

## **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

I. **OBJECTIVE:** The Listing Regulations issued by the Securities and Exchange Board of India requires every listed Company to formulate a policy for determining material subsidiaries. This Policy for determining material subsidiaries (hereinafter “The Policy”) is framed with respect to the above statutory requirement. Mastek Limited has (hereinafter “The Company”) put in place an appropriate framework for determining material subsidiaries.

### **II. DEFINITIONS:**

1. **Determination of material subsidiary:** A subsidiary shall be considered as material if the investment of the Company in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated twenty per cent of the consolidated income of the Company during the previous financial year.

2. **Determination of material non-listed Indian subsidiary:** A subsidiary which is incorporated in India and unlisted will be considered as “Material non-listed Indian Subsidiary in case its income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively of the Company in the immediately preceding accounting year.

### **III. GUIDING PRINCIPLES:**

1. At least one independent director on the Board of the Company shall be a director on the Board of Material non-listed Indian Subsidiary.

2. Following transactions shall be undertaken only after passing a special resolution in the Company’s General Meeting unless such divestment/sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal:

a) Disposing of shares in its material subsidiary to a non-Mastek Group entity which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease to exercise of control over the subsidiary.

b) Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year.

**IV. DISCLOSURE:** This Policy shall be displayed on the website of the Company and a web link shall be provided in the Annual Report.

**V. POLICY REVISION:** This Policy can be changed, modified or abrogated at any time by the Board of Directors of the Company in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any subsequent changes in the provisions of the Listing Agreement or any other regulations which make any of the provisions in the Policy inconsistent with such regulations, then the provisions of such regulations would prevail over the Policy.

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