
CORPORATE GOVERNANCE REPORT



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

The Company's philosophy of corporate governance is that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in preserving shareholders' interest, while maximizing long-term shareholder value.

B. Board of Directors

(i) Composition of the Board

The composition of the Board is evenly placed, that is, of the eight members, four are promoter-directors and the other four are Independent Directors.

(ii) Number of Board Meetings

During the year ended June 30, 2009, there were Eleven Board Meetings, which were held on July 22 & 23 2008, October 9 & 10, 2008, January 7 & 8, 2009, April 8 & 9, 2009, May 9, 2009 and June 3 & 4, 2009.

(iii) Directors' Attendance and Directorships Held

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM on October 6, 2008	No. of other Directorships	No. of other Committees Memberships/ Chairmanship
Mr. Sudhakar Ram	Chairman and Managing Director (Promoter)	11	Yes	11	3
Mr. Ashank Desai	Non-Executive Director (Promoter)	11	Yes	4	3
Mr. Ketan Mehta	Non-Executive Director (Promoter)	11	No	8	3
Mr. R. Sundar	Executive Director (with effect from January 1, 2009) (Promoter)	11	No	2	3
Mr. Raj Nair	Non- Executive Director (Independent)	11	No	3	3
Mr Diwan Arun Nanda	Non- Executive Director (Independent)	9	Yes	13	3
Mr. Amit Shah	Non- Executive Director (Independent)	7	No	7	—
Mr. Rajesh Mashruwala	Non- Executive Director (Independent)	11	No	3	—

Notes:

- None of the Directors is a member of more than 10 Board-level committees, or a Chairman of more than five such committees, as required under Clause 49 of the listing agreement.
- Particulars of Directors retiring by rotation and seeking reappointment have been given in the Notice convening the 27th Annual General Meeting and explanatory statement, attached hereto.
- 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 etc.

Pecuniary Relationship or Transactions with Non-executive Directors

Mr. Ashank Desai & Mr Ketan Mehta, Non-Executive Directors, who are the co-promoters, receive dividend on their investment in the Company.

(iv) Code of Conduct for Directors and Senior Management

The Board has introduced a code of conduct for Directors and Senior Management of the Company respectively. The said codes have been posted on the Company's website. All Board members and senior management personnel have affirmed compliance with the code.

C. Profile of Independent Directors

- Mr. Raj Nair:** Mr. Raj Nair is the Chairman of Avalon Consulting Group and has several years of experience spanning consumer durables, marketing, investment banking, marketing research and management consultancy for companies in India, UK and South-East Asia.

He holds 6,666 shares in the Company .

CORPORATE GOVERNANCE REPORT (Contd.)

2. **Mr Diwan Arun Nanda** : Mr Diwan Arun Nanda is the Chairman and Managing Director of Rediffusion –Y&R, India has over 40 years of experience in the advertising and marketing industry. A Gold medalist from the first batch of Indian Institute of Management, Ahmedabad. In July 1973, he founded Rediffusion, an agency that went on to script history by rewriting the rules of advertising in the country. He has been the advisor to the late prime minister Mr Rajiv Gandhi from 1984-1991. He has been a member of the Jawaharlal Nehru Centenary Committee (a part of the cabinet secretariat of the Government of India); and President of the Advertising Agencies Association of India (1993-95 and 1999-2000).

He does not hold any shares in the Company.

3. **Mr Amit Shah** : Amit Shah focuses on early stage technology investments. As a Partner of Artiman Ventures, he is currently on the boards of Aurn, Guavus, InvenSense, Lightwire (formerly SiOptical), MYNDnet and Zyme.

Prior to founding Artiman Ventures, Mr. Shah gained technology investment experience as a General Partner of Anthelion I & II, a seed stage venture fund. He also worked as VP of New Markets and Technologies for Cisco Systems' Business Development and Alliances Group. Prior to this he founded and was CEO of PipeLinks, Inc., acquired by Cisco (1998). Preceding PipeLinks, he founded ZeitNet, a networking systems company which was then acquired by Cabletron (1996).

Mr Shah has taught numerous courses and seminars in networking at UC Berkeley, InterOp, and other forums in the United States and abroad. He also authored *FDDI: A High Speed Network*, published by Prentice-Hall.

