2013

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, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the nine month period 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 Company 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 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. 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 did not audit the financial statements of three subsidiaries included in the consolidated financial statements, which constitute total assets of ₹ 2,566.71 Lakhs and net assets of ₹ 2,165.64 Lakhs as at March 31, 2013, total revenue of ₹ 2,383.86 Lakhs, net profit of ₹ 46.98 Lakhs and net cash outflows amounting to ₹ 924.52 Lakhs for the nine month period 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.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

7. 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 Section 211(3C) of the Companies Act, 1956.
8. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph 5 above, 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 Company as at March 31, 2013;

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

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

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

Pradip Kanakia
Partner
Membership Number 39985

Mumbai
April 26, 2013

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

(All amounts in ₹ Lakhs, unless otherwise stated)

	Note	As at March 31, 2013	As at June 30, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,231.91	1,351.31
Reserves and surplus	4	52,059.44	52,206.21
		53,291.35	53,557.52
Non-current liabilities			
Long-term borrowings	5	123.98	44.10
Other long term liabilities	6	48.24	50.64
Long-term provisions	7	3,546.97	4,220.66
Current liabilities			
Short-term borrowings	8	-	653.81
Trade payables	9	464.98	414.51
Other current liabilities	10	13,460.44	13,482.89
Short-term provisions	11	3,223.24	3,318.48
Total		74,159.20	75,742.61
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12 (i)	7,404.12	7,760.09
Intangible assets	12 (ii)	17,285.65	17,862.13
Capital work-in-progress		260.43	0.21
Non-current investments	13	268.68	279.12
Deferred tax assets	14	2,520.08	2,269.69
Long-term loans and advances	15	5,862.48	5,868.13
Other non-current assets	16	50.61	51.74
Current assets			
Current investments	17	3,700.00	4,010.00
Trade receivables	18	14,908.35	18,047.05
Cash and bank balances	19	12,204.46	9,775.37
Short-term loans and advances	20	2,130.14	2,081.62
Other current assets	21	7,564.20	7,737.46
Total		74,159.20	75,742.61
Summary of significant accounting policies	2		
Contingent Liabilities, capital and other commitments	22, 23		

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 26, 2013

For and on behalf of the Board

Sudhakar Ram
Chairman & Managing Director

S. Sandilya
Director

Bhagwant Bhargawe
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD JULY 1, 2012 TO MARCH 31, 2013

(All amounts in ₹ Lakhs, unless otherwise stated)

	Note	Nine month period ended March 31, 2013	Year ended June 30, 2012
Revenue	24	**68,336.41**	73,351.55
Other income	25	**910.68**	1,182.04
Total Revenue		**69,247.09**	74,533.59
Expenses			
Employee benefits expense	26	**41,451.93**	46,132.12
Finance costs	27	**39.65**	129.94
Depreciation and amortization expenses	28	**2,203.13**	2,878.37
Other expenses	29	**21,171.54**	24,865.16
Total Expenses		**64,866.25**	74,005.59
Profit before tax		**4,380.84**	528.00
Tax expense:			
Current tax		**2,011.22**	1,480.09
Less: Minimum alternate tax credit entitlement		**322.64**	372.37
Net current tax		**1,688.58**	1,107.72
Deferred tax (credit) / charge		**(259.71)**	32.33
Income tax refund / write back for earlier years		**(480.28)**	(662.08)
Profit for the period / year		**3,432.25**	50.03
Earning per equity share	30		
Basic (Face value of ₹ 5 each)		**13.06**	0.19
Diluted (Face value of ₹ 5 each)		**12.98**	0.19
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 26, 2013

For and on behalf of the Board

Sudhakar Ram
Chairman & Managing Director

S. Sandilya
Director

Bhagwant Bhargawe
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD JULY 1, 2012 TO MARCH 31, 2013

(All amounts in ₹ Lakhs, unless otherwise stated)

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Cash flows from operating activities		
Net Profit before tax	**4,380.84**	528.00
Adjustments for :		
Interest income	**(402.42)**	(317.25)
Dividend income from current investments	**-**	(74.15)
Expense on Employee Stock option scheme	**-**	35.00
Finance costs	**28.77**	113.45
Depreciation and amortization	**2,203.13**	2,878.37
Provision for cost overrun on contracts	**93.74**	(5.65)
Provision for doubtful debts	**89.43**	256.25
Bad debts written off	**98.33**	15.44
Profit on sale of tangible assets, net	**(14.54)**	(165.69)
Profit on sale of current investments	**(297.18)**	(357.28)
Unrealized foreign exchange (gain) / loss	**(119.84)**	809.59
Operating profit before working capital changes	**6,060.26**	3,716.08
(Increase) / decrease in trade receivables	**2,240.58**	(5,397.77)
(Increase) / decrease in loans and advances and other assets	**69.84**	(1,552.90)
Increase in trade payables, other liabilities and provisions	**567.23**	3,708.64
Cash generated from operations	**8,937.91**	474.05
Income taxes paid, net of refunds received	**(906.65)**	(1,689.04)
Net cash generated / (used) in operating activities	**8,031.26**	(1,214.99)
Cash flows from investing activities		
Proceeds from sale of tangible assets	**16.26**	615.49
Purchase of tangible and intangible assets, net of capital work in progress capitalised	**(1,812.43)**	(1,574.06)
Interest received	**116.47**	317.25
Sale proceeds of current investments	**26,207.16**	48,494.95
Realization / (Investment) of fixed deposits having maturity over three months	**171.48**	(374.82)
Dividend from current investments	**-**	74.15
Purchase of current investments	**(25,600.00)**	(45,964.95)
Net cash generated from / (used in) investing activities	**(901.06)**	1,588.01
Cash flows from financing activities		
Proceeds from issue of ESOP shares	**-**	3.75
Buyback of equity shares (including premium)	**(3,591.41)**	-
(Repayment) / proceeds from working capital loan, net	**(638.17)**	97.66
Repayment of finance lease obligation	**(15.31)**	(20.38)
Repayment of long term loan	**-**	(1,341.00)
Interest paid on loans and lease obligations	**(28.77)**	(113.45)
Net cash used in financing activities	**(4,273.66)**	(1,373.42)
Effect of changes in exchange rates for cash and cash equivalents	**(251.42)**	826.41
Net increase /(decrease) in cash and cash equivalents during the period / year	**2,605.12**	(173.99)
Cash and cash equivalents at the beginning of the period / year	**8,489.56**	8,663.55
Cash and cash equivalents at the end of the period / year	**11,094.68**	8,489.56

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 19.

3 Figures in brackets indicate cash outgo.

4 Previous year'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 26, 2013

For and on behalf of the Board

Sudhakar Ram
Chairman & Managing Director

S. Sandilya
Director

Bhagwant Bhargawe
Company Secretary

(All amounts in ₹ Lakhs, unless otherwise stated)

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 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, 2013	% of voting power held as at June 30, 2012
MajescoMastek	USA	100%	100%
Mastek (UK) Limited	UK	100%	100%
Mastek GmbH *	Germany	NA	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 - Systems Task Group International Limited)	USA	100%	100%
MajescoMastek Canada Limited	Canada	100%	100%

* - Closed down with effect from March 31, 2013.

The operations of this subsidiary until the date of closure have been included in the consolidated Statement of Profit and Loss for the nine month period ended March 31, 2013.

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 Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956, 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 realization 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 recognized 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 useful lives estimated by management which are higher than rates specified as per Schedule XIV are as under:

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

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 recognized in the Statement of Profit and Loss to the extent carrying amount exceeds recoverable amount.

2.6 Investments

Investments that are readily realizable 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 recognize 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 for Mastek Limited. However, U.S. Dollar, Pound Sterling, Singapore Dollar, Malaysian Ringitts, Thai Baht, Canadian Dollar and Euro are the functional currencies for its non- integral subsidiaries located in United States of America, United Kingdom, Singapore, Malaysia, Thailand, Canada and Germany, 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 periods and for share capital and reserves using the exchange rate at the date of transaction. The differences on translation are taken directly to reserves, under Foreign Currency Translation Reserve.

Foreign currency transactions of the Company are accounted at the exchange rates prevailing on the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Profit and Loss.

In respect of transactions related to Company's foreign branch, all revenue and expense transactions during the period are reported at average rate. 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. Net gain/loss on foreign currency translation is recognized 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 recognized in the Statement of Profit and Loss. Any profit or loss arising on cancellation or renewal of such forward exchange contracts is recognized as income or expense for the period.

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 recognized directly in the hedging reserve and the ineffective portion is recognized 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 period.

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, recognized 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 recognized in hedging reserve is transferred to the Statement of Profit and Loss for the period.

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 branch in foreign jurisdiction, 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. 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 recognized 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 recognized during the period when 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. Revenues on time and material contracts are recognized when services are rendered and related costs are incurred. Revenues on fixed price, fixed time bound contracts are recognized over the life of the contract based on a percentage completion method measured by the proportion that contract costs incurred for work performed upto 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 recognized upon delivery, unless there is a customisation effort involved in which case the revenues are recognized ratably over the life of the contract taking into account the spread of the customisation effort.

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

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

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

2.11 Other income

Dividend income from investments is recognized when the right to receive payment is established. Interest income is recognized on time proportion basis taking into account the amounts invested and the rate of interest. Rental income is recognized 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 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 period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. 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 their conversion to equity shares would increase earnings per share or decrease loss per share.

2.14 Income Taxes

Provision for tax for the period 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 recognized on timing differences between the accounting income and the taxable income for the period and quantified using the tax rates and tax laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized 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 realized. Deferred tax assets in respect of unabsorbed depreciation or carry forward losses are recognized 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 realized.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized 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 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 recognized 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 recognized 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 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, 2013	As at June 30, 2012
Authorised:		
40,000,000 (June 30, 2012: 40,000,000) equity shares of ₹ 5/- each	**2,000.00**	2,000.00
2,000,000 (June 30, 2012: 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 :		
24,638,187 (June 30, 2012 : 27,026,187) equity shares of ₹ 5/- each fully paid	**1,231.91**	1,351.31
Total	**1,231.91**	1,351.31

(a) Reconciliation of number of shares

	As at March 31, 2013		As at June 30, 2012	
	No. of shares	**Amount**	No. of shares	Amount
Equity Shares				
Balance as at the beginning of the period / year	**27,026,187**	**1,351.31**	26,951,187	1,347.56
Add : Addition on account of ESOP (Refer note 29)	**-**	**-**	75,000	3.75
Less : Shares extinguished on buy back	**(2,388,000)**	**(119.40)**	-	-
Balance as at the end of the period / year	**24,638,187**	**1,231.91**	27,026,187	1,351.31

(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, 2013		As at June 30, 2012	
Equity Shares of ₹ 5 held by :	**No. of shares**	**% of holding**	No. of shares	% of holding
Ashank Desai	**3,099,552**	**12.58%**	3,099,552	11.47%
Sudhakar Ram	**2,791,680**	**11.33%**	2,791,680	10.33%
Ketan Mehta	**2,519,100**	**10.22%**	2,519,100	9.32%
Ashish Dhawan	**2,326,906**	**9.44%**	2,318,259	8.58%
Fidelity Puritan Trust-Fidelity Low-Priced Stock Fund	**2,025,000**	**8.22%**	2,025,000	7.49%
Sundar Radhakrishnan	**1,445,800**	**5.87%**	1,445,800	5.35%
Life Insurance Corporation Of India	**1,375,623**	**5.58%**	1,550,404	5.74%
Nalanda India Fund Limited	**-**	**-**	2,688,020	9.95%
Bajaj Allianz Life Insurance Company Limited	**-**	**-**	1,569,280	5.81%

(d) Shares reserved for issue under options

	As at March 31, 2013	As at June 30, 2012
Number of shares to be issued under the Employee Stock Option Plans	**2,297,354**	2,364,242

(e) Shares bought back (during 5 years immediately preceding March 31, 2013)

	March 31, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009
Equity Shares bought back	**2,388,000**	-	-	-	176,863

At the meeting of the Board of Directors of the Company held on November 05, 2012, the Board has 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 the Companies Act, 1956 and Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 for an amount not exceeding ₹ 3,600 lakhs 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 has bought back 2,388,000 equity shares at an average price of ₹ 150.39 per equity share. Consequently a sum of ₹ 331.09 lakhs has been utilized from Securities Premium Account and a sum of ₹ 3,260.32 lakhs from General Reserve in respect of the buy back. Out of the amount utilized from General Reserve, an amount of ₹ 119.40 lakhs has been appropriated to the Capital redemption reserve account and the paid up share capital has been reduced by the same amount. The company has fully extinguished the shares bought back during the above mentioned period.

(All amounts in ₹ Lakhs, unless otherwise stated)

4 Reserves and surplus

	As at March 31, 2013	As at June 30, 2012
Capital Reserve	**21.44**	21.44
Capital Redemption Reserve Account		
Balance as at the beginning of the period / year	**1,295.27**	1,295.27
Add : Transferred from General Reserve (Refer note 3(e))	**119.40**	-
Balance as at the end of the period / year	**1,414.67**	1,295.27
Securities Premium Account		
Balance as at the beginning of the period / year	**331.09**	150.59
Add : Transferred from Stock Options Outstanding	**-**	180.50
Less : Utilized for buy back of shares (Refer note 3(e))	**(331.09)**	-
Balance as at the end of the period / year	**-**	331.09
Share Options Outstanding Account		
Balance as at the beginning of the period / year	**-**	145.50
Add : Additions on account of options granted during the period / year	**-**	35.00
Less : Transfer to securities premium on exercise of stock options during the period / year	**-**	(180.50)
Balance as at the end of the period / year	**-**	-
General Reserve		
Balance as at the beginning of the period / year	**10,405.24**	10,405.24
Less : Utilized for buy back of shares (Refer note 3(e))	**(3,140.92)**	-
Less : Transferred to Capital Redemption Reserve Account (Refer note 3(e))	**(119.40)**	-
Add : Transfer from Surplus in Statement of Profit and Loss	**350.00**	-
Balance as at the end of the period / year	**7,494.92**	10,405.24
Hedging Reserve Account		
Balance as at the beginning of the period / year	**(1,681.61)**	-
Add : Changes in the fair value of the effective cash flow hedges	**1,877.53**	(1,681.61)
Balance as at the end of the period / year	**195.92**	(1,681.61)
Foreign Currency Translation Reserve		
Balance as at the beginning of the period / year	**5,829.45**	(250.43)
Add : Exchange gain / (loss) on translation during the period / year	**(1,119.77)**	6,079.88
Balance as at the end of the period / year	**4,709.68**	5,829.45
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the period / year	**36,005.33**	35,955.30
Profit for the period / year	**3,432.25**	50.03
Less : Appropriations		
Proposed dividend on Equity Shares for the period	**(739.15)**	-
Dividend distribution tax on Proposed dividend on Equity Shares	**(125.62)**	-
Transfer to General Reserve	**(350.00)**	-
Balance as at the end of the period / year	**38,222.81**	36,005.33
Total	**52,059.44**	52,206.21

5 Long-term borrowings

	As at March 31, 2013	As at June 30, 2012
Secured :		
Long term maturities of finance lease obligations	**123.98**	44.10

(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.

(All amounts in ₹ Lakhs, unless otherwise stated)

6 Other long term liabilities

	As at March 31, 2013	As at June 30, 2012
Security and other deposits	**48.24**	50.64

7 Long-term provisions

	As at March 31, 2013	As at June 30, 2012
Provision for employee benefits		
Provision for gratuity	**1,665.35**	1,613.39
Provision for leave encashment	**1,696.94**	1,603.51
Other Provisions		
Provision for cost overrun on contracts	**142.31**	48.58
Provision for mark-to-market losses on derivatives (Refer note 33)	**42.37**	955.18
Total	**3,546.97**	4,220.66

8 Short-term borrowings

	As at March 31, 2013	As at June 30, 2012
Secured:		
Working Capital facility from bank	-	653.81

9 Trade payables

	As at March 31, 2013	As at June 30, 2012
Trade payables	**464.98**	414.51

10 Other current liabilities

	As at March 31, 2013	As at June 30, 2012
Current maturities of finance lease obligations	**36.60**	15.51
Unearned revenue	**3,883.29**	4,354.72
Advances received from customers	**0.81**	0.83
Unpaid dividends	**44.76**	49.27
Security and other deposits	**2.70**	0.30
Other payables		
Employee benefits payable	**3,904.49**	3,092.35
Accrued expenses	**2,957.11**	2,805.26
Capital creditors	**141.70**	153.11
Statutory dues including provident fund and tax deducted at source	**2,488.98**	3,011.54
Total	**13,460.44**	13,482.89

11 Short-term provisions

	As at March 31, 2013	As at June 30, 2012
Provision for employee benefits		
Provision for leave encashment	**847.00**	861.71
Other Provisions		
Provision for taxes, net of advance tax	**1,325.30**	1,087.20
Provision for mark-to-market losses on derivatives (Refer note 33)	**186.17**	1,369.57
Provision for Proposed Dividend on Equity Shares	**739.15**	-
Provision for dividend distribution tax on proposed dividend on Equity Shares	**125.62**	-
Total	**3,223.24**	3,318.48

(All amounts in ₹ Lakhs, unless otherwise stated)

12 Fixed assets

(i) Tangible assets

	Gross Block (at cost)					Depreciation					Net Block	
	As at July 01, 2012	Additions	Deductions	Foreign exchange translation adjustment	**As at March 31, 2013**	As at July 01, 2012	For the period	Deductions	Foreign exchange translation adjustment	**As at March 31, 2013**	**As at March 31, 2013**	As at June 30, 2012
a. Own assets :												
Buildings	5,891.77	-	-	-	**5,891.77**	1,466.36	154.55	-	-	**1,620.91**	**4,270.86**	4,425.41
Computers	5,232.22	582.17	(1,450.72)	(53.33)	**4,310.34**	4,747.21	372.99	(1,450.72)	(47.36)	**3,622.12**	**688.22**	485.01
Plant and equipments	4,406.53	80.88	(2.06)	(5.98)	**4,479.37**	3,493.28	306.79	(2.06)	(3.95)	**3,794.06**	**685.31**	913.25
Furniture and fixtures	6,152.20	36.46	(4.72)	(23.65)	**6,160.29**	5,116.54	322.30	(4.56)	(19.55)	**5,414.73**	**745.56**	1,035.66
Vehicles	365.32	89.78	(104.01)	-	**351.09**	240.35	54.45	(103.86)	-	**190.94**	**160.15**	124.97
Office equipment	1,781.71	35.48	(2.20)	-	**1,814.99**	1,608.84	59.28	(1.65)	-	**1,666.47**	**148.52**	172.87
Total (A)	**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**	7,157.17
Previous Year	22,515.07	875.86	(88.09)	526.91	23,829.75	14,453.79	1,805.00	(55.71)	469.50	16,672.58	7,157.17	
b. Leased assets :												
Leasehold land	558.45	-	-	-	**558.45**	39.43	4.30	-	-	**43.73**	**514.72**	519.02
Leasehold improvements	533.83	-	-	(1.80)	**532.03**	510.27	6.64	-	(1.77)	**515.14**	**16.89**	23.56
Vehicles	81.96	118.05	(4.96)	-	**195.05**	21.62	3.64	(4.10)	-	**21.16**	**173.89**	60.34
Total (B)	**1,174.24**	**118.05**	**(4.96)**	**(1.80)**	**1,285.53**	**571.32**	**14.58**	**(4.10)**	**(1.77)**	**580.03**	**705.50**	602.92
Previous Year	1,572.21	50.44	(463.09)	14.68	1,174.24	542.32	60.35	(45.67)	14.32	**571.32**	**602.92**	
Total (A + B)	**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**	7,760.09
Previous Year	24,087.28	926.30	(551.18)	541.59	25,003.99	14,996.11	1,865.35	(101.38)	483.82	17,243.90	7,706.09	

(ii) Intangible assets

	Gross Block (at cost)					Amortization					Net Block	
	As at July 01, 2012	Additions	Deductions	Foreign exchange translation adjustment	**As at March 31, 2013**	As at July 01, 2012	For the period	Deductions	Foreign exchange translation adjustment	**As at March 31, 2013**	**As at March 31, 2013**	As at June 30, 2012
Goodwill	16,677.85	75.78	-	(394.30)	**16,359.33**	230.87	98.41	-	(0.08)	**329.20**	**16,030.13**	16,446.98
Computer software	10,989.52	649.90	(6,246.55)	(23.99)	**5,368.88**	9,574.37	809.34	(6,246.55)	(23.80)	**4,113.36**	**1,255.52**	1,415.15
Total	**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**	17,862.13
Previous Year	23,436.83	686.25	-	3,544.29	27,667.37	8,488.65	999.11	-	317.48	9,805.24	17,862.13	

Note:

(a) Owned premises include subscription towards share capital of Co-operative societies amounting to Rupees Two hundred and fifty only (Previous year Rupees Two hundred and fifty only).