He holds a B.S.E.E. from M.S University Baroda, India and has done graduate work at UC Irvine.

He holds 8,000 shares in the Company.

4. **Mr Rajesh Mashruwala** : Mr Rajesh Mashruwala was the Executive Vice President and Chief Operating Officer at TIBCO Software Inc, based in Palo Alto, California, USA. Since the founding of TIBCO, Mr. Mashruwala has been responsible for sales and marketing. As Chief Operating Officer, Mr. Mashruwala was also responsible for engineering and professional services.

He holds 2,155 shares in the Company.

Note: None of the above directors is in any other capacity related to or connected with the Company or its promoters

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 auditor, 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 judgment by management.
 - Qualifications in the draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Any related party transactions, i.e., 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.



CORPORATE GOVERNANCE REPORT (Contd.)

- (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.

The Audit Committee Charter is reviewed at the beginning of every year. The Board of Directors approved the Audit Committee Charter for the year 2009-10 at its meeting held in July 22, 2009.

(ii) Composition

Mastek has an Audit Committee that currently comprises three Independent directors and a promoter

director. The Independent Directors are accomplished professionals from the corporate fields. The Group Chief Financial Officer 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.

The Committee met four times during the year. The attendance of the members at the meetings is stated below:

Name of Member	Status	No. of Meetings attended
Mr. Diwan Arun Nanda	Chairman	3
Mr. Raj Nair	Member	4
Mr. Amit Shah	Member	2
Mr Ashank Desai	Member	4

The meetings are attended by internal auditors and statutory auditors. The Committee's observations are followed up with the respective departments and the follow-up actions are reported to the Committee at the subsequent Committee meetings. Internal auditors attend the Committee meetings on invitation. The Committee, along with the statutory auditors, review the quarterly, half-yearly and annual results at the Audit Committee meetings before submitting the same 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 Directors for the year ended June 30, 2009:

(In Rupees)

Name	Salary	Perquisites	Sitting Fees	Commission	Total
Ashank Desai	-	5,73,599	-	9,00,000	14,73,599
R Sundar -	-	-	-	3,33,000	3,33,000
Raj Nair -	-	-	2,60,000	9,00,000	11,60,000
Diwan Arun Nanda	-	-	2,10,000	8,00,000	10,10,000
Amit Shah	-	-	-	7,00,000	7,00,000
Rajesh Mashruwala	-	-	2,20,000	7,67,000	9,87,000

The Board of Directors had appointed Mr Sudhakar Ram as the Chairman and Managing Director of the Company at their meeting held on January 11, 2007 for a period till December 31, 2009. Since, Mr Ram has been relocated to India, the Board of Directors approved a modification in the terms and conditions of the appointment including his remuneration for the period from January 1, 2009 to December 31, 2009 and further approved his re-appointment as the "Chairman & Managing Director" of the Company for a further period of two years with effect from January 1, 2010. The said proposal was approved by postal ballot by the Shareholders on March 20, 2009.

CORPORATE GOVERNANCE REPORT (Contd.)

The Board of Directors appointed Mr R Sundar, Non – executive Director of the Company as the Executive Director of the Company for a period of three years with effect from January 1, 2009. The said proposal was approved by postal ballot by the Shareholders on March 20, 2009.

The Board decided to extend to Mr Ashank Desai, Non – Executive Director, certain facilities like re-imbusement of basic telephone, mobile, car expenses, mediclaim policy and personal accident policy upto a sum of Rs 15 lacs per annum.

Criteria of payment of remuneration to Non-Executive Directors:

Non-Executive Directors will have the following remuneration structure:

1. 50% - fixed
2. 50% - variable, based on the number of Board meetings attended.

The total remuneration paid to all Independent Non-Executive Directors will have an upper limit of 1% of net profits of the Company .

Number of options/equity shares held by Independent Directors as on June 30, 2009:

Name of the Director	Number of options held	Number of shares
Raj Nair	31,641	6,666
Diwan Arun Nanda	28,307	Nil
Amit Shah	58,307	8,000
Rajesh Mashruwala	28,307	2,155

Number of equity shares held by other Non-Executive Directors as on June 30, 2009

Serial no	Name of the Director	Number of shares
1	Ashank Desai	31,25,152
2	Ketan Mehta	25,19,100

F. Share Transfer cum Investor Grievance 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.

(ii) Composition

The Chairman of the Committee is Mr. Ashank Desai. Other members are Mr. Sudhakar Ram, Mr. Raj Nair and Mr. R. Sundar. The Company Secretary is the Secretary of the Committee.