(All amounts in ₹ Lakhs, unless otherwise stated)

13 Non-current investments

	As at March 31, 2013	As at June 30, 2012
Investment property		
Gross block		
Opening and Closing	**389.41**	389.41
Less : Accumulated depreciation		
Opening	**110.29**	96.38
Depreciation for the period / year	**10.44**	13.91
Closing	**120.73**	110.29
Net Block	**268.68**	279.12
Aggregate amount of investment property	**268.68**	279.12

14 Deferred tax assets

	As at March 31, 2013	As at June 30, 2012
Deferred tax assets		
Provision for doubtful debts	**124.79**	138.84
Depreciation and amortization	**971.46**	776.94
Provision for gratuity and leave encashment	**1,412.49**	1,342.30
Other timing differences	**11.34**	11.61
Total	**2,520.08**	2,269.69

15 Long-term loans and advances

	As at March 31, 2013	As at June 30, 2012
Unsecured, considered good unless otherwise stated		
Capital advances	**71.69**	9.63
Security Deposits	**161.86**	170.08
Prepaid expenses	**41.88**	20.85
Other body corporate		
Considered doubtful	**108.57**	111.23
Less: Allowance for doubtful advance	**(108.57)**	(111.23)
Other loans and advances		
Advance Income tax, net of provision for tax	**2,576.05**	2,980.26
MAT Credit Entitlement	**3,001.75**	2,679.11
Advance to Employees	**9.25**	8.20
Total	**5,862.48**	5,868.13

16 Other non-current assets

	As at March 31, 2013	As at June 30, 2012
Margin money deposit	**50.61**	51.74

17 Current investments

	As at March 31, 2013	As at June 30, 2012
At cost or market value, whichever is less:		
Investment in Mutual Funds (quoted):		
IDFC Yearly Series Interval Fund - Series II - Growth (500,000 units, Previous year - Nil units)	**500.00**	-
ICICI Prudential - Fixed Maturity Plan Series 65 366 Days Plan I - Growth (500,000 units, Previous year - Nil units)	**500.00**	-
HDFC FMP 371D November 2012 (1) - Growth (500,000 units, Previous year - Nil units)	**500.00**	-
Sundaram Ultra Short Term - Super Inst. Plan - Growth (Nil - units, Previous year - 9,925,072 units)	**-**	1,450.00
DWS Ultra Short Term Fund - Inst. Plan - Growth (Nil - units, Previous year - 9,915,443 units)	**-**	1,280.00
Baroda Pioneer Treasury Advantage Fund - IP – Growth (Nil units, Previous year - 103,625 units)	**-**	1,280.00
Investment in others (unquoted):		
Deposit with Housing Development Finance Corporation	**2,200.00**	-
Total	**3,700.00**	4,010.00
Aggregate amount of quoted investments	**1,500.00**	4,010.00
Market value of quoted investments	**1,527.46**	4,064.03

(All amounts in ₹ Lakhs, unless otherwise stated)

18 Trade receivables

	As at March 31, 2013	As at June 30, 2012
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, Considered Doubtful	**429.46**	420.44
Less: Provision for Doubtful Debts	**(429.46)**	(420.44)
Others		
Unsecured, Considered Good	**14,908.35**	18,047.05
Total	**14,908.35**	18,047.05

19 Cash and bank balances

	As at March 31, 2013	As at June 30, 2012
Cash and cash equivalents		
Cash on hand	**1.60**	2.06
Bank balances		
In current accounts	**6,008.42**	7,268.02
Fixed deposits (with original maturity of less than 3 months)	**5,084.66**	1,219.48
	11,094.68	8,489.56
Other bank balances		
Fixed deposit (with original maturity more than 3 months but less than 12 months)	**1,065.02**	1,236.54
Unpaid dividend account	**44.76**	49.27
	1,109.78	1,285.81
Total	**12,204.46**	9,775.37

20 Short-term loans and advances

	As at March 31, 2013	As at June 30, 2012
Unsecured, considered good, unless otherwise stated:		
Other Loans and Advances		
Security deposits	**84.25**	78.73
Prepaid expenses	**527.86**	567.50
Service tax credit receivable	**1,081.84**	1,068.15
Advance to suppliers	**316.42**	254.41
Advance to employees	**119.77**	112.83
Total	**2,130.14**	2,081.62

21 Other current assets

	As at March 31, 2013	As at June 30, 2012
Unsecured, considered good, unless otherwise stated:		
Interest accrued	**297.72**	11.77
Margin money deposit	**114.34**	114.84
Unbilled revenue	**6,993.17**	7,402.30
Reimbursable expenses receivable		
Considered Good	**158.97**	208.55
Considered doubtful	**12.64**	24.13
Less: Provision for doubtful	**(12.64)**	(24.13)
Total	**7,564.20**	7,737.46

22 Contingent liabilities

	As at March 31, 2013	As at June 30, 2012
Guarantees		
(i) Corporate performance guarantees given by the Company on behalf of the following subsidiaries:		
(a) MajescoMastek Canada Ltd.	**6,211.43**	4,842.69
(b) Mastek MSC (Thailand) Co. Ltd.	**1,033.32**	508.99
(c) Mastek (UK) Limited	**15,680.00**	16,318.46
(ii) Corporate guarantee given by the Company on behalf of the following subsidiary		
(a) MajescoMastek for its Line of Credit for Working Capital from Bank	**-**	653.81

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

(All amounts in ₹ Lakhs, unless otherwise stated)

23 Capital and other commitments

	As at March 31, 2013	As at June 30, 2012
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for	**503.42**	251.01

24 Revenue

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Information Technology Services	**67,376.60**	72,296.43
Other operating revenue		
Reimbursement of expenses from customers	**857.76**	931.54
Resale of software and hardware	**1.69**	53.37
Doubtful debts recovered	**100.36**	70.21
Total	**68,336.41**	73,351.55

25 Other income

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Interest income - On deposit	**270.81**	219.97
- On others	**131.61**	97.28
Dividend income from current investments	**-**	74.15
Profit on sale of current investments	**297.18**	357.28
Rental income from investment properties	**89.45**	114.39
Profit on sale of tangible assets, net	**14.54**	165.69
Net gain on Foreign Currency Transactions and Translation	**29.72**	-
Miscellaneous income	**77.37**	153.28
Total	**910.68**	1,182.04

26 Employee benefits expense

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Salaries, wages and performance incentives	**38,214.48**	42,790.97
Gratuity	**526.66**	454.47
Contribution to provident and other funds	**719.72**	869.57
Expense on Employee Stock Option Scheme	**-**	35.00
Staff welfare expense	**1,991.07**	1,982.11
Total	**41,451.93**	46,132.12

27 Finance costs

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Interest on working capital facility	**11.38**	66.89
Interest on term loan	**-**	14.87
Interest on finance lease	**10.37**	8.06
Bank charges	**10.88**	16.49
Other finance charges	**7.02**	23.63
Total	**39.65**	129.94

28 Depreciation and amortization expenses

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Depreciation on Tangible assets	**1,284.94**	1,865.35
Amortization on Intangible assets	**907.75**	999.11
Depreciation on Investment Property	**10.44**	13.91
Total	**2,203.13**	2,878.37

(All amounts in ₹ Lakhs, unless otherwise stated)

29 Other expenses

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Recruitment and training expenses	**410.03**	511.19
Travelling and conveyance	**3,417.86**	4,235.80
Communication charges	**642.23**	739.39
Electricity	**548.06**	651.47
Consultancy charges	**10,950.00**	10,702.05
Purchase of hardware and software	**206.60**	556.61
Rates and taxes	**312.70**	376.18
Repairs to buildings	**296.63**	431.36
Repairs : others	**961.99**	1,183.25
Insurance	**227.76**	319.08
Printing and stationery	**84.39**	103.93
Professional fees	**1,340.21**	2,118.76
Rent (Refer note 31)	**610.56**	886.14
Advertisement and publicity	**437.95**	516.15
Exchange loss, net	**-**	580.03
Provision for doubtful debts	**89.43**	256.25
Bad debt written off	**98.33**	15.44
Provision for cost overrun on contracts	**93.74**	(5.65)
Hire Charges	**147.51**	241.63
Miscellaneous expenses	**295.56**	446.10
Total	**21,171.54**	24,865.16

30 Earnings Per Share (EPS)

	Nine month period ended March 31, 2013	Year ended June 30, 2012
The components of basic and diluted earnings per share are as follows:		
(a) Net income attributable to equity shareholders	**3,432.25**	50.03
(b) Weighted average number of outstanding equity shares		
Considered for basic EPS	**26,273,905**	26,998,182
Add : Effect of dilutive issue of stock options	**165,248**	26,754
Considered for diluted EPS	**26,439,153**	27,024,935
(c) Earnings per share (net of taxes) in ₹		
Basic	**13.06**	0.19
Diluted	**12.98**	0.19
(Nominal value per share ₹ 5/- each)		

31 Leases

(i) Operating lease

	As at March 31, 2013	As at June 30, 2012
(a) Future minimum lease payments under non-cancellable operating leases (in respect of properties):		
Due within one year	**512.28**	480.09
Due later than 1 year but not later than 5 years	**575.32**	869.76
Due later than 5 years	**-**	41.67
Total minimum lease payments	**1,087.60**	1,391.52

	Nine month period ended March 31, 2013	Year ended June 30, 2012
(b) Operating lease rentals recognized in the Statement of Profit and Loss (Refer note 29)	**610.56**	886.14

(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 parties.

(ii) Finance lease

	As at March 31, 2013	As at June 30, 2012
(a) Total minimum finance lease payments outstanding (in respect of vehicles):		
Due within one year	**56.64**	22.70

	As at March 31, 2013	As at June 30, 2012
Due later than 1 year but not later than 5 years	**155.44**	53.42
Total minimum lease payments	**212.08**	76.12
Less: Interest not due	**(51.50)**	(16.51)
Present value of net minimum lease payments	**160.58**	59.61
Disclosed under:		
Long-term borrowings (Refer note 5)	**123.98**	44.10
Other current liabilities (Refer note 10)	**36.60**	15.51
	160.58	59.61

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 ₹ 3,001.75 (Previous year ₹ 2,679.11) has been carried forward and shown under 'Long-term loans and advances'. (Refer Note 15).

(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 ₹ 2,319.22 (including interest of ₹ 771.37) primarily on account of transfer pricing issues for the assessment years 2006-07 to 2009-10. 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 against assessment year 2006-07, the income tax authorities have filed an appeal with the Honourable High Court. For the assessment years 2008-09 and 2009-10, 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 manage its exposure in foreign exchange rates. 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, 2013		June 30, 2012	
	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	**82**	**206.80**	111	250.70
b	GBP	**27**	**105.40**	32	72.95
c	CAD	**NIL**	**-**	1	3.00

Mark-to-Market losses	As at March 31, 2013	As at June 30, 2012
Mark-to-Market losses provided for	**424.46**	643.14
Mark-to-Market (gains) / losses reported in Hedging Reserve Account (Refer note 4)	**(195.92)**	1,681.61
Mark-to-Market losses total	**228.54**	2,324.75
Classified as long term provisions (Refer note 7)	**42.37**	955.18
Classified as short term provisions (Refer note 11)	**186.17**	1,369.57

34 Related Party Disclosures

Key Management Personnel:
Sudhakar Ram
Ashank Desai
Ketan Mehta
Radhakrishnan Sundar
Barry Yard
Vinay Rajadhyaksha
Stefan Van Overtveldt
Farid Kazani
Kalpana Jaishankar

(All amounts in ₹ Lakhs, unless otherwise stated)

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

		Nine month period ended March 31, 2013	Year ended June 30, 2012
Total remuneration paid/payable :			
	Sudhakar Ram	**138.90**	116.19
	Ashank Desai	**1.44***	6.49
	Ketan Mehta	**180.77**	128.27
	Radhakrishnan Sundar	**47.60**	73.78
	Barry Yard	**373.73**	340.50
	Vinay Rajadhyaksha	**134.57**	164.87
	Stefan Van Overtveldt	**179.41**	227.10
	Farid Kazani	**75.12**	101.56
	Kalpana Jaishankar	**37.04**	48.45

* During current period, the Company has paid perquisites/benefits to a non-executive director amounting to ₹ 1.44 which is within the limit approved by the members in the Annual General meeting held on October 5, 2012. The Company has applied to the Central Government for the aforesaid payment and is awaiting the approval.

35 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 organizational 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 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 and fixed bid contracts.

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 :

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Revenue		
UK	**32,461.11**	35,206.67
North America	**30,846.50**	32,404.49
Others	**5,028.80**	5,740.39
Total	**68,336.41**	73,351.55

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Segment Result		
UK	**6,462.93**	6,547.63
North America	**2,764.48**	1,462.07
Others	**40.57**	102.29
Total	**9,267.98**	8,111.99
Common unallocable charges	**(5,758.17)**	(8,636.09)
Finance costs	**(39.65)**	(129.94)
Other income	**910.68**	1,182.04
Profit before tax	**4,380.84**	528.00

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 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, 2013	As at June 30, 2012	**As at March 31, 2013**	As at June 30, 2012
UK	**18,689.77**	18,284.18	**6,139.97**	5,823.16
North America	**32,607.20**	33,113.05	**8,274.21**	8,777.25
Others	**7,978.67**	8,758.90	**2,526.99**	4,568.39
Segmental Assets/Liabilities	**59,275.64**	60,156.13	**16,941.17**	19,168.80
Unallocated Corporate Assets/ Liabilities	**6,785.68**	7,657.42	**2,440.80**	1,215.67
Total Assets/ Liabilities	**66,061.32**	67,813.55	**19,381.97**	20,384.47

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Capital expenditure incurred		
UK	**201.71**	260.02
North America	**920.99**	856.39
Others	**91.78**	62.16
Unallocated	**454.02**	433.98
Total	**1,668.50**	1,612.55
Depreciation and amortization		
UK	**260.31**	345.19
North America	**767.24**	1,297.86
Others	**111.78**	159.47
Unallocated	**1,063.80**	1,075.85
Total	**2,203.13**	2,878.37
Non-cash expenses other than depreciation and amortization		
UK	**0.20**	-
North America	**52.87**	10.85
Others	**134.69**	260.84
Total	**187.76**	271.69

b. Information about secondary segments by industry verticals

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Revenue from external customers		
Insurance	**27,718.59**	28,302.90
Government	**20,006.11**	21,291.07
Financial Services	**10,569.89**	12,745.67
Others	**10,041.82**	11,011.91
	68,336.41	73,351.55

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

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

37 Previous year figures have been regrouped and reclassified wherever necessary. During the period, the company has disclosed "Reimbursement of expenses from customers " under other operating revenue as against reduction from other expenses last year for a more meaningful presentation of the company's business performance. Accordingly, the corresponding previous year figures have also been reclassified from other expenses to other operating revenue, to enable a more meaningful comparison of numbers.

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

Pradip Kanakia
Partner
Membership Number: 39985

Mumbai
April 26, 2013

For and on behalf of the Board

Sudhakar Ram
Chairman & Managing Director

S. Sandilya
Director

Bhagwant Bhargawe
Company Secretary

KEY STATISTICS

(₹ in Lakhs)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13 (Nine months)
Total Revenue	96,497	72,190	61,421	74,534	**69,247**
Operating Profit (EBIDT)	18,153	9,529	163	3,536	**6,624**
Net Profit	14,116	6,772	(5,594)	50	**3,432**
EPS (₹/share)	52.45	25.15	(20.76)	0.19	**13.06**
DPS (₹/share)	10.00	3.25	-	-	**3.00**
Annualised growth in					
Revenue	5%	(25%)	(15%)	21%	**25%**
Operating Profit	(0.3%)	(47.5%)	(98.3%)	-	**150%**
Operating Profit Margin	19%	13%	0.3%	4.7%	**9.6%**
Net Profit Margin	15%	9%	(9%)	-	**5%**
Effective Depreciation rate	3%	4%	5%	4%	**3%**
Interest Cover (Times)	31.77	53.33	(46.78)	5.06	**111.48**
Return on Networth	31%	13%	(11%)	0.1%	**6%**
Debt/Equity	0.14	0.08	0.04	0.01	**0.00**
Current Ratio	1.7	2.9	1.8	2.4	**2.4**
Debtors Turnover (No. of days)	77	99	97	89	**81**
Depreciation/Average Gross Block	7%	6%	6%	6%	**4%**
Dividend Payout	19%	13%	-	-	**23%**
Dividend Yield	4.5%	1.3%	-	-	**2.5%**
Operating Cashflows	21,426	3,142	944	(1,215)	**8,031**
Capital Expenditure in Fixed Assets	4,395	2,286	2,826	1,574	**1,668**
Current Investments and Cash and bank balances	23,996	19,752	15,903	13,785	**15,904**
Current Investments and Cash and bank balances as % of total assets	41%	34%	31%	18%	**21%**
Book Value of Share (₹/share)	189.03	203.30	182.07	198.17	**216.30**
Market Value to Book Value	1.2	1.3	0.6	0.6	**0.5**
Price Earning Multiple	4	10	-	-	**9**
Group Employees as at the year end	3,759	3,243	2,905	3,083	**3,214**
Offshore (Numbers)	2,822	2,449	2,138	2,183	**2,377**
Onsite (Numbers)	937	794	767	900	**837**
Off-shore Facility (Sq.feet)	343,554	343,554	343,554	343,554	**343,554**
Dividend - Equity (Incl tax)	3,135	1,024	-	-	**865**

MANAGEMENT DISCUSSION AND ANALYSIS

- **Overview of the Industry and Business Environment**
- **Mastek's business model**
- **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.relations@mastek.com).

Overview of Industry and Business Environment

Global Economy & IT

Four years after the eruption of the global financial crisis, the world economy is still struggling to recover. Against expectation of a recovery, 2012 saw global economic growth weakening further.

In the face of a volatile economic environment, 2012 recorded a steady growth for technology and related services sector, with worldwide spending of USD 1.9 trillion, a growth rate of 4.8% over 2011. In line with growth in global IT spend, global sourcing market also grew to USD 124-130 billion, growth of 9% over 2011 – nearly twice the growth of global IT spend.

The outlook for 2013 paints a different picture, with initial data suggesting that the year ahead would be much better. The global economy is set to improve 2013 onwards, with global GDP expected to increase by 3.3% in 2013 and further by 4.0% in 2014.

NASSCOM has highlighted industry specific solutions among others to be the key driver of technology changes and open up new opportunities for service providers. For FY2014, total Indian IT revenues (domestic+exports, excludes hardware) is expected to grow by about 13-15% to reach USD 106-111 billion; of this, exports are likely to be about USD 84-87 billion, a growth of about 12-14%.

Insurance Industry

Global IT spending by insurers across North America, Europe, and Asia-Pacific will reach USD 140.2 billion by the end of 2013, which represents an increase of 3.0% over 2012 spending, according to Celent. Continued growth through to 2015 is estimated at USD 154.5 billion.

Celent is also of the view that while European insurers currently spend more on IT than North American insurers, by 2015, North American insurers will overtake their European counterparts and account for nearly 38% of global IT spending. Currently, insurers in Europe account for 36.8% of global IT spending, while North American insurers spend 36.4%.

IT spending in North America will climb to USD 58.5 billion in 2015, at a CAGR of 4.6% from 2013 to 2015, but European insurers will struggle to get to USD 53.0 billion in 2015, at a CAGR of 0.9% from 2013 to 2015.

As per PricewaterhouseCoopers (PwC) 16th Annual Global Chief Executive Survey, Insurance Chief Executives have indicated to increase their investment in technology significantly over the next 12 months as new advances continue to change how products are designed, underwritten and distributed.

Close to nine in 10 (86%) of the sector's leaders expect to step up their level of spend on new technology, more than in any other commercial sector.

Indian Market

The domestic IT-BPM is estimated to grow at a CAGR of ~13-15 per cent till FY2015 to about ₹ 1,360 billion as per NASSCOM.

Gartner forecasts spending by Indian insurers on internal IT (including personnel), hardware, software, external IT services and telecommunications to increase by 9% to ₹ 101 billion in 2013, over the previous year's ₹ 92.5 billion. It also expects the Government to spend ₹ 368 billion on IT products and services in 2013, increase of 10.5% over 2012 spend of ₹ 333 billion.

Mastek in UK

In the UK, the Company stabilized its operations during the year in spite of continued challenges in the economic and business environment. The focus on deepening its relationship with British Telecom (BT) and strategy of winning direct customers have yielded positive results in 2012-13. The Company added three new direct clients and has also been registered as one of the suppliers in the G-Cloud framework arrangements which are expected to open up direct engagements with the public sector organizations. The Company continued to invest in Sales & Marketing and positioned itself as an "Application Specialist" to tap opportunities in the retail and financial services industry.

Revenue Analysis – UK

Vertical	**2012-13 (9 months) (₹ in Lakhs)**	**% of Revenue**	2011-12 (12 months) (₹ in Lakhs)	% of Revenue
Insurance	**1,949.0**	**6.0**	4,403.6	12.6
Government	**18,793.0**	**58.2**	19,359.7	55.5
Financial Services	**6,724.1**	**20.8**	7,374.6	21.1
IT & Other Services	**4,807.1**	**15.0**	3,765.4	10.8
Total – IT Services revenue	**32,273.2**	**100.0**	34,903.3	100.0
Other operating revenue	**187.9**		303.4	
Total	**32,461.1**		35,206.7	

Mastek in North America

The Company has been steadily investing in the Insurance vertical in North America (NA) over last few years. The year 2012-13 witnessed good progress with a robust growth especially in the Property & Casualty (P&C) insurance segment. Within the P&C segment, the company has won deals in the billing and policy administration products on the back of the prestigious Tier 1 win for the billing solution it bagged in June 2012. On the other hand, the Insurance Life and Annuity (L&A) business has started to shape up well with good progress in the Foresters project and a significant win of the Gerber Life deal. The Company's insurance products have got positive recognition by analysts like Gartner, Novarica and Celent and the Mastek brand is getting established as one of the leading software solutions in Insurance industry with over 80 Insurance carriers running their core systems on Mastek's platform. The Company will continue to invest and focus on the Insurance segment in North America to ensure sustained growth in coming years.

On the other hand, the traditional IT services business witnessed some challenges with some of the long standing clients pulling back their spends. The Company plans to focus its efforts on IT services in the Insurance sector by leveraging the domain knowledge, insurance specific accelerators and presence in the industry to build up IT services business going forward.

Revenue Analysis – NA

Vertical	**2012-13 (9 months) (₹ in Lakhs)**	**% of Revenue**	2011-12 (12 months) (₹ in Lakhs)	% of Revenue
Insurance	**22,904.3**	**75.9**	21,140.6	66.6
Financial Services	**3,570.9**	**11.8**	5,106.4	16.1
IT & Other Services	**3,693.9**	**12.3**	5,517.1	17.3
Total – IT Services revenue	**30,169.1**	**100.0**	31,764.1	100.0
Other operating revenue	**677.4**		640.4	
Total	**30,846.5**		32,404.5	

Mastek in India and Asia Pacific (IA)

In India - Asia region, 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.

The strong service offerings in social justice, e-scholarship, conditional cash incentives, direct cash transfers and health care delivery have enabled the Company to expand its solution portfolio significantly in the Government Sector. Most of these solutions have been built using strong frameworks and assets built on the Company's long tenure in the government market. During the year these solutions were successfully readied for the SC welfare department in Odisha and the health department of Bihar. The Company has also embarked on an ambitious program to computerize the Panchayati Raj Department of Odisha. While the solution for commercial tax department for the Government of Odisha bagged the eOdisha Award 2013 (Best G2B Initiative), the Company continued to extend the tax solutions for the state of Maharashtra.

The Indian insurance sector continued to be sluggish during the year with limited growth. Despite the cautious outlook, the company's market leading distribution solution saw increased interest from both Indian insurers as well as Asia insurers. The Company commenced the implementation of this solution at two leading insurers in India viz. Apollo Munich Health Insurance and Bharti Axa Life Insurance Company.

The year saw a large flow of orders from Etiqa, one of the largest insurers in Malaysia on the back of the successful completion of the major transformation program with them. The Company is working actively with Etiqa to expand its engagement with them.

In summary, the year for the India Asia region was a good year, in terms of new wins and solutions implemented in the key sectors, as reflected in the numbers for the region.

Revenue Analysis – IA

Vertical	**2012-13 (9 months) (₹ in Lakhs)**	**% of Revenue**	2011-12 (12 months) (₹ in Lakhs)	% of Revenue
Insurance	**2,865.3**	**58.1**	2,758.7	49.0
Government	**1,213.1**	**24.6**	1,931.4	34.3
Financial Services	**274.9**	**5.6**	264.7	4.7
IT & Other Services	**581.0**	**11.7**	674.3	12.0
Total – IT Services revenue	**4,934.3**	**100.0**	5,629.1	100.0
Other operating revenue	**94.5**		111.3	
Total	**5,028.8**		5,740.4	

Review of Financial and Operating Performance

Financial performance review

Continuing on the traction witnessed last year, the current fiscal saw the Company improve its operational performance. Strong revenue momentum particularly in the North America Insurance segment along with improvement in the UK Government segment and key wins in the UK retail and financial vertical aided such a performance. This along with management focus on cost rationalization and operational efficiencies helped the Company get back to a healthy profitability.

Financials

The Company has changed its Fiscal from July-June to April-March. Hence the current fiscal financials are for 9 months. On a consolidated basis, the Group registered total operating revenue of ₹ 68,336.4 lakhs in the nine months period ended March 31, 2013. This represents an annualized growth of 24.2% compared to ₹ 73,351.6 lakhs in the preceding year. The Group registered a net profit of ₹ 3,432.2 lakhs in as compared to ₹ 50.0 lakhs in FY 2012.

Break-up of Revenue by regions

Region	**2012-13 (9 months) (₹ in Lakhs)**	**% of Revenue**	2011-12 (12 months) (₹ in Lakhs)	% of Revenue
UK	**32,461.1**	**47.5**	35,206.7	47.9
North America	**30,846.5**	**45.1**	32,404.5	44.2
Others (India and Asia Pacific)	**5,028.8**	**7.4**	5,740.4	7.9
Total	**68,336.4**	**100.0**	73,351.6	100.0

The UK operations contributed ₹ 32,461.1 lakhs in revenue as compare to ₹ 35,206.7 lakhs during the the previous year. The annualized growth of 22.9 % was led by increased business in the government vertical followed by retail and financial services.

The North America operations contributed ₹ 30,846.5 lakhs in revenue as compared to ₹ 32,404.5 lakhs during the previous period. The annualized growth of 26.9% was primarily due to growth in the insurance segment both in the P & C and L & A space.

The annualized growth of 16.8 % in the India Asia Pacific region was driven by good level of wins from the India Government side.

Break-up of Revenue by verticals

Vertical	**2012-13 (9 months) (₹ in Lakhs)**	**% of Revenue**	2011-12 (12 months) (₹ in Lakhs)	% of Revenue
Insurance	**27,718.6**	**41.1**	28,302.9	39.1
Government	**20,006.1**	**29.7**	21,291.1	29.4
Financial Services	**10,569.9**	**15.7**	12,745.7	17.6
IT & Other Services	**9,082.0**	**13.5**	9,956.8	13.9
Total – IT Services revenue	**67,376.6**	**100.0**	72,296.5	100.0
Other operating revenue	**959.8**		1,055.1	
Total	**68,336.4**		73,351.6	

The key driver for the 30.6% annualized growth in the insurance segment has been the North America market i.e both P&C and L&A whereas the UK Insurance market continues to remain subdued with limited growth opportunities.

The Government vertical grew by 25.3% on an annualized basis, led by improved level of business in the UK from existing partners and a robust deal flow from India government.

The Financial Services witnessed growth both within the US and the UK, clocking an annualized growth of 10.6%. IT and other services vertical grew by 21.6% on annualized basis especially from the UK.

Profitability

During the nine month period ended March 31, 2013, the Group earned a profit of ₹ 3,432.2 lakhs as compared to ₹ 50.0 lakhs for the year ended June 30, 2012. The strong profitability was driven by the following:

- Growth in business across the three geographies.
- Higher proportion of Insurance revenue from North America with increased license based revenue.
- Improved operating efficiencies and higher utilization levels.
- Cost improvement initiatives across regions and departments.
- Higher foreign exchange realizations as compared to previous year.

Balance Sheet

Non-current Assets

A) Fixed Assets

Tangible assets as at March 31, 2013 were ₹ 7,404.1 lakhs as compared to ₹ 7,760.1 lakhs in the previous year. This included a gross addition of ₹ 942.8 lakhs for purchase of computers, furniture and fixtures, vehicles, etc. and after considering depreciation of ₹ 1,284.9 lakhs for the 9 month period ended March 31, 2013. Intangible assets as at March 31, 2013 were ₹ 17,285.7 lakhs as compared to ₹ 17,862.1 lakhs the previous year. This included an addition of ₹ 725.7 lakhs on account of Goodwill and purchase of computer software and after considering depreciation of ₹ 907.8 lakhs for the nine month period ended March 31, 2013 and foreign exchange translation adjustment of ₹ 395.4 lakhs.

B) Long-term loans and advances

Long term loans and advances were ₹ 5,862.5 lakhs as compared to ₹ 5,868.1 lakhs as at the end of previous year.

Current Assets

A) Current Investments and Cash and Bank Balances

The total current investments and cash and bank balances as on March 31, 2013 was ₹ 15,904.5 lakhs as compared to ₹ 13,785.4 lakhs in the previous year. The difference was primarily on account of Net cash generated from Operations of ₹ 8,031.3 lakhs, which was utilized for buy-back of shares of ₹ 3591.4 lakhs, payment of debt of ₹ 638.2 lakhs and purchase of fixed assets of ₹ 1,812.4 lakhs made during the 9 month period ended March 31, 2013.

B) Trade Receivables

Trade receivables as at March 31, 2013 stood at ₹ 14,908.4 lakhs as compared to ₹ 18,047.0 lakhs as at June 30, 2012. This was due to a higher translation rate of the North America and UK receivables.

C) Short Term Loans and Advances and Other Current Assets

The short term loans and advances were at ₹ 2,130.1 lakhs as at March 31, 2013 as compared to ₹ 2,081.6 lakhs as at June 30, 2012. Other current assets were lower at ₹ 7,564.2 lakhs as at March 31, 2013 as compared to ₹ 7,737.5 lakhs as at June 30, 2012. The decrease was primarily on account of unbilled revenue of ₹ 6,993.2 lakhs as compared to ₹ 7,402.3 lakhs.

Shareholders' Funds

Total shareholders' funds as at March 31, 2013 stood at ₹ 53,291.4 lakhs as compared to ₹ 53,557.5 lakhs. The increase was mainly on account of profit for the nine month period of ₹ 3,432.2 lakhs and also on account of increase in hedge reserve from a debit balance of ₹ 1,681.6 lakhs to a credit balance of ₹ 195.9 lakhs. This was off-set by Share buy-back of ₹ 3,591.4 lakhs, proposed dividend of ₹ 864.7 lakhs and reduction of ₹ 1,119.7 in Foreign Currency Translation Reserve.

Non-current Liabilities

The total non-current liabilities stood at ₹ 3,719.2 lakhs as at March 31, 2013 as compared to ₹ 4,315.4 lakhs as at June 30, 2012. The decrease was mainly on account of the reduction of provision of ₹ 912.8 lakhs for mark to market losses on derivatives.

Current Liabilities

The total of current liabilities as at March 31, 2013 was ₹ 17,148.7 lakhs as compared to ₹ 17,869.7 lakhs as at June 30, 2012. The decrease was mainly on account of repayment of short-term borrowing of ₹ 653.8 lakhs, increase in provision for Tax of ₹ 238.1 lakhs and the reduction in provision of ₹ 1,183.4 lakhs for mark to market losses on derivatives. There was also an increase of ₹ 864.7 lakhs on account of proposed dividend.

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. Some of the key initiatives undertaken during the year included:

a. Establishment of a Delivery Assurance Index and tracking the same for early-warning of risks associated with projects.
b. Month-wise improvement on project performance against cost metrics arising out of strong governance and control on effort and schedule variances.
c. Turning around of low margin projects.
d. Bench management with better planning of resource intake as also controlling of ageing of resources on bench.
e. Grade-mix improvement and overall project management through a culture of cost-optimization.

The Company continued to invest in product development of the insurance platforms in North America. During the nine month period ended March 31, 2013, the Company spent ₹ 2,974.0 lakhs as compared to ₹ 4,487.1 lakhs in the year ended June 30, 2012.

Client Wins during the year

Some of the deal wins included :

Client Name	Region	Proposition
Maryland Automobile Insurance Fund (MAIF)	North America	P&C – Billing and Policy Administration System
Gerber Life Insurance Company	North America	L&A – Policy Administration System
Morrisons Plc	UK	Business Intelligence and Data Warehousing Solution
Alberta Motor Association (AMA)	North America	P&C – Billing System
Government of Bihar - Health Operations Payment Engine (HOPE)	India	Framework Solution

Update on Board of Directors: The Mastek Board currently has 9 members, of which 5 are Independent Directors and the remaining 4 are Promoter Directors.

During the period under review, Mr. Atul Kanagat was appointed as an Additional Director of the Company with effect from January 21, 2013 and is proposed to be appointed as Director liable to retire by rotation in the ensuing Annual General Meeting. He is an Independent Director on the Board.

People Strength: As on March 31, 2013, the Company had a total of 3,214 employees, of which about 26% were based on-site while the rest were at various off-shore locations as compared to a total of 3083 employees at the end of June 2012. The Company continues to recruit fresh talent and intends to add more technical resources at various levels during the new fiscal.

Buy-Back of Shares – During the year, the company initiated a share buy back scheme intending to buy a maximum of 3,200,000 equity shares of the company at a price not exceeding ₹ 175.00 per share for a total amount not exceeding ₹ 3,600.0 lakhs. The company under the said scheme bought back 2,388,000 equity shares for an average price of ₹ 150.39 per share at a total value of ₹ 3,591.4 lakhs.

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

- Apollo Munich Health Insurance won Celent Model Insurer Asia 2011 Award for the solution developed by Mastek.
- Mastek's client, Commercial Tax Department, Government of Odisha, won the jury award for 'The Best Project under the Government to Business (G2B) Category' at the eWorld Forum for our e-Services solution.
- Mastek and its client, Department of Social Justice & Special Assistance, Government of Maharashtra, won the jury award for 'Best ICT in Financial Inclusion Initiative of the year' at the eIndia Awards for the e-Scholarship solution developed by Mastek.
- Mastek and its client, Maharashtra Housing and Area Development Authority (MHADA), Government of Maharashtra, won the jury award for 'Best Urban ICT Initiative of The Year' award at the eIndia Awards for the Integrated Housing Lottery Management System (IHLMS) solution developed by Mastek.
- Mastek's 'Claims Surveyor' solution won IDC's FIIA Award for Innovation in Mobility.

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.

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 with 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 QUESTIONS (FAQs) 2013

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 ₹ 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 (Formerly known as Systems Task Group International Ltd. USA)

   Vector Insurance Services LLC in USA

   MajescoMasek Canada Ltd in Canada

   Mastek (UK) Limited in United Kingdom

   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, 2013, Mastek Group had 3,214 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 has been changed from July 01-June 30 to April 01-March 31 every year vide Board Resolution passed in the meeting of the Board of Directors of the Company held on January 21, 2013. Consequently, the current financial year of the Company has ended on March 31, 2013 covering a period of nine months from July 1, 2012 up to March 31, 2013. Going forward, it will be from April 1 to March 31 every year.

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

Fiscal Year	No. of Shares 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	1,036.11
2006*	28.14	6.50	1,403.12
2007*	28.46	7.50	2,132.34
2008*	27.62	10.00	2,757.30
2009*	26.90	10.00	2,679.34
2010*	26.94	3.25	876.30
2011 *	26.95	-	-
2012 *	27.02	-	-
2013 *	**24.64**	**3.00#**	**739.15**

   * indicates dividend on face value of ₹ 5 per share, which was earlier ₹ 10 per share.
   # recommended by Board for shareholders approval.

9. **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.

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

    The Registrar and Share Transfer Agent of Mastek is:

    SHAREPRO SERVICES (I) PRIVATE LIMITED,
    Samhita Warehousing Complex,
    13AB, Gala No. 52,
    Nr. Sakinaka Telephone Exchange,
    Off Andheri-Kurla Road,
    Andheri (East),
    Mumbai – 400 096
    Phone: 67720300/6772 0372 / Fax : 2837 5646
    e-mail: Sarita@shareproservices.com /Indira @shareproservices.com
    Contact Person: Ms. Indira Karkera / Ms. Sarita

11. **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.

12. **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.

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

    Mastek extends ECS facilility to all its shareholders. The dividend amount of shareholders availing ECS facility is directlly 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.

14. 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 .

15. HOW CAN THE SHARES BE DE-MATERIALISED 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.

16. 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 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 (I) PRIVATE LIMITED
Unit:- MASTEK LIMITED
Samhita Warehousing Complex,
13AB, Gala No. 52,
Nr. Sakinaka Telephone Exchange,
Off Andheri-Kurla Road,
Andheri (East),
Mumbai – 400 096

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 nine month period ended March 31, 2013.

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

PARTICULARS	₹ in Lakhs	
	Nine month period ended March 31, 2013	Year ended June 30, 2012
Revenue		
Income from IT Services	**67,376.60**	72,296.43
Other operating revenue	**959.81**	1,055.12
Other Income	**910.68**	1,182.04
Total Revenue	**69,247.09**	74,533.59
Expenses	**62,623.47**	70,997.28
Depreciation	**2,203.13**	2,878.37
Interest & Financial Charges	**39.65**	129.94
Profit Before Tax	**4,380.84**	528.00
Tax Expense	**948.59**	477.97
Profit After Tax	**3,432.25**	50.03

FINANCIAL RESULTS – MASTEK LIMITED

PARTICULARS	₹ in Lakhs	
	Nine month period ended March 31, 2013	Year ended June 30, 2012
Revenue (including Other Income)	**43,101.23**	46,345.50
Profit/(Loss) before Tax	**3,249.62**	(601.09)
Tax (expense)/credit	**(230.65)**	43.81
Profit/(Loss) after Tax	**3,018.97**	(557.28)
Add: Profit brought forward from Previous Year	**26,353.73**	24,802.08
Reserves on Amalgamation of Keystone Solutions Private Limited with Mastek Limited	**-**	2,108.93
Profit available for appropriation	**29,372.70**	26,353.73
Dividend	**739.15**	-
Corporate Dividend Tax	**125.62**	-
Transfer to General Reserve	**350.00**	-
Balance carried to Balance Sheet	**28,157.93**	26,353.73

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 Government segment and key wins in the UK retail and financial vertical aided the improved performance. The strong growth momentum along with management focus on driving operational efficiencies helped the Company report healthy profits.

The Group consolidated its leadership position in the insurance space in North America, it has had some key wins last fiscal and the pipeline continues to remain strong. During the nine month period ended March 31, 2013, the Group has added 13 new logos as compared to 21 in FY2012 and ended the year with a twelve month order backlog of ₹ 47,800.0 lakhs as compared to ₹ 48,515.1 lakhs in June 2012.

Financials

The Company has changed its Fiscal from July-June to April-March. Hence the current fiscal financials are for nine months. On a consolidated basis, the Group registered total operating revenue of ₹ 68,336.4 lakhs in the nine month period ended March 31, 2013. The Group registered a net profit of ₹ 3,432.3 lakhs in the nine month period ended March 31, 2013 as compared to ₹ 50.0 lakhs in FY 2012.

Break-up of Operating Revenue by regions

Region	**Nine month period ended March 31, 2013**		Year ended June 30, 2012	
	₹ in Lakhs	**% of Revenue**	₹ in Lakhs	% of Revenue
UK	**32,461.1**	**47.5**	35,206.7	47.9
North America	**30,846.5**	**45.1**	32,404.5	44.2
Others (India/ Asia Pacific)	**5,028.8**	**7.4**	5,740.4	7.9
Total Operating Revenue	**68,336.4**	**100.0**	73,351.6	100.0

The UK operations contributed ₹ 32,461.1 lakhs in revenue as compared to ₹ 35,206.7 lakhs during the corresponding period last year. The annualized growth of 22.9% was led by increased business in the government vertical followed by retail and financial services. The company's strong partnership model is positioning the company favourably to tap into opportunities in the Government segment. This segment has recently seen some uptick and Mastek has been a selected vendor for Government procurement through cloud. 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 America operations, registered an annualized growth of 26.9% primarily due to growth in the insurance segment both in the Life & Annuity (L&A) and Property & Casulty (P&C) space. The Company's decision of continuing its 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 16.8% 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 Operating Revenue by Verticals

Vertical	2012-13 (9 months) (₹ in Lakhs)	% of Revenue	2011-12 (12 months) (₹ in Lakhs)	% of Revenue
Insurance	**27,718.6**	**41.1**	28,302.9	39.1
Government	**20,006.1**	**29.7**	21,291.1	29.4
Financial Services	**10,569.9**	**15.7**	12,745.7	17.6
IT & Other Services	**9,082.0**	**13.5**	9,956.8	13.9
Total – IT Services revenue	**67,376.6**	**100.0**	72,296.5	100.0
Other operating revenue	**959.8**		1,055.1	
Total	**68,336.4**		73,351.6	

The key driver for the 30.6% annualized growth in the insurance segment has been the North America market i.e both P&C and L&A whereas the UK Insurance market continues to remain subdued with limited growth opportunities.

The Government vertical grew by 25.3 % on an annualized basis, led by improved level of business in the UK from existing partners and a robust deal flow from India Government.

The Financial Services witnessed growth both within the US and the UK, clocking an annualized growth of 10.6 %. IT and other services vertical grew by 21.6% on annualized basis especially from the UK.

Profitability

During the nine month period ended March 31, 2013, the Group earned a profit of ₹ 3,432.2 lakhs as compared to ₹ 50.0 lakhs for the year ended June 30, 2012. The strong profitability was driven by the following:

- Growth in business across the three geographies.
- Higher proportion of Insurance revenue from North America with increased license based revenue.
- Improved operating efficiencies and higher utilization levels.
- Cost improvement initiatives across regions and departments.
- Higher foreign exchange realizations as compared to previous year.

While operating revenue grew 24.2%, the employee benefits expense together with consultancy charges paid to sub-contractors grew by 22.9%. Travel costs grew by 7.6%. The strong cost management initiatives led to other operating expenses declining by 2.9%, depreciation and amortization expenses saw a marginal increase of 2.1%. Forex gain during the nine month period ended March 31, 2013 was ₹ 29.7 lakhs as compared to a Forex loss of ₹ 580.0 lakhs during the previous year.

(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 total operating revenue of ₹ 40,101.8 lakhs for the nine month period ended March 31, 2013, as compared to ₹ 45,088.4 lakhs for year ended June 30, 2012. The Company made a Net profit of ₹ 3,019.0 lakhs for the nine month period ended March 31, 2013 as compared to Net loss of ₹ 557.3 lakhs in FY 2012.

C) Update on Board of Directors

The Mastek Board currently has 9 members, of which 5 are Independent Directors and the remaining 4 are Promoter Directors.

During the year under review, Mr. Atul Kanagat was appointed as an Additional Director of the Company with effect from January 21, 2013 and is proposed to be appointed as Director liable to retire by rotation in the ensuing Annual General Meeting. He is an Independent Director on the Board.

The Board of Directors formed a Corporate Social Responsibility Committee (CSR) as recommended by the Companies Bill 2012. The said CSR committee consists of 4 Members.

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 initiated a share buy back scheme intending to buy a maximum of 3,200,000 equity shares of the company at a price not exceeding ₹ 175.00 per share for a total amount not exceeding ₹ 3,600.0 lakhs. The Company under the said scheme bought back 2,388,000 equity shares for an average price of ₹ 150.39 per share at a total value of ₹ 3,591.4 lakhs.

5. LIQUIDITY

The Company 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, 2013 the amount of Current Investments and Cash and bank balances stood at ₹ 15,904.5 Lakhs which amount to 68 days of expenses and ₹ 64.5 per share.

During the year, Mastek invested surplus funds in Liquid Schemes and Fixed Maturity Plans of leading Mutual Funds and Fixed Deposits with leading Banks and Housing Development Finance Corporation Ltd.

6. 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 26, 2013 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.

7. DIVIDEND

Directors recommend payment of a dividend of ₹ 3/- per equity share for the nine month period ended March 31, 2013 on the paid up Equity Share Capital of the Company.

8. PAYMENT OF CERTAIN BENEFITS / PERQUISITES TO MR. ASHANK DESAI

In the Annual General Meeting held on October 5, 2012, the shareholders of the Company had given consent by approving Special Resolution for payment of certain benefits / perquisites to Mr. Ashank Desai not exceeding ₹ 15 Lakhs per annum. The Company has thereafter applied to the Ministry of Corporate Affairs (MCA) for its approval to the same and the approval from the ministry is awaited.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

i. that in the 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 judgements 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, 2013, and of the profit/(loss) of the Company for the period 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

As per Article 134 of Articles of Association of the Company, Ms. Priti Rao and Dr. Rajendra Sisodia, Directors of the Company retire by rotation and, being eligible, offer themselves for re-appointment.

11. CHANGE IN FINANICAL YEAR OF THE COMPANY

In order to coincide the Company's Financial Year with the Tax Year, the Board of Directors of your Company vide their resolution dated January 21, 2013 has approved the change in the Financial Year of the Company from July 01-June 30 to April 01-March 31 every year. Therefore, current financial year of the Company is for nine months i.e. from July 01, 2012 to March 31, 2013.

12. 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 224(1B) of the Companies act, 1956.

13. 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 continuously undertakes measures to attract and retain such high quality talent.

As on March 31, 2013, Mastek Group had a total of 3,214 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)of the Companies Act, 1956, 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.

14. 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)	
	Nine month period ended on March 31, 2013	Year ended June 30, 2012
Opening Balance	**94,750**	279,292
Granted during the year	**-**	-
Exercised during the year	**-**	-
Cancelled during the year	**(52,625)**	(184,542)
Balance unexercised options	**42,125**	94,750

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 period.

Particulars	(No. of options)	
	Nine month period ended on March 31, 2013	Year ended June 30, 2012
Opening Balance	**319,834**	407,238
Granted during the year	**-**	-
Exercised during the year	**-**	-
Cancelled during the year	**(41,919)**	(87,404)
Balance unexercised options	**277,915**	319,834

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 price less than the market price. Consequently, the amortized compensation cost of ₹ Nil (Previous Year ₹ 35.00) in respect of options granted in earlier periods has been charged to the Statement of Profit and Loss during the current period.

Particulars	(No. of options)	
	Nine month period ended on March 31, 2013	Year ended June 30, 2012
Opening Balance	**895,458**	1,317,348
Granted during the year	**-**	46,900
Exercised during the year	**-**	(75,000)
Cancelled during the year	**(41,944)**	(393,790)
Balance unexercised options	**853,514**	895,458

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 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. No options have been granted under the scheme at below market price and consequently, there is no compensation cost in the current period.

Particulars	(No. of options)	
	Nine month period ended on March 31, 2013	Year ended June 30, 2012
Opening Balance	**1,054,200**	569,600
Granted during the year	**84,600**	494,600
Exercised during the year	**-**	-
Cancelled during the year	**(15,000)**	(10,000)
Balance unexercised options	**1,123,800**	1,054,200

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 on August 9, 2007 for issue of 1,000,000 stock options to its employees. On March 20, 2009, the shareholders of the Company approved 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 further issue of 2,000,000 options.

a)	Options granted: Opening	2,334,642
b)	Issued during the year	84,600
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:	917,772
e)	Options exercised	Nil
f)	Total Number of shares arising as a result of exercise of options	Nil
g)	Options lapsed:	151,488
h)	Variations of terms of options	NIL
i)	Money realized by exercise of options	NIL
j)	Total number of options in force	2,297,354
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	3
(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	₹ 11.42

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

(₹ in Lakhs)

Profit after Tax (PAT)	3,018.97
Less : Change in Employee compensation cost based on Fair value	156.90
PAT as per Fair value method	2,862.07
Proforma Basic EPS (in ₹)	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 ₹)
July 27, 2012	125.00	63.02	124.15
Oct 19, 2012	138.00	70.51	137.70
Feb 07, 2013	150.00	77.61	152.25

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	July 27, 2012	Oct 19, 2012	Feb 7, 2013
1	Risk Free Interest Rate	8.10 %	8.14 %	7.89%
2	Expected Life (years)	6	6	6
3	Expected Volatility	49.72%	50.22%	49.71%
4	Dividend Yield	1.54%	1.54%	1.54%

15. 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, 2013:

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)	
	Nine month period ended March 31, 2013	Year ended June 30, 2012
Exchange Used	**17,163.53**	20,570.46
Exchange Earned	**39,874.86**	41,110.58

16. CORPORATE GOVERNANCE

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

17. 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

Mumbai
April 26, 2013

Sudhakar Ram
Chairman & Managing Director

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, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the nine month period 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 referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act"). 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 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' judgement, 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. 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, 2013;
   (b) in the case of the Statement of Profit and Loss, of the profit for the nine month period ended on that date; and
   (c) in the case of the Cash Flow Statement, of the cash flows for the nine month period 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 referred to in sub-section (3C) of section 211 of the Act;
   (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, 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 26, 2013

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 7 of the Auditors' Report of even date to the members of Mastek Limited on the financial statements as of and for the nine month period ended March 31, 2013

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 period 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 period.

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, from 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 period.

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 generally regular in depositing the undisputed statutory dues in respect of service tax, though there has been a slight delay in one case and is regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, customs 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 sales-tax, wealth-tax, service-tax, and customs duty which have not been deposited on account of any dispute. The particulars of dues of income-tax as at March 31, 2013 which have not been deposited / adjusted on account of dispute are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Demand on account of Transfer Pricing disallowances and disallowances for other expenses	4,672,770	A.Y. 2009-10	Commissioner of Income-tax (Appeals), Ahmedabad
The Income Tax Act, 1961	Demand of penalty on Transfer Pricing disallowances	5,020,863*	A.Y. 2003-04	Commissioner of Income-tax (Appeals), Ahmedabad
The Income Tax Act, 1961	Demand of penalty on Transfer Pricing disallowances	6,297,810*	A.Y. 2004-05	Commissioner of Income-tax (Appeals), Ahmedabad

*The company has made an application to CIT for stay order from payment of ₹ 5,020,863 and ₹ 6,297,810 for penalty on Transfer Pricing disallowances for A.Y. 2003-04 and A.Y. 2004-05 respectively.

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

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 terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions during the period are not prejudicial to the interest of 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. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.

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 period. 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 period and does not have any debentures outstanding as at the beginning of the period and at the period 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 period. 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 period, 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 26, 2013

BALANCE SHEET AS AT MARCH 31, 2013

(All amounts in ₹ Lakhs, unless otherwise stated)

	Note	As at March 31, 2013	As at June 30, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,231.91	1,351.31
Reserves and surplus	4	37,007.35	36,447.63
		38,239.26	37,798.94
Non-current liabilities			
Long-term borrowings	5	123.98	44.10
Other long term liabilities	6	48.24	50.64
Long-term provisions	7	2,859.44	3,503.26
Current liabilities			
Trade payables	8	277.32	229.44
Other current liabilities	9	4,396.07	4,019.95
Short-term provisions	10	2,192.20	2,509.74
Total		48,136.51	48,156.07
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11 (i)	6,944.11	7,315.97
Intangible assets	11 (ii)	1,271.37	1,373.26
Capital work-in-progress		260.41	0.21
Non-current investments	12	15,223.93	15,296.34
Deferred tax assets (net)	13	2,142.93	1,873.99
Long-term loans and advances	14	5,805.13	5,651.56
Current assets			
Current investments	15	3,700.00	4,010.00
Trade receivables	16	5,654.12	6,467.83
Cash and bank balances	17	3,808.90	3,375.67
Short-term loans and advances	18	1,137.48	1,025.16
Other current assets	19	2,188.13	1,766.08
Total		48,136.51	48,156.07
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 26, 2013

For and on behalf of the Board

Sudhakar Ram
Chairman & Managing Director

S. Sandilya
Director

Bhagwant Bhargawe
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD JULY 1, 2012 TO MARCH 31, 2013

(All amounts in ₹ Lakhs, unless otherwise stated)

	Note	Nine month period ended March 31, 2013	Year ended June 30, 2012
Revenue	22	**40,101.76**	45,088.44
Other income	23	**2,999.47**	1,257.06
Total Revenue		**43,101.23**	46,345.50
Expenses			
Employee benefits expense	24	**24,090.89**	28,565.40
Finance costs	25	**15.39**	12.52
Depreciation and amortization expenses	26	**1,779.66**	2,645.50
Other expenses	27	**13,965.67**	15,723.17
Total Expenses		**39,851.61**	46,946.59
Profit / (Loss) before tax		**3,249.62**	(601.09)
Tax expense:			
Current tax		**899.30**	692.61
Less: Minimum alternate tax credit entitlement		**322.64**	372.37
Net current tax		**576.66**	320.24
Deferred tax (credit)		**(268.94)**	(92.98)
Income tax refund / write back for earlier years		**(77.07)**	(271.07)
Profit / (Loss) for the period / year		**3,018.97**	(557.28)
Earnings / (Loss) per equity share	28		
Basic (Face value of ₹ 5 each)		**11.49**	(2.06)
Diluted (Face value of ₹ 5 each)		**11.42**	(2.06)
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 26, 2013

For and on behalf of the Board

Sudhakar Ram
Chairman & Managing Director

S. Sandilya
Director

Bhagwant Bhargawe
Company Secretary

CASH FLOW STATEMENT FOR THE PERIOD JULY 1, 2012 TO MARCH 31, 2013

(All amounts in ₹ Lakhs, unless otherwise stated)

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Cash flows from operating activities		
Net Profit / (Loss) before tax	**3,249.62**	(601.09)
Adjustments for :		
Interest income	**(368.51)**	(281.79)
Dividend income from investments	**-**	(74.15)
Expenses on Employee Stock Options scheme	**-**	35.00
Interest on finance lease	**10.37**	8.06
Depreciation and amortization	**1,779.66**	2,645.50
Provision for doubtful debts and other receivables	**111.03**	225.10
Bad debts written off	**0.62**	15.44
Provision for cost overrun on contracts	**93.74**	(5.65)
Dividend from subsidiaries	**(2,018.41)**	(231.78)
Profit on sale of fixed asset, net	**(14.54)**	(165.69)
Profit on sale of investments	**(297.18)**	(357.28)
Loss on closure of subsidiary	**0.48**	-
Reversal of impairment of Investment in subsidiary	**(118.96)**	-
Unrealised Foreign exchange (gain) / loss	**(138.23)**	768.27
Operating profit before working capital changes	**2,289.69**	1,979.94
(Increase) / Decrease in trade receivables	**610.23**	(2,764.82)
Increase in loans and advances and other assets	**(303.70)**	(1,245.97)
Increase / (Decrease) in trade payables, other liabilities and provisions	**576.23**	(164.13)
Cash generated / (used) in operations	**3,172.45**	(2,194.98)
Income taxes paid, net of refunds received	**(581.38)**	(1,057.71)
Net cash generated / (used) in operating activities	**2,591.07**	(3,252.69)
Cash flows from investing activities		
Proceeds from sale of tangible assets	**16.26**	615.49
Purchase of tangible and intangible assets	**(1,441.09)**	(1,020.00)
Interest received	**82.55**	281.79
Dividend from subsidiaries	**2,018.41**	231.78
Proceeds from closure of subsidiary	**2.98**	-
Proceeds from reduction of share capital in subsidiaries	**177.47**	-
Sale proceeds of current investments	**26,207.18**	48,494.95
(Investment) / Realisation of fixed deposits having maturity over three months	**1.00**	(1,000.00)
Dividend from current investments	**-**	74.15
Purchase of current investments	**(25,600.00)**	(45,964.95)
Net cash generated from investing activities	**1,464.76**	1,713.21
Cash flows from financing activities		
Proceeds from issue of ESOP shares	**-**	3.75
Payment made to shareholders on buyback of shares	**(3,591.41)**	-
Repayment of finance lease obligation	**(15.31)**	(20.38)
Interest paid on finance lease	**(10.37)**	(8.06)
Net cash used in financing activities	**(3,617.09)**	(24.69)
Net increase / (decrease) in cash and cash equivalents during the period / year	**438.74**	(1,564.17)
Cash and cash equivalents at the beginning of the period / year	**2,326.40**	1,729.20
Add : Balance transferred on merger of Keystone Solutions Pvt. Ltd.	**-**	2,161.37
Cash and cash equivalents at the end of the period / year	**2,765.14**	2,326.40

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 year'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 26, 2013

For and on behalf of the Board

Sudhakar Ram
Chairman & Managing Director

S. Sandilya
Director

Bhagwant Bhargawe
Company Secretary

(All amounts in ₹ Lakhs, unless otherwise stated)

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 operations through its subsidiaries / branch 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.

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 Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

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 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 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 recognized 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 useful lives estimated by management which are higher than rates specified as per Schedule XIV are as under:

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

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 its useful life. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized 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 recognize 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 are accounted at the exchange rates prevailing on the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Profit and Loss.

In respect of transactions related to the Company's foreign branch, all revenue and expense transactions during the period are reported at average rate. 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. Net gain/loss on foreign currency translation is recognized 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 recognized in the Statement of Profit and Loss. Any profit or loss arising on cancellation or renewal of such forward exchange contracts is recognized as income or expense for the period.

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 recognized directly in the hedging reserve and the ineffective portion is recognized 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 period.

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 recognized 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 recognized in hedging reserve is transferred to the Statement of Profit and Loss for the period.

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 branch in foreign jurisdiction, 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. 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 recognized 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 recognized during the period when 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. Revenues on time and material contracts are recognized when services are rendered and related costs are incurred. Revenues on fixed price, fixed time bound contracts are recognized over the life of the contract based on a percentage completion method measured by the proportion that contract costs incurred for work performed upto 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 recognized pro-rata over the period of the contract.

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

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

2.11 Other income

Dividend income from subsidiaries and on other investments is recognized when the right to receive payment is established. Interest income is recognized on time proportion basis taking into account the amounts invested and the rate of interest. Rental income is recognized 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 capitalized 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 period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. 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 their conversion to equity shares would increase earnings per share or decrease loss per share.

2.14 Income Taxes

Provision for tax for the period 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 recognized on timing differences between the accounting income and the taxable income for the period and quantified using the tax rates and tax laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized 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 recognized 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 realized.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized 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 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 recognized 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 recognized 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, 2013	As at June 30, 2012
Authorised:		
40,000,000 (June 30, 2012: 40,000,000) equity shares of ₹ 5/- each	**2,000.00**	2,000.00
2,000,000 (June 30, 2012: 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 :		
24,638,187 (June 30, 2012 : 27,026,187) equity shares of ₹ 5/- each fully paid	**1,231.91**	1,351.31
Total	**1,231.91**	1,351.31

(a) Reconciliation of the number of shares

	As at March 31, 2013		As at June 30, 2012	
	No. of shares	**Amount**	No. of shares	Amount
Equity Shares				
Balance as at the beginning of the period / year	**27,026,187**	**1,351.31**	26,951,187	1,347.56
Add : Addition on account of ESOP (Refer note 29)	**-**	**-**	75,000	3.75
Less : Shares extinguished on buy back	**(2,388,000)**	**(119.40)**	-	-
Balance as at the end of the period / year	**24,638,187**	**1,231.91**	27,026,187	1,351.31

(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, 2013		As at June 30, 2012	
Equity Shares of ₹ 5 held by :	**No. of shares**	**% of holding**	No. of shares	% of holding
Ashank Desai	**3,099,552**	**12.58%**	3,099,552	11.47%
Sudhakar Ram	**2,791,680**	**11.33%**	2,791,680	10.33%
Ketan Mehta	**2,519,100**	**10.22%**	2,519,100	9.32%
Ashish Dhawan	**2,326,906**	**9.44%**	2,318,259	8.58%
Fidelity Purita Trust Fidelity Low Priced	**2,025,000**	**8.22%**	2,025,000	7.49%
Sundar Radhakrishnan	**1,445,800**	**5.87%**	1,445,800	5.35%
Life Insurance Corporation Of India	**1,375,623**	**5.58%**	1,550,404	5.74%
Nalanda India Fund Limited	**-**	**-**	2,688,020	9.95%
Bajaj Allianz Life Insurance Company Limited	**-**	**-**	1,569,280	5.81%

(d) Shares reserved for issue under options

	As at March 31, 2013	As at June 30, 2012
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.)	**2,297,354**	2,364,242

(e) Shares bought back (during 5 years immediately preceding March 31, 2013)

	March 31, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009
Equity Shares bought back	**2,388,000**	-	-	-	176,863

At the meeting of the Board of Directors of the Company held on November 05, 2012, the Board has 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 the Companies Act, 1956 and Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 for an amount not exceeding ₹ 3,600 lakhs 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 has bought back 2,388,000 equity shares at an average price of ₹ 150.39 per equity share. Consequently a sum of ₹ 331.09 lakhs has been utilized from Securities Premium Account and a sum of ₹ 3,260.32 lakhs from General Reserve in respect of the buy back. Out of the amount utilized from General Reserve, an amount of ₹ 119.40 lakhs has been appropriated to the Capital redemption reserve account and the paid up share capital has been reduced by the same amount. The company has fully extinguished the shares bought back during the above mentioned period.

(All amounts in ₹ Lakhs, unless otherwise stated)

4 Reserves and surplus

	As at March 31, 2013	As at June 30, 2012
Capital Reserve		
Balance as at the beginning of the period / year	**106.07**	0.02
Add : Balance transferred on merger of Keystone Solutions Pvt. Ltd. (Refer note 40)	**-**	106.05
Balance as at the end of the period / year	**106.07**	106.07
Capital Redemption Reserve Account		
Balance as at the beginning of the period / year	**1,295.27**	1,295.27
Add : Transferred from General Reserve (Refer note 3(e))	**119.40**	-
Balance as at the end of the period / year	**1,414.67**	1,295.27
Securities Premium Account		
Balance as at the beginning of the period / year	**331.09**	150.59
Add : Transferred from Stock Options Outstanding	**-**	180.50
Less : Utilized for buy back of shares (Refer note 3(e))	**(331.09)**	-
Balance as at the end of the period / year	**-**	331.09
Share Options Outstanding Account		
Balance as at the beginning of the period / year	**-**	145.50
Add: Additions on account of options granted during the period / year	**-**	35.00
Less: Transfer to Securities Premium on exercise of stock options during the period / year	**-**	(180.50)
Balance as at the end of the period / year	**-**	-
General Reserve		
Balance as at the beginning of the period / year	**10,043.08**	10,033.08
Add : Balance transferred on merger of Keystone Solutions Pvt. Ltd. (Refer note 40)	**-**	10.00
Less : Utilized for buy back of shares (Refer note 3(e))	**(3,140.92)**	-
Less : Transferred to Capital Redemption Reserve Account (Refer note 3(e))	**(119.40)**	-
Add : Transfer from Surplus in Statement of Profit and Loss	**350.00**	-
Balance as at the end of the period / year	**7,132.76**	10,043.08
Hedging Reserve Account		
Balance as at the beginning of the period / year	**(1,681.61)**	-
Add: Changes in the fair value of the effective cash flow hedges	**1,877.53**	(1,681.61)
Balance as at the end of the period / year	**195.92**	(1,681.61)
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the period / year	**26,353.73**	24,802.08
Add : Balance transferred on merger of Keystone Solutions Pvt. Ltd. (Refer note 40)	**-**	2,108.93
Profit / (Loss) for the period / year	**3,018.97**	(557.28)
Less: Appropriations		
Proposed dividend on Equity Shares for the period	**(739.15)**	-
Dividend distribution tax on Proposed dividend on Equity Shares	**(125.62)**	-
Transfer to General Reserve	**(350.00)**	-
Balance as at the end of the period / year	**28,157.93**	26,353.73
Total	**37,007.35**	36,447.63

5 Long-term borrowings

	As at March 31, 2013	As at June 30, 2012
Secured :		
Long term maturities of finance lease obligations	**123.98**	44.10

(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.

(All amounts in ₹ Lakhs, unless otherwise stated)

6 Other long-term liabilities

	As at March 31, 2013	As at June 30, 2012
Security and other deposits	**48.24**	50.64

7 Long-term provisions

	As at March 31, 2013	As at June 30, 2012
Provision for employee benefits		
Provision for gratuity (Refer note 30)	**1,665.35**	1,613.39
Provision for leave encashment	**1,009.41**	886.11
Others		
Provision for cost overrun on contracts	**142.31**	48.58
Provision for mark-to-market losses on derivatives (Refer note 33)	**42.37**	955.18
Total	**2,859.44**	3,503.26

8 Trade payables

	As at March 31, 2013	As at June 30, 2012
Trade payables (Refer note 36)	**277.32**	229.44

9 Other current liabilities

	As at March 31, 2013	As at June 30, 2012
Current maturities of finance lease obligations	**36.60**	15.51
Unearned revenue	**39.88**	21.48
Unpaid dividends (Refer note (a) below)	**44.76**	49.27
Security and other deposits	**2.70**	0.30
Other payables		
Employee benefits payable	**1,900.32**	1,550.27
Accrued expenses	**1,857.58**	1,781.36
Capital creditors	**141.70**	152.51
Statutory dues including provident fund and tax deducted at source	**372.53**	449.25
Total	**4,396.07**	4,019.95

(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 period end.

10 Short-term provisions

	As at March 31, 2013	As at June 30, 2012
Provision for employee benefits		
Provision for Leave encashment	**669.79**	685.21
Others		
Provision for taxes	**471.47**	454.96
Provision for mark-to-market losses on derivatives (Refer note 33)	**186.17**	1,369.57
Provision for Proposed Dividend on Equity Shares	**739.15**	-
Provision for dividend distribution tax on proposed dividend on Equity Shares	**125.62**	-
Total	**2,192.20**	2,509.74

(All amounts in ₹ Lakhs, unless otherwise stated)

11 Fixed assets

(i) Tangible assets

	Gross Block (at cost)				Depreciation				Net Block	
	As at July 1, 2012	Additions	Deductions	**As at March 31, 2013**	As at July 1, 2012	For the period	Deductions	**As at March 31, 2013**	**As at March 31, 2013**	As at June 30, 2012
a. Own assets:										
Buildings	5,891.77	-	-	**5,891.77**	1,466.37	154.55	-	**1,620.92**	**4,270.85**	4,425.40
Computers	3,061.83	345.20	(1,450.72)	**1,956.31**	2,805.96	182.81	(1,450.72)	**1,538.05**	**418.26**	255.87
Plant and equipment	4,113.70	68.88	(2.06)	**4,180.52**	3,316.83	284.12	(2.06)	**3,598.89**	**581.63**	796.87
Furniture and fixtures	5,537.67	24.99	(4.72)	**5,557.94**	4,599.50	303.72	(4.56)	**4,898.66**	**659.28**	938.17
Vehicles	365.29	89.78	(104.01)	**351.06**	240.37	54.46	(103.87)	**190.96**	**160.10**	124.92
Office equipment	1,781.72	35.48	(2.20)	**1,815.00**	1,608.84	59.28	(1.64)	**1,666.48**	**148.52**	172.88
Total (A)	**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**	6,714.11
Previous Year	20,316.67	523.40	(88.09)	20,751.98	12,496.55	1,597.02	(55.70)	14,037.87	6,714.11	
b. Leased assets:										
Leasehold land	558.45	-	-	**558.45**	39.43	4.30	-	**43.73**	**514.72**	519.02
Leasehold improvements	459.03	-	-	**459.03**	436.53	5.64	-	**442.17**	**16.86**	22.50
Vehicles	81.96	118.05	(4.96)	**195.05**	21.62	3.64	(4.10)	**21.16**	**173.89**	60.34
Total (B)	**1,099.44**	**118.05**	**(4.96)**	**1,212.53**	**497.58**	**13.58**	**(4.10)**	**507.06**	**705.47**	601.86
Previous Year	1,512.09	50.44	(463.09)	1,099.44	484.15	59.11	(45.68)	497.58	601.86	
Total (A + B)	**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**	7,315.97
Previous Year	21,828.76	573.83	(551.18)	21,851.42	12,980.70	1,656.13	(101.38)	14,535.45	7,315.97	

(ii) Intangible assets

	Gross Block (at cost)				Amortization				Net Block	
	As at July 1, 2012	Additions	Deductions	**As at March 31, 2013**	As at July 1, 2012	For the period	Deductions	**As at March 31, 2013**	**As at March 31, 2013**	As at June 30, 2012
Goodwill	130.32	-	-	**130.32**	130.32	-	-	**130.32**	**-**	-
Computer software	9,198.90	614.81	(6,246.55)	**3,567.16**	7,825.64	716.70	(6,246.55)	**2,295.79**	**1,271.37**	1,373.26
Total	**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**	1,373.26
Previous Year	8,844.56	484.66	-	9,329.22	6,980.50	975.46	-	7,955.96	1,373.26	

Notes:

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

(All amounts in ₹ Lakhs, unless otherwise stated)

12 Non-current investments

		As at March 31, 2013	As at June 30, 2012
(A) Investment property			
Gross block			
Opening and Closing		**389.41**	389.41
Less : Accumulated depreciation			
Opening		**110.29**	96.38
Depreciation for the period		**10.44**	13.91
Closing		**120.73**	110.29
Net block		**268.68**	279.12
(B) Trade investments			
Investment in subsidiaries - fully paid equity shares (Unquoted, at cost)			
MajescoMastek, USA			
128,415,000 (Previous year - 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 year - 3,650,000) Equity Shares of US $ 1 each, fully paid up	**717.98**		
Less : Provision for diminution in value	**(542.44)**	**175.54**	224.82
(Previous year Gross value ₹ 886.22, Provision for diminution ₹ 661.40 : Refer Note 39)			
Mastek MSC Sdn Bhd., Malaysia			
11,262,000 Equity Shares (Previous year - 11,262,000) of RM 1 each, fully paid up		**1,443.42**	1,443.42
Mastek (UK) Ltd., UK			
200,000 (Previous year - 200,000) Equity Shares of £ 1 each, fully paid up		**215.81**	215.81
Mastek GmbH, Germany			
Nil (Previous year - 1) Share fully paid up (Refer note 38)		**-**	12.69
MajescoMastek Canada Ltd., Canada			
3,500,000 (Previous year - 3,500,000) Shares of CN $ 1 each, fully paid up		**1,555.01**	1,555.01
Total		**14,955.25**	15,017.22
Total (A + B)		**15,223.93**	15,296.34
Aggregate amount of investment property		**268.68**	279.12
Aggregate amount of unquoted investments		**14,955.25**	15,017.22
Aggregate provision for diminution in value of unquoted investments		**542.44**	661.40

13 Deferred tax assets

	As at March 31, 2013	As at June 30, 2012
Deferred tax assets		
Depreciation	**964.66**	753.24
Provision for gratuity and leave encashment	**1,085.14**	1,033.28
Provision for doubtful debts and advances	**81.78**	75.86
Other timing differences	**11.35**	11.61
Total	**2,142.93**	1,873.99

14 Long-term loans and advances

	As at March 31, 2013	As at June 30, 2012
Unsecured, considered good, unless otherwise stated		
Capital advances	**50.84**	8.35
Security Deposits	**145.95**	154.51
Prepaid expenses	**39.91**	19.63
Other loans and advances		
Advance Income tax, net of provision for tax	**2,557.43**	2,781.76
MAT Credit Entitlement	**3,001.75**	2,679.11
Advance to Employees	**9.25**	8.20
Total	**5,805.13**	5,651.56

(All amounts in ₹ Lakhs, unless otherwise stated)

15 Current investments

	As at March 31, 2013	As at June 30, 2012
At cost or market value, whichever is less:		
Investment in Mutual Funds (quoted):		
IDFC Yearly Series Interval Fund - Series II - Growth	**500.00**	-
(500,000 units, Previous year - Nil units)		
ICICI Prudential - Fixed Maturity Plan Series 65 366 Days Plan I - Growth	**500.00**	-
(500,000 units, Previous year - Nil units)		
HDFC FMP 371D November 2012 (1) - Growth	**500.00**	-
(500,000 units, Previous year - Nil units)		
Sundaram Ultra Short Term - Super Inst. Plan - Growth	**-**	1,450.00
(Nil units, Previous year - 9,925,072 units)		
DWS Ultra Short Term Fund - Inst. Plan - Growth	**-**	1,280.00
(Nil units, Previous year - 9,915,443 units)		
Baroda Pioneer Treasury Advantage Fund - IP – Growth	**-**	1,280.00
(Nil units, Previous year - 103,625 units)		
Investment in others (unquoted):		
Deposit with Housing Development Finance Corporation	**2,200.00**	-
Total	**3,700.00**	4,010.00
Aggregate amount of quoted investments	**1,500.00**	4,010.00
Market value of quoted investments	**1,527.46**	4,064.03

16 Trade receivables

	As at March 31, 2013	As at June 30, 2012
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, Considered Doubtful	**247.86**	225.53
Less: Provision for Doubtful Debts	**(247.86)**	(225.53)
Others		
Unsecured, Considered Good	**5,654.12**	6,467.83
Total	**5,654.12**	6,467.83

17 Cash and bank balances

	As at March 31, 2013	As at June 30, 2012
Cash and cash equivalents		
Cash on hand	**1.34**	1.91
Bank balances		
In current accounts	**1,275.45**	1,825.05
Fixed deposits (with original maturity of less than 3 months)	**1,488.35**	499.44
	2,765.14	2,326.40
Other bank balances		
Fixed deposit (with original maturity more than 3 months but less than 12 months)	**999.00**	1,000.00
Unpaid dividend account	**44.76**	49.27
	1,043.76	1,049.27
Total	**3,808.90**	3,375.67

18 Short-term loans and advances

	As at March 31, 2013	As at June 30, 2012
Unsecured, considered good, unless otherwise stated:		
Other Loans and Advances		
Security Deposits	**49.62**	34.97
Prepaid expenses	**214.91**	270.31
Service tax credit receivable	**626.57**	556.35
Advance to suppliers	**202.44**	114.16
Advance to employees	**43.94**	49.37
Total	**1,137.48**	1,025.16

(All amounts in ₹ Lakhs, unless otherwise stated)

19 Other current assets

	As at March 31, 2013	As at June 30, 2012
Unsecured, considered good, unless otherwise stated:		
Interest accrued	**297.72**	11.77
Margin money deposit	**1.65**	1.65
Unbilled revenue	**774.31**	798.79
Reimbursable expenses receivable		
Considered Good	**1,114.45**	953.87
Considered doubtful	**4.19**	8.29
Less: Provision for doubtful	**(4.19)**	(8.29)
Total	**2,188.13**	1,766.08

20 Contingent liabilities

	As at March 31, 2013	As at June 30, 2012
Guarantees		
(i) Corporate performance guarantees given by the Company on behalf of the following subsidiaries:		
(a) MajescoMastek Canada Ltd.	**6,211.43**	4,842.69
(b) Mastek MSC (Thailand) Co. Ltd.	**1,033.32**	508.99
(c) Mastek (UK) Limited	**15,680.00**	16,318.46
(ii) Corporate guarantees given by the Company on behalf of the following subsidiary:		
(a) MajescoMastek for its Line of Credit for Working Capital from Bank	**-**	653.81

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

21 Capital and other commitments

	As at March 31, 2013	As at June 30, 2012
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for	**503.42**	251.01

22 Revenue

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Information Technology Services	**39,675.26**	44,977.09
Other Operating Revenue		
Secondment fees	**332.02**	-
Resale of Software and Hardware	**1.69**	53.37
Doubtful debts recovered	**92.79**	57.98
Total	**40,101.76**	45,088.44

23 Other income

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Interest income		
On deposit	**236.90**	184.51
On others	**131.61**	97.28
Dividend income from current investments	**-**	74.15
Dividend income from subsidiaries	**2,018.41**	231.78
Profit on sale of tangible assets, net	**14.54**	165.69
Profit on sale of current investments	**297.18**	357.28
Rental income from investment properties	**89.45**	114.39
Net Gain on Foreign Currency Transactions and Translation	**57.17**	-
Reversal of provision for diminution in value of investment in subsidiary	**118.96**	-
Miscellaneous income	**35.25**	31.98
Total	**2,999.47**	1,257.06

(All amounts in ₹ Lakhs, unless otherwise stated)

24 Employee benefits expense

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Salaries, wages and performance incentives	**21,957.82**	25,964.63
Gratuity (Refer note 30)	**526.65**	454.47
Contribution to provident and other funds (Refer note 30)	**653.30**	798.75
Expense on Employee Stock Option Scheme (Refer note 29)	**-**	35.00
Staff welfare expense	**953.12**	1,312.55
Total	**24,090.89**	28,565.40

25 Finance costs

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Interest on finance lease	**10.37**	8.06
Bank charges	**5.02**	4.46
Total	**15.39**	12.52

26 Depreciation and amortization expenses

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Depreciation on Tangible assets	**1,052.52**	1,656.13
Amortization on Intangible assets	**716.70**	975.46
Depreciation on Investment Property	**10.44**	13.91
Total	**1,779.66**	2,645.50

27 Other expenses

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Hire charges	**146.22**	239.72
Recruitment and training expenses	**137.59**	241.23
Travelling and conveyance	**998.23**	1427.06
Communication charges	**220.73**	256.97
Electricity	**529.34**	618.92
Consultancy charges	**9,617.36**	9,051.52
Purchase of hardware and software	**202.20**	550.93
Rates and taxes	**210.40**	203.41
Repairs to buildings	**260.86**	337.16
Repairs : others	**593.80**	795.36
Insurance	**85.68**	57.70
Printing and stationery	**38.74**	39.60
Professional fees (Refer note (a) below)	**415.16**	629.65
Rent (Refer note 31)	**104.10**	137.89
Advertisement and publicity	**40.84**	113.14
Donation	**28.97**	30.20
Exchange loss, net	**-**	536.86
Provision for doubtful debt and other receivables	**111.03**	225.10
Bad debt written off	**0.62**	15.44
Provision for cost overrun on contracts	**93.74**	(5.65)
Loss on closure of subsidiary (Refer note 38)	**0.48**	-
Commission	**0.01**	3.99
Miscellaneous expenses	**129.57**	216.97
Total	**13,965.67**	15,723.17

(a) Professional fees include payment to auditors :

	Nine month period ended March 31, 2013	Year ended June 30, 2012
i. As auditor		
Statutory audit	**46.00**	46.50
Limited review	**16.00**	18.00
Other services	**8.00**	12.00
ii. For reimbursement of expenses	**3.29**	2.65

(b) Other expenses shown above are net off reimbursable expenses recovered from subsidiaries / customers.

(All amounts in ₹ Lakhs, unless otherwise stated)

28 Earnings Per Share (EPS)

	Nine month period ended March 31, 2013	Year ended June 30, 2012
The components of basic and diluted earnings per share are as follows:		
(a) Net profit / (loss) attributable to equity shareholders	**3,018.97**	(557.28)
(b) Weighted average number of outstanding equity shares		
Considered for basic EPS	**26,273,905**	26,998,182
Add : Effect of dilutive issue of stock options	**165,248**	26,754
Considered for diluted EPS	**26,439,153**	27,024,935
(c) Earnings / (Loss) per share in ₹		
Basic	**11.49**	(2.06)
Diluted	**11.42**	(2.06)
(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 period :

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 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.

(No. of Options)

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Opening Balance	**94,750**	279,292
Granted during the period	**-**	-
Exercised during the period	**-**	-
Cancelled during the period	**(52,625)**	(184,542)
Balance unexercised options	**42,125**	94,750

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 period.

(No. of Options)

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Opening Balance	**319,834**	407,238
Granted during the period	**-**	-
Exercised during the period	**-**	-
Cancelled during the period	**(41,919)**	(87,404)
Balance unexercised options	**277,915**	319,834

(All amounts in ₹ Lakhs, unless otherwise stated)

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 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 price less than the market price. Consequently, the amortized compensation cost of ₹ Nil (Previous Year ₹ 35.00) in respect of options granted in earlier periods has been charged to the Statement of Profit and Loss during the current period.

(No. of Options)

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Opening Balance	**895,458**	1,317,348
Granted during the period	**-**	46,900
Exercised during the period	**-**	(75,000)
Cancelled during the period	**(41,944)**	(393,790)
Balance unexercised options	**853,514**	895,458

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 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. No options have been granted under the scheme at below market price and consequently, there is no compensation cost in the current period.

(No. of Options)

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Opening Balance	**1,054,200**	569,600
Granted during the period	**84,600**	494,600
Exercised during the period	**-**	-
Cancelled during the period	**(15,000)**	(10,000)
Balance unexercised options	**1,123,800**	1,054,200

(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 recognized based on the fair value at the date of grant in accordance with Black Scholes model.

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Profit / (loss) after taxation	**3,018.97**	(557.28)
(Less) / add: Change in employee compensation cost based on fair value	**(156.90)**	172.14
Profit / (loss) after taxation as per fair value method	**2,862.07**	(385.14)
Basic Earnings per share (EPS)		
Number of shares	**26,273,905**	26,998,182
Basic EPS as reported (₹)	**11.49**	(2.06)
Proforma Basic EPS (₹)	**10.89**	(1.43)
Diluted Earnings per share (EPS)		
Number of shares	**26,439,153**	27,024,935
Diluted EPS as reported (₹)	**11.42**	(2.06)
Proforma Diluted EPS (₹)	**10.83**	(1.43)

(All amounts in ₹ Lakhs, unless otherwise stated)

(c) Stock options exercised during the period :

	Nine month period ended March 31, 2013	Year ended June 30, 2012
No. of options exercised during the period	**-**	75,000
Weighted average share price at the date of exercise (₹)	**NA**	99.05

(d) For stock options outstanding at the end of the period, 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, 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**
As at June 30, 2012			
Range of Exercise Price (₹)			
0 - 150	1,298,100	118.49	10.17
151- 250	225,920	245.07	9.20
250 - 350	555,472	299.07	6.96
Above 350	284,750	376.55	6.72
Total	2,364,242	204.10	8.91

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

	Nine month period ended March 31, 2013	Year ended June 30, 2012
No. of options granted during the period	**84,600**	541,500
Option Pricing model used	Market price as defined by SEBI	
Weighted average share price (₹)	**135.52**	107.28
Exercise Price (₹)	**135.34**	107.47
Expected volatility (%)	**49.84%**	49.77%
Option life (Vesting period + Exercise period) (Years)	**8**	8
Dividend yield (%)	**1.54%**	1.54%
Risk free interest rate (%)	**8.05%**	8.21%

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 :

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Expense arising from employee share-based payment plan	**-**	35.00
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:

	Nine month period ended March 31, 2013	Year ended June 30, 2012
(a) Defined contribution plans		
The Company has recognized the following amounts in Statement of Profit and Loss for the period:		
Contribution to Provident Fund	**629.85**	767.92

(All amounts in ₹ Lakhs, unless otherwise stated)

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Contribution to Employees' State Insurance Corporation	**3.26**	2.46
Contribution to Maharashtra Labour Welfare Fund	**0.70**	1.22
Superannuation Contribution	**19.49**	27.15
	653.30	798.75

(b) Defined benefit plan

As per the independent actuarial valuation carried out as at March 31, 2013

	As at March 31, 2013	As at June 30, 2012
(i) Change in defined benefit obligations (DBO) :		
Projected benefit obligation - opening	**2,493.54**	2,246.19
Service cost	**282.95**	364.15
Interest cost	**174.41**	215.19
Actuarial loss / (gain)	**130.21**	(99.41)
Benefits paid	**(112.88)**	(232.58)
Projected benefit obligation - closing	**2,968.23**	2,493.54
(ii) Change in fair value of assets:		
Fair value of plan assets - opening	**876.95**	466.85
Expected return on plan assets	**61.38**	47.86
Employer’s contribution	**474.69**	613.22
Acquisitions	**-**	-
Benefit paid	**(112.88)**	(232.58)
Actuarial (loss) / gain	**2.74**	(18.40)
Fair value of plan assets - closing	**1,302.88**	876.95
(iii) Amount recognized in the Balance Sheet		
Present value of obligations	**2,968.23**	2,493.54
Less: Fair value of plan assets	**(1,302.88)**	(876.95)
Less: Unrecognized Past service cost	**-**	(3.20)
Net Liability recognized	**1,665.35**	1,613.39
Recognized under:		
Long-term provisions (Refer note 7)	**1,665.35**	1,613.39
Total	**1,665.35**	1,613.39

	Nine month period ended March 31, 2013	Year ended June 30, 2012
(iv) Net gratuity cost for the period		
Service cost	**286.15**	368.15
Interest cost	**174.41**	215.19
Expected return on plan assets	**(61.38)**	(47.86)
Net actuarial loss / (gain) recognized in the current period	**127.47**	(81.01)
Net gratuity cost	**526.65**	454.47
(v) Asset information		
Life Insurance Corporation of India	**100%**	100%
(vi) Assumptions used in accounting for the gratuity plan:		
Discount rate (p.a.)	**7.95%**	8.35%
Return on Plan Assets (p.a.)	**7.50%**	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, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009
Defined benefit obligation	**2,968.23**	2,493.54	2,246.19	2,230.95	2,122.17
Plan assets	**1,302.88**	876.95	466.85	-	-
Deficit	**(1,665.35)**	(1,616.59)	(1,779.34)	(2,330.95)	(2,122.17)
Experience adjustments					
On plan liabilities	**(9.25)**	(143.20)	(434.66)	(402.73)	199.45
On plan assets	**2.74**	(18.40)	-	-	-

(c) Leave encashment charged during the period amount to ₹ 478.89 (Previous year ₹ 510.01)

(All amounts in ₹ Lakhs, unless otherwise stated)

31 Leases

(i) Operating lease

	As at March 31, 2013	As at June 30, 2012
(a) Future minimum lease payments under non-cancellable operating leases (in respect of properties):		
Due within one year	**15.94**	24.20
Due later than 1 year but not later than 5 years	**-**	8.80
Total minimum lease payments	**15.94**	33.00

	Nine month period ended March 31, 2013	Year ended June 30, 2012
(b) Operating lease rentals recognized in the Statement of Profit and Loss (Refer note 27)	**104.10**	137.89

(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, 2013	As at June 30, 2012
(a) Total minimum finance lease payments outstanding (in respect of vehicles):		
Due within one year	**56.64**	22.70
Due later than 1 year but not later than 5 years	**155.44**	53.42
Total minimum lease payments	**212.08**	76.12
Less: Interest not due	**(51.50)**	(16.51)
Present value of net minimum lease payments	**160.58**	59.61
Disclosed under:		
Long-term borrowings (Refer note 5)	**123.98**	44.10
Other current liabilities (Refer note 9)	**36.60**	15.51
	160.58	59.61

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 ₹ 3,001.75 (Previous year ₹ 2,679.11) has been carried forward and shown under 'Long-term loans and advances'. (Refer note 14).

(b) The Company had received tax demands aggregating to ₹ 2,319.22 (including interest of ₹ 771.37) primarily on account of transfer pricing issues for the assessment years 2006-07 to 2009-10. 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 against assessment year 2006-07, the income tax authorities have filed an appeal with the Honourable High Court. For the assessment years 2008-09 and 2009-10, 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 manage its exposure in foreign currency. 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, 2013		June 30, 2012	
	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	**82**	**206.80**	111	250.70
b	GBP	**27**	**105.40**	32	72.95
c	CAD	**NIL**	**-**	1	3.00

(All amounts in ₹ Lakhs, unless otherwise stated)

Mark-to-Market losses	**As at March 31, 2013**	As at June 30, 2012
Mark-to-Market losses provided for	**424.46**	643.14
Mark-to-Market (gains) / losses reported in Hedging Reserve Account (Refer note 4)	**(195.92)**	1,681.61
Mark-to-Market losses (net)	**228.54**	2,324.75
Classified as long term provisions (Refer note 7)	**42.37**	955.18
Classified as short term provisions (Refer note 10)	**186.17**	1,369.57

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 GmBH,Germany*; Mastek MSC Sdn. Bhd., Malaysia; MajescoMastek Canada Ltd., Canada; Mastek MSC (Thailand) Co. Ltd., Thailand; MajescoMastek Insurance Software and Solutions Inc., USA (Formerly "Systems Task Group International Ltd.") and Vector Insurance Services LLC, USA (90% held by MajescoMastek, USA).

*- Closed down with effect from March 31, 2013.

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

Key Management Personnel: Sudhakar Ram
Ashank Desai
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, 2013, including names of the related parties comprising more than 10% of the total transactions / balances of the same type :

(a) The Company has entered into transactions with the following related parties:	**Nine month period ended March 31, 2013**	Year ended June 30, 2012
i. Information Technology Services		
Mastek (UK) Ltd.	**26,190.81**	28,200.11
MajescoMastek Insurance Software and Solutions Inc. (Formerly "Systems Task Group International Ltd.")	**7,293.07**	5,478.43
Others	**3,937.64**	6,804.24
ii. Other Operating Revenue - Secondment fees		
MajescoMastek Insurance Software and Solutions Inc. (Formerly "Systems Task Group International Ltd.")	**139.40**	-
MajescoMastek	**126.90**	-
Others	**65.72**	-
iii. Dividend from subsidiary		
Mastek (UK) Ltd.	**1,994.61**	-
Mastek GmbH	**23.80**	-
Mastek MSC Sdn. Bhd.	**-**	231.78
iv. Commission expenses		
Mastek (UK) Ltd.	**0.01**	3.99
v. 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**	-
vi. Reimbursable expenses recovered		
Mastek (UK) Ltd.	**1,609.14**	823.89
Others	**220.35**	300.55
vii. Total remuneration to key management personnel		
Sudhakar Ram	**138.90**	116.19
Ashank Desai	**1.44***	6.49
Radhakrishnan Sundar	**47.60**	73.78
Vinay Rajadhyaksha	**134.57**	164.87
Stefan Van Overtveldt	**179.41**	227.10
Farid Kazani	**75.12**	101.56
Kalpana Jaishankar	**37.04**	48.45

* During current period, the Company has paid perquisites/benefits to a non-executive director amounting to ₹ 1.44 which is within the limit approved by the members in the Annual General meeting held on October 5, 2012. The Company has applied to the Central Government for the aforesaid payment and is awaiting the approval.

(All amounts in ₹ Lakhs, unless otherwise stated)

(b) Balances :

	As at March 31, 2013	As at June 30, 2012
i. Trade Receivables		
Mastek (UK) Ltd.	**3,294.66**	3,131.03
MajescoMastek Insurance Software and Solutions Inc. (Formerly "Systems Task Group International Ltd.")	**1,352.72**	543.91
Others	**348.60**	1,693.79
ii. Reimbursable expenses receivable		
Mastek (UK) Ltd.	**1,086.84**	920.76
Others	**21.94**	31.79
iii. Corporate guarantees given on behalf of subsidiaries disclosed as contingent liabilities		
Mastek (UK) Ltd.	**15,680.00**	16,318.46
MajescoMastek	**-**	653.81
MajescoMastek Canada Ltd.	**6,211.43**	4,842.69
Mastek MSC (Thailand) Co. Ltd.	**1,033.32**	508.99
iv. Investment in equity shares		
MajescoMastek	**11,565.47**	11,565.47
MajescoMastek Canada Ltd.	**1,555.01**	1,555.01
Others	**1,834.77**	1,896.74

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

There are no dues to micro, small and medium enterprises which are outstanding at the Balance Sheet date. The information regarding micro, small and medium enterprises has been determined on the basis of the information available with the Company. This has been relied on by the auditors.

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

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Capital goods	**340.18**	263.14

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

	Nine month period ended March 31, 2013	Year ended June 30, 2012
Salaries and wages	**6,448.47**	9,216.97
Travelling and conveyance	**406.13**	628.23
Consultancy charges	**8,771.88**	8,571.18
Professional fees	**71.93**	62.94
Advertisement and publicity	**0.90**	4.10
Communication charges	**39.54**	39.64
Electricity	**3.74**	5.49
Insurance	**9.55**	6.68
Printing & stationery	**5.66**	5.80
Rates and taxes	**27.71**	28.29
Recruitment and training expense	**32.95**	99.97
Rent	**47.22**	70.90
Repairs - buildings	**29.02**	25.98
Repairs - others	**62.59**	95.36
Purchase of Software for resale	**200.54**	415.57
Commission expenses	**0.01**	3.99
Bank Charges	**0.45**	1.43

(All amounts in ₹ Lakhs, unless otherwise stated)

		Nine month period ended March 31, 2013	Year ended June 30, 2012
	Hire Charges	**0.20**	0.39
	Staff welfare	**609.32**	866.80
	Miscellaneous expenses	**55.54**	157.61
d.	Earnings in foreign exchange		
	Income from services	**37,520.83**	40,874.86
	Other Operating Revenue - Secondment fees	**332.02**	-
	Dividend from subsidiaries	**2,018.41**	231.78
	Others	**3.60**	3.94

38 Reduction of capital of Mastek Gmbh and subsequent closure

Pursuant to management decision to discontinue business operation in Germany, the share capital of Mastek GmbH (wholly owned subsidiary) has been reduced by ₹ 9.23 (Euro 13,500) to align with business requirements. Subsequently as on March 31, 2013 the subsidiary is fully closed down. 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 has reduced its investment in its wholly owned subsidiary Mastek Asia Pacific Pte Ltd, Singapore by ₹ 168.24. The remittance of proceeds has resulted in an exchange gain of ₹ 188.73 and a partial write back of provision for dimunition in the value of investment of ₹ 118.96, both of which have been credited in the Statement of Profit and Loss.

40 Acquisition of Keystone's business and merger of Keystone Solutions Ltd with Mastek Ltd

During the year ended June 30, 2012, the Scheme of Amalgamation ("the Scheme") of Keystone Solutions Private Limited (a wholly owned step down subsidiary) with the Company had been sanctioned by the High Court of Mumbai with effective date from July 1, 2011, vide its order dated December 2, 2011. In accordance with the Scheme and the Accounting Standard (AS) 14, 'Accounting for Amalgamations', the Company has followed the "pooling of interest" method in accounting for the amalgamation. The difference between the value of the net identified assets acquired and the consideration amounted to ₹ 106.05 which has been credited to 'Capital Reserve' (Refer note 4).

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

42 Previous year 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 26, 2013

For and on behalf of the Board

Sudhakar Ram
Chairman & Managing Director

S. Sandilya
Director

Bhagwant Bhargawe
Company Secretary

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, 2013 **(₹ 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	82.228	164.46	12,988.24	20,867.77	7,715.07	-	31,010.39	1,208.13	301.37	906.76	-	UK
2	MajescoMastek, USA - Consolidated (Refer note 1)	USD	54.285	143.84	19,622.19	27,796.82	8,030.79	-	29,520.80	2,123.75	392.94	1,730.81	-	USA
3	Mastek Asia Pacific Pte Ltd.	SGD	43.720	1,246.02	(1,070.75)	267.81	92.54	-	381.40	13.41	-	13.41	-	Singapore
4	Mastek MSC Sdn Bhd.- Consolidated (Refer note 2)	RM	17.520	1,973.10	17.27	2,298.90	308.54	-	1,987.64	42.99	9.73	33.26	-	Malaysia
5	MajescoMastek Canada Ltd	CAD	53.438	1,555.01	(1,101.59)	1,677.44	1,224.02	-	2,185.80	(265.77)	-	(265.77)	-	Canada

Notes :

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

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

3 Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies except MajescoMastek, USA, are based on the exchange rates as at March 31, 2013.

4 MajescoMastek, USA figures are in Indian rupees.

Mumbai
April 26, 2013

Sudhakar Ram
Chairman & Managing Director

S. Sandilya
Director

Bhagwant Bhargawe
Company Secretary

CORPORATE GOVERNANCE REPORT

PART- I CLAUSE 49 OF LISTING GUIDELINES

Mastek has always strived to go beyond the statutory and regulatory requirements of corporate governance. Our endeavor is to follow good governance in spirit than mere compliance with the codes on Corporate Governance.

A. Company's Philosophy

Good 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.

B. Board of Directors

(i) Composition of the Board

The Board has nine members, four are promoter-directors and the rest five are Independent Directors.

(ii) Number of Board Meetings

During the nine month period ended March 31, 2013**,** there were 5 (Five) Board Meetings, which were held on July 27, 2012, October 19, 2012, November 05, 2012, January 21, 2013 and March 14, 2013.

(iii) Directors' Attendance and Directorships held

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM on October 05, 2012	No. of other Directorship in other Companies	No. of Committees Memberships in other Companies	No. of Board Committees of Mastek on which member
Mr. Sudhakar Ram	Chairman and Managing Director (Promoter)	5	Yes	2	Nil	1
Mr. Ashank Desai	Non-Executive Director (Promoter)	4	Yes	5	Nil	2
Mr. Ketan Mehta	Non-Executive Director (Promoter)	3	No	5	Nil	Nil
Mr. Radhakrishnan Sundar	Executive Director (Promoter)	4	No	Nil	Nil	1
Dr. Rajendra Sidodia	Non- Executive Director (Independent)	2	No	1	Nil	Nil
Ms. Priti Rao	Non- Executive Director (Independent)	4	No	1	Nil	1
Mr. Venkatesh Chakravarty	Non Executive Director (Independent)	5	No	2	Nil	1
Mr. S. Sandilya	Non Executive Director (Independent)	5	Yes	6	5	2
Mr. Atul Kanagat (w.e.f. January 21, 2013)	Non Executive Director (Independent)	1	N.A.	Nil	Nil	Nil

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 31st 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 Shareholders / Investors Grievance 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 ₹ 143,873/-. The Company has already made an application to the Ministry of Corporate Affairs, New Delhi for their approval.

(iv) Code of Conduct for Directors and Senior Management

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

C. 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 24 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 Professor of Marketing at Bentley University and was previously Trustee Professor of Marketing and the Founding Director of the Center for Marketing Technology. He is also the Co-Founder and Co-Chairman of Conscious Capitalism Inc.

Dr. Sisodia has authored several books 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 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.

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. 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 the Chairman of Parrys Sugar Industries Ltd, 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, President of Society of Indian Automobile Manufacturers and President of International Motorcycle Manufacturers Association, Geneva.

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

5. Mr. Atul Kanagat:

Mr. Atul Kanagat is a B.Tech in Mechanical Engineering from Indian Institute of Technology (IIT), 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 & Aquisition.

Mr. Kanagat was appointed by the Board of Directors on January 21, 2013.

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

D. 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 fee and also grant approval for payments for any other services.

(c) Review with the management the annual financial statements before submission to the Board, focusing primarily on:

- Any changes in accounting policies and practices.
- Major accounting entries based on the exercise of judgement 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., transactions of the Company of a material nature, with promoters and the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.

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

(e) Review the adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

(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 financial and risk management 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 external auditors and advises the Board on the re-appointment of internal and statutory auditors.

(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 nine month period ended March 31, 2013 the Committee met 3 times. The attendance of the members at the meetings is stated below:

Name of Member	Status	No. of Meetings attended Meetings
Mr. S. Sandilya	Chairman	3
Mr. Ashank Desai	Member	2
Ms. Priti Rao	Member	3
Mr. Venkatesh Chakravarty	Member	3

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, review the quarterly, half-yearly and annual results at the Audit Committee meetings before recommending them to the Board of Directors.

E. 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 nine month period ended March 31, 2013 is stated below:

Name	Perquisites (₹)	Sitting Fees (₹)	Commission (₹)	Total (₹)
Mr. Ashank Desai	1,43,873	1,00,000	-	243,873
Ms. Priti Rao	-	110,000	-	110,000
Dr. Rajendra Sisodia	-	40,000	-	40,000
Mr. Venkatesh Chakravarty	-	1,30,000	-	130,000
Mr. S. Sandilya	-	1,30,000	-	130,000
Mr. Atul Kanagat (with effect from January 21, 2013)	-	20,000	-	20,000
Total	**1,43,873**	**5,30,000**	**-**	**673,873**

Criteria for 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 the net profit of the Company.

During the nine month period ended March 31, 2013, 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, 2013:

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

Number of equity shares held by other Non-Executive Directors as on March 31, 2013

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

F. Share Transfer cum Investor Grievances Committee

(i) Terms of Reference

- To redress the grievances of shareholders and investors, such as transfer of shares, non-receipt of annual reports, dividends etc.
- To approve allotment of shares on exercise of options by Employees under various ESOP schemes.

(ii) Composition

The Chairman of the Committee is Mr. Ashank Desai. Other members are Mr. Sudhakar Ram, Mr. Radhakrishnan Sundar and Mr. S. Sandilya. 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 nine month period ended March 31, 2013, the Committee met 4 times on July 27, 2012, October 19, 2012, January 21, 2013 and February 20, 2013. The attendance of the members at the meetings is stated below:

Name of Member	Status	No. of Meetings attended
Mr. Ashank Desai	Chairman	3
Mr. Sudhakar Ram	Member	4
Mr. Radhakrishnan Sundar	Member	3
Mr. S. Sandilya	Member	3

OTHER COMMITTEES

G. Compensation Committee

(i) Terms of reference

- 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 and directors of the Company under the scheme & finalization of incentive plan.
- To recommend the compensation structure of the Directors to the Board.

(ii) Composition

The Chairman of the Committee is Dr. Rajendra Sisodia. The other members are Mr. Ketan Mehta, Ms. Priti Rao and Mr. Venkatesh Chakravarty.

During the nine month period ended March 31, 2013, the Committee met 5 times on July 27, 2012, October 19, 2012, January 21, 2013, February 07, 2013 and March 14, 2013. The attendance of the members at the meetings is stated below:

Name of Member	Status	No. of Meetings attended
Dr. Rajendra Sisodia	Chairman	2
Mr. Ketan Mehta	Member	4
Ms. Priti Rao	Member	4
Mr. Venkatesh Chakravarty	Member	5

H. 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.

During the nine month period ended March 31, 2013 the Committee met twice. The attendance of the members at the meetings is stated below:

Name of Member	Status	No. of Meetings attended
Mr. Ashank Desai	Chairman	2
Mr. Ketan Mehta	Member	2
Ms Priti Rao	Member	2
Mr. Radhakrishnan Sundar	Member	2

I. 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

As a good Corporate Governance Practice, the Board approved the re-organization of the Nomination Committee members by appointing Mr. S. Sandilya as the Chairman of the Nominations Committee in place of Mr. Sudhakar Ram with effect from July 27, 2012. The other members are Mr. Sudhakar Ram, Mr. Ketan Mehta and Dr. Rajendra Sisodia .The Company Secretary is the Secretary of the Committee.

During the nine month period ended March 31, 2013 the Committee met once on January 9, 2013 for appointment of Mr. Atul Kanagat. The attendance of the members at the meeting is stated below:

Name of Member	Status	Meeting attended
Mr. S. Sandilya	Chairman	Yes
Mr. Sudhakar Ram	Member	Yes
Mr. Ketan Mehta	Member	Yes
Dr. Rajendra Sisodia	Member	Yes

J. Corporate Directions Committee

The Board of Directors of the Company at their meeting held on October 19, 2012 has temporarily discontinued this Committee. The Chairman of the Committee is Mr. Sudhakar Ram. The other members are Dr. Rajendra Sisodia, Mr. Venkatesh Chakravarty and Mr. Radhakrishnan Sundar.

K. General Body Meetings

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

Financial Year	Date	Time	Location
2011-2012	October 05, 2012	11.00 a.m	Gajjar Hall, Ahmedabad
2010-2011	September 23, 2011	11.30 a.m.	Gajjar Hall, Ahmedabad
2009-2010	October 01, 2010	3.00 p.m.	Gajjar Hall, Ahmedabad

K. Notes on Directors seeking re-appointment

Name of Director	Dr. Rajendra Sisodia
Resume of the Director	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 Professor of Marketing at Bentley University and was previously Trustee Professor of Marketing and the Founding Director of the Center for Marketing Technology. He is also the Co-Founder and Co-Chairman of Conscious Capitalism Inc. Dr. Sisodia has authored several books and published over 100 articles in publications such as the Harvard Business Review, Journal of Business Strategy, Journal of Marketing, and others.
Year of Joining the Board	2010
Expertise in specific functional Measuring and Area	Corporate Strategy and Leadership, Marketing Strategy, Improving Marketing Productivity, Stakeholder Management
Other Directorships	MajescoMastek, USA
Chairman/member of Committees of the Company	Compensation Committee- Chairman Nomination Committee - Member
No. of Board Meetings attended during the year	2
No. of shares held in the Company	Nil

Notes on Directors seeking re-appointment (Contd.)

Name of Director	**Ms. Priti Rao**
Resume of the Director	Ms. Rao is a postgraduate in Computer Science from Indian Institute of Technology (IIT), Mumbai. In her 24 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.
Year of Joining the Board	2011
Expertise in specific functional Area	Experience in building and delivering a range of IT services for customers located across five continents
Other Directorships	MajescoMastek Insurance Software and Solutions Inc. (Formerly - Systems Task Group International Limited)
Chairman/member of committees of the Company	Audit Committee – Member Governance Committee – Member Compensation Committee – Member
No. of Board Meetings attended during the year	4
No. of shares held in the Company	Nil

Name of Director	**Mr. Atul Kanagat**
Resume of the Director	Mr. Atul Kanagat is a B.Tech in Mechanical Engineering from Indian Institute of Technology (IIT), 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 Executive 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 and promoted to the position of Director in 1994. He retired from the firm in 2004 Mr. Kanagat spent the next 5 years in the audio industry and the national symphony orchestra industry. Served as Vice President of Research at "The League of American Orchestras." He also served 2 terms on the Board of the Liberty Science Center in Jersey City. During the period 2010 to 2011, Mr. Kanagat worked for Harman International as Vice President - Strategy & Mergers & Aquisition.
Year of Joining the Board	2013
Expertise in specific functional area	Finance including Information Technology and Strategic Planning
Other Directorships	NIL
Chairman/member of committees of the Company	NIL
No. of Board Meetings attended during the year	1
No. of shares held of the Company	Nil

M. 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:

Sudhakar Ram

Radhakrishnan Sundar

Ashank Desai

Vinay Rajadhyaksha

Stefan Van Overtveldt

Farid Kazani

Kalpana Jaishankar

(₹ in Lakhs)

	Transactions during the period/year ended	
Particulars	**March 31, 2013**	June 30, 2012
Remuneration to Key Management Personnel		
Sudhakar Ram	**138.90**	116.19
Radhakrishnan Sundar	**47.60**	73.78
Ashank Desai	**1.44**	6.49
Vinay Rajadhyaksha	**134.57**	164.87
Stefan Van Overtveldt	**179.41**	227.10
Farid Kazani	**75.12**	101.56
Kalpana Jaishankar	**37.04**	48.55

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 during the nine month period ended March 31, 2013 as well as previous year.

2. Generally, there were no instances of non-compliance on any matter related to the capital markets.

N. Management Discussion & Analysis forms part of the Annual Report. Investor information details are also provided separately in the Annual Report.

O. 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 pattern, 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.

P. 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 judgements 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 judgements 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 independent 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 Committee reviewed the Foreign Exchange Exposure Status 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, as Statutory Auditors of the Company for the financial year ending March 2014 and that the necessary resolutions for appointing them as Statutory Auditors be placed before the shareholders.

Mumbai **S. Sandilya**
April 26, 2013 Chairman

2. SHARE TRANSFER CUM INVESTOR GRIEVANCES COMMITTEE

The Investor Grievance Committee consists of the following directors:
Mr. Ashank Desai - Chairman
Mr. Sudhakar Ram
Mr. Radhakrishnan Sundar
Mr. S. Sandilya

The committee is headed by Mr. Ashank Desai, Non-Executive Promoter Director. The committee has the mandate to review and redress shareholder grievances and to attend to share transfers and allotment of shares on exercise of ESOP's. 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, 2013 was 98.51%.

No complaints were received during the nine month period ended March 31, 2013 in respect of Dividend/ Annual Report.

Mumbai **Ashank Desai**
April 26, 2013 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 26, 2013 Chairman and Managing Director

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 the nine month period ended March 31, 2013, 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 cum Investor Grievance 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

Mumbai Practising Company Secretary
April 26, 2013 C.P.No. 3373

SECRETARIAL COMPLIANCE REPORT

CIN: L74140GJ1982PLC005215 Nominal Capital: ₹ 40 Crore

To,
The Board of Directors
Mastek Limited
Mumbai

I have examined the registers, records and documents of Mastek Limited ("the Company") for the nine month period ended March 31, 2013 according to the provisions of:-

- The Companies Act, 1956 and the Rules made there under that Act;
- The Securities Contracts (Regulation) Act, 1956 and the Rules made there 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 alongwith 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 thereunder and to the extent applicable to Overseas Direct Investment (ODI), Foreign Direct Investment (FDI) and External Commercial Borrowings (ECB);

Based on my examination as well as information and explanation furnished by the Company to us and the records made available to us, we hereby report that:

1. The Company has changed its Financial Year to end on 31st March 2013 and thus for the current financial year the period would be of nine months.
2. 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 and electronic mode as applicable.
3. The requisite forms, returns and documents required under the Act and the Rules made thereunder to be filed with the Registrar of Companies (ROC) and other authorities have been duly complied with.
4. The Company has a Board consisting of nine members. The board met 5 times during the nine month period under review and the minutes of the meetings have been recorded properly in the minutes book maintained for the purpose.
5. As required under the Listing Agreement and the provisions of the Companies Act, 1956 the Company has the following Committees:
   i. Audit Committee: The committee met 3 times during the nine month period under review and the minutes are properly recorded in the minutes book maintained for the purpose.
   ii. Share Transfer cum Investor Grievance Committee: The committee met 4 times during the nine month period under review and the minutes are properly recorded.
   iii. Compensation/Remuneration Committee: The committee met 5 times during the nine month period under review and the minutes are properly recorded.
   iv. Other non-mandatory committees: The Company has constituted Governance Committee, Nominations Committee.
6. a. The Annual General Meeting for the financial year 2011-12 was held on October 5, 2012. The minutes of the said meeting was recorded properly in the minutes book maintained for the purpose.
   b. The Company has not passed any resolutions through the postal ballot route under the provisions of Section 192A and the rules made there under.
7. The re-appointment of Directors, who retire by rotation, has been made in accordance with the Act. Mr. Atul Kanagat was appointed as an Additional Director with effect from January 21, 2013.
8. Due disclosures under the provisions of the applicable statutes have been made by the Company. The Company has complied with the requirements of the Listing Agreements with the Stock Exchanges. The Company has complied with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time. The promoters of the Company have filed statements with the Stock Exchanges under the Regulation 30 (3) of the Takeover Regulations within the stipulated prescribed time.
9. The Company has complied with the requirements of the Depositories Act, 1996 as amended, pertaining to dematerialization of shares and wherever required, share certificates have been issued and delivered to shareholders within the statutory period and the transfers / transmissions thereof have been carried out and registered as per the requirements.
10. Transfer of monies lying in Unclaimed Dividend account to the Investor Protection and Education Fund, wherever applicable, have been duly complied with as per the requirements of the Act.
11. The Company had complied with the provisions of Section 293(1) (a) and 293 (1) (d) of the Act in respect of monies borrowed from financial institutions and banks.
12. Charges created / modified / satisfied by the Company were notified to the ROC and were entered in the Register maintained for the purpose during the nine month period ended 31st March, 2013.
13. The Company has, wherever required, obtained the necessary approvals of the Board or Committee thereof, shareholders, the Central Government or other authorities as per the requirements of the Act.
14. The Company has neither accepted any Fixed Deposits nor borrowed by way of debentures during the nine month period under review. The Company has recommended dividend at the rate of ₹ 3/- per share for consideration and approval of Shareholders at ensuing Annual General Meeting. The Annual Return and the Annual Report have been filed with the ROC as required under the Act. The Company has obtained the necessary disclosures from all the directors about their other Directorships, Committee Memberships and Chairmanships

of Committees of Board of said Companies. The Company has not defaulted in respect of the Provisions of Section 274 (1) (g) of the Act, which would otherwise disqualify the Directors of the Company from acting as a Director 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/ conditions as prescribed in clause 49 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 had complied with the provisions of section 372A and other provision of the Act in respect of guarantees given, loans granted and investment made by way of Equity Shares in subsidiaries and other companies during the nine month period ended March 31, 2013.
18. The Company had Bought-back 23,88,000 Equity shares for an aggregate consideration of ₹ 35.91 crore during the period under review after complying with the provisions of the Companies Act 1956 and the Listing Agreements.
19. The Company has made proper entries in the register and relevant disclosures of the contracts in which directors are interested as required under the 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 deliberate 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 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

Mumbai
April 26, 2013

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	23,97,000 of ₹ 10/ each
Initial Public Offer in December, 1992	6,03,000 of ₹ 10/- each
Issued under Employees' Stock Option Plan till 1996	56,640 of ₹ 10/- each
Second Public Offer in March, 1996	4,00,000 of ₹ 10/- each
Bonus Shares in January, 2000	34,56,640 of ₹ 10/- each
Adjusted the above in view of Sub-Division of shares of ₹ 10/- each into two shares of ₹ 5/- each in 2001.	1,38,26,560 of ₹ 5/- each
Buy-Back of shares in 2003-04 & 2004-05	3,99,848 of ₹ 5/- each
Bonus Shares in April 2006	1,40,54,594 of ₹ 5/- each
Issued under Employees' Stock Option Plans from 2000-01 till 2008-09	10,78,283 of ₹ 5/- each
Shares Bought Back from May 2008 to June 30, 2008	14,38,232 of ₹ 5/- each
Shares Extinguish till June 30, 2008	9,15,714 of ₹ 5/- each
Issued under Employees Stock Option Plans in 2010-11	7,250 of ₹ 5/- each
Issued under Employees Stock Options plan in 2011-12	75,000 of ₹ 5/- each
Shares Bought Back & Extinguished from November 2012 to February 2013	23,88,000 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 & Share Transfer Agent:

Sharepro Services (I) Pvt. Ltd.
Samhita Warehousing Complex,
13AB, Gala No. 52,
Nr. Sakinaka Telephone Exchange,
Off. Andheri-Kurla Road,
Andheri (East),
Mumbai – 400 096
Phone: 67720300 / 6772 0372 / Fax : 2837 5646
e-mail: sarita@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 lodgement.

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 17, 2013 at 11.00 a.m.
Venue	:	Ahmedabad Management Association Hall, AMA Complex, ATRA. Dr. Vikram Sarabhai Marg, Ahmedabad 380015

5. FINANCIAL CALENDAR:

- Financial reporting for the quarters ending –

June 30, 2013	:	around July 19, 2013
September 30, 2013	:	around October 24, 2013
December 31, 2013	:	around January 23, 2014
March 31, 2014	:	around April 24, 2014

6. BOOK CLOSURE DATE: July 08, 2013 to July 17, 2013 (both days inclusive)

7. DIVIDEND PAYMENT DATE: On or after July 22, 2013 and before August 14, 2013.

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 of the Stock Exchanges where the Company's shares are listed.

10. CAPITAL STRUCTURE:

Authorized Capital	:	Equity ₹ 200,000,000/- Preference ₹ 200,000,000/-
Issued, Subscribed and Paid-up Capital	:	Equity ₹ 123,190,935/-

11. DISTRIBUTION OF SHAREHOLDING

Distribution of share holding 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

Distribution of share holding as on June 30, 2012

Range no. of shares	Shareholders Number	%	Value ₹	%
1- 500	16,197	91.38	7,539,570	5.58
501-1000	895	5.05	3,462,760	2.56
1001-5000	553	3.12	5,702,440	4.22
5001-10000	52	0.29	1,935,590	1.43
10001 and above	28	0.16	116,490,575	86.21
Total	17,725	100.00	135,130,935	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
2013	185.10	103.30	185.00	103.50
2012	136.00	73.00	136.00	72.25
2011	311.50	88.70	311.95	89.05

13. QUARTERLY HIGH-LOW PRICE HISTORY FOR PREVIOUS TWO YEARS

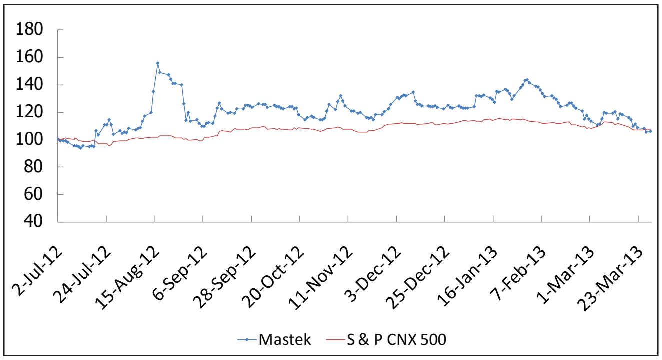
Fiscal Year	BSE LIMITED		NATIONAL STOCK EXCHAGE OF INDIA LIMITED	
	Price per Equity Shares (₹)		Price per Equity Shares (₹)	
	High	Low	High	Low
2013				
1st Quarter	185.10	103.30	185.00	103.50
2nd Quarter	155.15	125.00	154.75	123.50
3rd Quarter	166.15	115.10	166.85	117.90
2012				
1st Quarter	136.00	88.00	136.00	87.30
2nd Quarter	107.00	73.00	108.90	72.25
3rd Quarter	109.00	80.25	108.70	79.35
4th Quarter	116.30	88.00	116.35	88.25

14. MONTHLY VOLUMES AND PRICES: 2012-13

Month and year	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume (₹)	High (₹)	Low (₹)	Volume (₹)
July 2012	132.65	103.30	3,041,083	132.75	103.50	9,814,901
August 2012	185.10	114.30	8,392,639	185.00	115.10	22,915,311
September 2012	143.45	120.00	204,440	144.90	120.10	347,642
October 2012	144.90	125.45	147,814	144.55	124.95	220,866
November 2012	149.20	125.00	2,385,424	150.25	123.50	291,224
December 2012	155.15	136.50	288,907	154.75	133.10	2,119,892
January 2013	164.45	136.50	634,850	164.90	135.55	2,548,342
February 2013	166.15	126.30	96,107	166.85	125.60	288,139
March 2013	142.60	115.10	71,804	142.00	116.25	202,078

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, 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**	**100.00**

SHAREHOLDING PATTERN - AS ON JUNE 30, 2012

Sr. No.	Category	No. of Shares	% of Holding
1	Indian Promoters	11,506,660	42.58
2	Mutual Funds and UTI	16,600	0.06
3	Financial Institutions/Banks	70	0.00
4	Insurance Companies	3,153,000	11.66
5	FII's	5,077,075	18.79
6	Bodies Corporate	420,980	1.56
7	Individuals holding Nominal Capital upto ₹ 1 Lakh	3,411,410	12.62
8	Individuals holding Nominal Capital more than ₹ 1 Lakh	3,250,131	12.03
9	NRIs	190,261	0.70
	Grand Total	27,026,187	100.00

16. DETAILS OF SHARES HELD IN PHYSICAL & ELECTRONIC MODE

Date	Status of Shares - Physical versus Electronic mode		
	Physical	Electronic	Total
March 31, 2013	**368,612**	**24,269,575**	**24,638,187**
June 30, 2012	**373,278**	**26,652,909**	**27,026,187**

17. OVERVIEW OF THE VOLUME OF CORRESPONDENCE HANDLED DURING THE NINE MONTH PERIOD ENDED MARCH 31, 2013

	No of Letters
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 transfers as at March 31, 2013.

18. SHAREHOLDERS WITH MORE THAN 1% HOLDING AS ON MARCH 31, 2013

Sr. No	Name of the shareholder	No. of shares	Shares as percentage of total no. of shares
1.	Ashish Dhawan	2,326,906	9.44
2	Fidelity Puritan Trust-Fidelity Low-Priced Stock Fund	2,025,000	8.22
3	Life Insurance Corporation of India	1,375,623	5.58
4	Veritable, L.P. A/c. VEMF – A, L.P.	1,147,633	4.66
5	Bajaj Allianz Life Insurance Company Ltd.	869,280	3.53
6	Anagha Advisors LLP	290,312	1.18

19. TRANSFER TO INVESTORS 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 Investors Education and Protection Fund (IEPF) established by Central Government.

Accordingly the amount of Final Dividend for the year 2004-05 amounting to ₹ 228,916 and Interim Dividend for the year 2005-06 of ₹ 189,483 have been credited to IEPF on September 26, 2012 and February 26, 2013 respectively.

Final Dividend for the year 2005-06 is due to be transferred to Investors Education and Protection Fund (IEPF) established by Central Government in October 2013. All the members who have not encashed the dividend warrant 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 it's 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 GDR'S/ADR'S/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS:

There are no outstanding GDR's/ADR's/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 CENTRES:

The Company has Off-Shore Software Development Centres at SEEPZ, Mumbai, Mastek Millennium Centre, Millennium Business Park, Mahape, Pune and Chennai.

23. COMPLIANCE OFFICER OF THE COMPANY:

Name : Bhagwant Bhargawe, Company Secretary

Address: Mastek Limited, #106-107, SDF-4, SEEPZ, Andheri (East), Mumbai-400 096 Phone No: + 91-22-66952222 Fax: +91-22-66951331.

Mastek Foundation 2012-13

Mastek Foundation continued with its charter of promoting informed giving by individuals and responsible receiving by the NGOs.

Adopt a cause

One of the activities undertaken to build teams and promote giving at the same time was the 'Adopt a Cause' campaign. The campaign was promoted with internal project teams. Mastek Foundation organized a session with founders of NGOs and project managers to help understand how NGOs functioned and their needs. Two project teams adopted Sangopita (an NGO working with differently-abled children) and MAHAN Trust (an NGO working for the malnourished children of the tribal area of Melghat) respectively.

Desk-to-desk campaign

As the year began, Mastek Foundation geared up to increase participation and donations from Mastekeers with the 'Desk-to-desk' payroll giving campaign. The Mastek Foundation team met Mastekeers at their workplace at Mastek's Seepz, Mahape and Pune offices. The outcome of this campaign is that we doubled the number of participants and total amount of giving in our payroll giving programme. With this, we will be able to impact our NGO partners significantly.

US Payroll Giving

We have also opened up payroll giving for our US employees in association with Arpan Foundation.

Mumbai Marathon 2013

Mastekeers enthusiastically participate in the Standard Chartered Mumbai Marathon every year. This year, Mastekeers ran the marathon to support Kherwadi Social Welfare Association (KSWA), which provides vocational training to young people who have dropped out of the educational system. Over 70 Mastekeers ran the marathon to show their support to KSWA.

A colourful bunch of Mastekeers stand out in the crowd and cheer on their team

Mastek Cause-A-Thon 2013

This year, Mastek initiated a new programme to raise funds while running to keep fit. The marathon/ walkathon for a cause was dubbed Cause-A-Thon, and around 120 people participated to support MAHAN Trust, an NGO that works for malnourished tribal children in Melghat. Mastek alumni also participated in the event along with Mastekeers and their families. Cause-A-Thon will now be an annual event.

After the run

Winners with our founder, Sundar

Running as a family

Tree Plantation Drive

Mastek Foundation organized a tree plantation drive during the monsoon in association with the NGO Hariyali. Mastekeers left early from the Mastek office to reach a wilderness area near Bhiwandi in Thane district to make trenches and place plastic bottles filled with water to stop forest fires from advancing. This activity not only helped fulfill our obligation to nature, it was also very educative.

Mastekeers zealously working

Founder of Hariyali informing on dos and don'ts

Diwali Exhibition

As always, this year too Mastek Foundation organized an exhibition before Diwali. The NGO Sangopita displayed products – diyas and cards -- made by differently-abled children

Diyas on display

Mastekeers on a shopping spree

Transforming NGOs through IT

Snehalaya

Mastek has had a long association with Snehalaya. However, this association took a completely new dimension in the past year. Mastek has changed its role from being an active donor for Snehalaya to being an active business progression enabler.

The Mastek initiative of `Transforming NGOs through IT' has ensured that Snehalaya is able to actively manage information on donors. It has also helped Snehalaya give a personal touch to donors by greeting them on birthdays etc and keeping them abreast of any new initiatives that Snehalaya takes up.

Using the DonAid System, Snehalaya has been able to achieve the complex task of tracking beneficiaries and provide regular updates to the donors on their progress. Donors are appraised on the progress of beneficiaries on parameters such as health, education, physical and other improvements.

All this information is now just a click away for Snehalaya. Earlier, it would have taken months to collate the information.

Kherwadi Social Welfare Association

When Kherwadi Social Welfare Association (KSWA) wanted a MIS system, it approached Mastek. The NGO had already gone through the painful experience of a failed system implementation and were struggling to understand its cause.

The Mastek senior leadership conducted a workshop at the KSWA premises to understand KSWA's pain areas and to help them understand and prioritize objectives.

The MIS system was the main tool for the aggressive growth that KSWA had planned. Mastek hence proposed the IRIS system for KSWA and pledged support for the entire program till the final rollout to the last possible Livelihood Development Center of KSWA.

Mastek completely managed this large program. It was divided into four smaller projects to ensure a dedicated team was in charge of the activities to ensure a successful implementation.

Here's what the IRIS system has done for KSWA:

- It has provided the NGO with a centrally controlled system where it can manage and control the courses run in all centers across India.
- It can monitor the progress of each individual registered in the system, and even track the student after he has left the organization for a period of two years after he has received a placement from KSWA.
- KSWA can now decide centrally the batch to be launched at which location.
- It can instantly generate reports of the various centers across India and track the progress of each batch and attendance of students, a feat which would otherwise have taken a couple of months.
- It can now have tight financial control, and determine fees received from each center and grants to be paid.
- It can tightly monitor employee performance and have comprehensive HR control over its employees, including salary processing and payments.
- The system provides the facility of a virtual classroom which can help reach the most remote of areas of India to ensure quality training from quality trainers.
- Parents/ guardians are updated on the day-to-day attendance of students, ensuring their involvement in the progress of their children/ wards.

With the IRIS system, KSWA is on its way of realizing the ambitious dream of providing quality vocational training to around 3 million students over the next five years. It will thus contribute to the making of a strong India with a strong team of skilled workers.

Every year, Mastek Foundation organizes activities keeping in mind the two important stakeholders of Mastek – employees and communities. This year too, Mastek Foundation successfully engaged employees in many activities to sensitize them to social issues, while helping the community at the same time.

PEOPLE PRACTICES

2012 – 2013: Enabling Awesome Outperformance

This year with continued zeal we focused our energies on enabling 'Awesome Outperformance' in every sphere at Mastek. In an endeavor to enable teams to outperform, a number of initiatives were undertaken to strengthen Team Synergies and create a culture of collaboration and boundary-less teams.

Some of the key initiatives are outlined below:

Unleashing the Potential of Teams

Various co-located teams participated in a unique training program that uses theatre techniques to share and help team members internalize various facets of teamwork. These Corporate Theatre Training Programs were a creative way to help teams review how they work and incorporate new methods of collaboration that help build team synergies. This initiative has elicited a very positive response from all Mastekeers as well who have participated in this.

CHORDS is another such initiative that was designed and implemented to foster team building through impactful team games and debriefings.

A separate initiative focused on onsite-offshore team synergy is also underway.

Strengthening Open Culture with enhanced Team Synergy

As part of strengthening open culture and enhancing synergy between Mastekeers and their Managers, an Upward Feedback was introduced to enable Mastekeers to give constructive feedback to his/her manager for their individual growth and development. This initiative was a step ahead in the direction of fostering feedback culture in Mastek and helping managers to realize their full potential as Mastek Leaders.

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.

This year we launched the Individual Development Framework for repeat members of Prism Club with an objective - to focus on such members to identify career and role aspirations and move towards their career goals with the support of the Talent Review Committee, a global committee to support growth and development of Top Talent at Mastek.

We initiated brainstorming sessions with our top performers to discuss, deliberate and garner their inputs on issues that are of organizational importance.

Apart from these new initiatives we continue with the individual grooming program 'Good to Great' for middle-level managers and stream based grooming program 'Sync Up' for junior Mastekeers.

Building Engaged Teams

Employee Engagement continues to be the key focus area in Mastek. The priority area for this year was to ensure the Action Plans devised from the Mastek Engagement Survey held in 2011 were tracked and acted upon. Several discussions with various internal stakeholders were initiated to ensure that the action plans designed are implemented within their respective teams.

Additionally at the corporate level for streamlining roles, enhancing role clarity and career progression for Mastekeers within Pre Sales and Product streams, Role Dossiers were designed and shared

Fun and Joy, Health and Wellness & Sports Activities

With the Happy objective to add **Fun to life @ Mastek** and build engagement, our Fun and Joy committee organized various events.

Mastekeers had an action packed 2012-13. On an average 6-7 well planned Fun and Joy activities were organized and executed each quarter, ensuring maximum participation. Mastekeers across locations brought in their creative best, bonded and appreciated various cultures by celebrating festivals like Eid, Ganesh Festival, Navaratri, Diwali, Christmas, New Year & Holi. Various Health awareness sessions, Pulse diagnosis and Power Yoga equipped Mastekeers to take better care of them. In light of the current issues on safety of Women, we arranged Self-Defence programs for Women Mastekeers, bringing about a feeling of being cared. Reaching out to our extended families, we connected and bonded with Mastekeer's children by celebrating Chotta Mastekeer's Day.

Encouraging team spirit and team bonding amongst Mastekeers, Mastekeers United our Sports Committee provided an opportunity to Mastekeers to engage in various Sports activities. Some of the in-house events organized included Indoor Sports Tournament with events like Table Tennis, Carrom, Chess & Scrabble with participation of over 600 Mastekeers across locations. In addition to this, Back to School was another well appreciated sports event which got Mastekeers to revive and relive their school memories.

In an endeavor to deepen engagement outcomes and to understand current engagement challenges at Mastek we plan to conduct Mastek Engagement Survey 2013 in May this year.

PEOPLE PRACTICES (CONTD.)

Strengthening our Culture of Recognition

We strongly believe that performance needs to be appreciated and encouraged. We ensure this by recognizing individuals/ teams that outperform and reward them in a timely and effective manner. Towards this goal, we have strengthened and integrated the Awards framework in Mastek. This year we consolidated our Annual Awards and created a robust framework of recognizing consistent performance through the year.

To create a lasting culture of recognition, we also conducted an 'Expressions Week' where different events related to recognition are run throughout the week. Some of the highlights of this week are 'Wall of Fame Day', 'Wind beneath My Wings', 'Technology Galaxy' and Attitude Awards. The Expressions week is looked forward to by one and all at Mastek and is in its second year of running.

Learning and Development @ Mastek

The learning and development Journey at Mastek continues to be innovative and was recognized by Industry with L&D Mastek being rewarded "The innovation in Learning Award" from the World Education & HRD Congress in June 2012. It was a moment of Pride and Happiness for the team.

This year again we focused lot on continuous learning , creative thinking, adding lots of fun factor in various learning initiatives and of course collaborating with various functional teams. Innovative practices this year saw lot of involvement of Mastekeers in various learning initiatives. "You Decide Your Calendar" is one such example, which helped us making our training need gathering process very dynamic and thereby further strengthening our training offerings.

We enhanced our global learning focus by identifying learning champions across projects. This has further increased our reach at onsite. Their continuous inputs and recommendations helped us design focused webinars and learning events which resulted in significant upturn in onsite learning participation.

The team came out with focused learning events around Data warehousing and Model driven development as a part of our Theme based learning initiative called GLOW. All the events were held across Mastek offices. As a normal practice, the event included presentations by internal and external practitioners, webinars, various competitions and recognitions to further add participation and competitive spirit. There was an overwhelming response to these events by our Mastekeers.

Certifications continue to be the focus - mainly in the areas like Testing, Insurance, Development and Service Management.

From a soft skills paradigm, we have come up with new designs and methodologies to make learning meaningful, interesting and also minimize time spend in classrooms. Our new methodologies such as Video based learning available at the desk of Mastekeers -especially with the induction module that is designed for onsite Mastekeers and Game based learning that kills monotony, along with our new workshop around building winning teams has been the focus this year with significant number of teams participating in programs. All of this has been successful in instilling and enhancing skills and inculcating the desire to learn more.

Compensation & Benefits and HR Operations

Global compensation revisions for 2012-13 were rolled out successfully, as also the variable pay releases which were closed within timelines and in line with our published policies.

We continue to lay stress on the Code of Business Conduct & Ethics (COBCE) and Whistle Blower Policies. Dedicated briefing sessions are included in the Corporate Induction programs. Apart from this, periodic 'Policy Refresher' initiatives are taken up, highlighting and refreshing the various HR Policies, their objectives, salient features, etc. so that Mastekeers are constantly kept in touch with these Policies and operative rules governing their employment. We also executed quick disciplinary actions on reported cases of violations to the COBCE.

The HR team focused on areas like Manpower cost, Travel cost and Employee Benefit costs and used comparable benchmark information effectively to introduce various cost rationalization measures.

All the HR Policies were reviewed for their relevance and appropriateness in current times and suitable modifications/revisions were carried out and announced across to all Mastekeers.

Contribution to environment

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.

Mastek has initiated a structured approach towards this by preparing for the ISO 14001 standards, an internationally recognized model for environment management system. We expect to get certified for this standard in the next few months.

Health & Safety

Another important aspect of sustainability is the implementation of adequate health and safety processes and systems at our premises. In this regard, Mastek has begun preparations for the implementation of OHSAS 18001, an internationally recognized model for Occupational Health and Safety management system. The OHSAS certification along with ISO 14001 will be a milestone achievement in our journey on sustainability.

Sustainability Policy & Sustainability Reporting

A sustainability policy is currently being framed, which would cover all areas of health, safety, environment, social and economic issues.

A Sustainability Roadmap is currently under review, which would take us on a journey towards Sustainability Reporting as per GRI 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. As part of our Green Initiative and reduction of Carbon Footprint exercise, we had taken several measures, which resulted in approx. 20% reduction in the actual energy consumed. In order to further identify areas where we could conserve energy, the need was felt to conduct a comprehensive energy audit by a reputed agency. L&T was chosen as the agency to conduct this energy audit and the scope of the audit covered our entire Mahape facility, as this facility has the maximum usage of high energy equipment and therefore the highest energy cost.

The L&T energy audit has come up with recommendations resulting in some cost savings but the same will be derived only after entailing some capital expenditure such as replacement of electric water heaters with solar water heaters, replacement of existing lighting with LED fixtures in specific areas, installation of Energy Monitoring System, use of new VFD in MNDC building and switching off of the PCs when not in use, etc.

Mastek is also exploring and evaluating alternate innovative energy solutions such as Geothermal system where there are substantial savings expected in the energy consumed by the chiller AC systems. A decision on going ahead with this technology would be based on the outcome of the feasibility study which is currently in progress.

MASTEK LIMITED

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

PROXY FORM

REGD. FOLIO NO.
DP ID - CLIENT ID No.

NO. OF SHARES HELD

I/We .... of ....

....being member/members of Mastek Limited hereby appoint .... of ....

.... or failing him .... of .... or failing him ....

of .... as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday July 17, 2013 or at any adjournment(s) thereof.

Signed this .... day of 2013

Signature ____

Affix
₹1/-
Revenue
Stamp

Note : The Proxy form, duly completed, must be deposited at the Registered Office of the Company not less 48 hours before the time of holding the Meeting.

ATTENDANCE SLIP

ANNUAL GENERAL MEETING

Name of the attending Member/Proxy (in block letters)..

Member's Folio No. / DP ID –Client ID No.: .... No. of Shares held : ....

I hereby record my presence at the Annual General Meeting held on July 17, 2013.

Member's / Proxy's Signature

1. PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING AND HAND OVER AT THE ENTRANCE DULY FILLED IN.

2 Shareholders who come to attend the meeting are requested to bring their copies of the Annual Report with them.

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