The Committee meets periodically to review grievances and to consider requests for share transfer/transmission etc.

The section on investor information elsewhere in this report deal on the correspondence and grievances received from investors.

OTHER COMMITTEES

G. Compensation Committee

(i) Terms of reference

The Compensation Committee decides and formulates detailed terms and conditions of the Employees' Stock Option Plan, which is governed by the guidelines issued by SEBI in June 1999 and as amended from time to time. The Committee finalizes the stock options to be granted to the employees and directors of the Company under the scheme. The Committee also recommends the compensation structure of the Directors to the Board.

(ii) Composition

The Compensation Committee currently comprises of Mr Amit Shah, Mr Diwan Arun Nanda, Mr Ketan Mehta and Mr Rajesh Mashruwala. The Chairman of the Committee is Mr Rajesh Mashruwala. The Committee met six times during the year under review for considering and approving compensation structure of the Directors and the issues related to Employee stock options. The minutes of the Committee, including the circular resolutions, are circulated to Board of Directors.

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 Governance Committee comprises of Mr. Ashank Desai, Mr Ketan Mehta, Mr. Rajesh Mashruwala and Mr. R. Sundar. The Chairman of the Committee is Mr. Ashank Desai. The Company Secretary is the Secretary of the Committee.

CORPORATE GOVERNANCE REPORT (Contd.)

I. Nomination Committee

(i) Terms of Reference

The Committee oversees the Company's nomination process for the Senior management and the non executive directors. The committee reviews all documents pertaining to candidates and conducts evaluation of candidates in accordance with a process that it deems fit and appropriate, passing on the recommendations for the nomination to the Board.

(ii) Composition

The Committee comprises of Mr Sudhakar Ram, Mr Amit Shah, Mr Ketan Mehta and Mr Rajesh Mashruwala. The Chairman of the Committee is Mr Rajesh Mashruwala. The Company Secretary is the Secretary of the Committee.

J. Corporate Directions Committee

(i) Terms of Reference

The Committee concerns with establishing Vision, Mission, Values and 5 year direction and goals of the Company.

(ii) Composition

The Committee comprises of Mr Sudhakar Ram, Mr Raj Nair, Mr Diwan Arun Nanda, Mr R Sundar and Mr Amit Shah.

K. General Body Meetings

Particulars of Annual General Meetings held during the last three years

Financial Year	Date	Time	Location
2007-08	October 6, 2008	3. p.m.	Gajjar Hall Ahmedabad
2006-07	October 5, 2007	3 p.m	Gajjar Hall Ahmedabad
2005-06	October 12, 2006	12.15 p.m.	Gajjar Hall, Ahmedabad

Particulars of Resolutions passed through Postal Ballot-

During the year, the following resolutions were passed through postal ballot as under:

Sr No.	Date of Issue of Notice	Description of the resolution	Date of passing of the resolution
1.	February 5, 2009	Consent pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, for modification in the terms and conditions of the appointment including the remuneration of Mr. Sudhakar Ram as the Chairman & Managing Director of the Company and his re-appointment as Chairman & Managing Director of the Company.	March 20, 2009
2	February 5, 2009	Consent pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, for appointment of Mr. Radhakrishnan Sundar as the Executive Director of the Company and approval to the terms and conditions of his appointment including his remuneration.	March 20, 2009
3	February 5, 2009	Consent pursuant to Clause 6.1 of the SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, to issue fresh stock options under ESOP Plan V to the employees of the Company	March 20, 2009
4	February 5, 2009	Consent pursuant to Clause 6.3(a) of the SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, to issue fresh stock options under ESOP Plan V to the employees of subsidiary companies.	March 20, 2009
5	February 5, 2009	Consent pursuant to Clause 6.3 (b) of the SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, to issue stock options to certain identified employees of its Company and its subsidiaries, which may be equal to or shall exceed 1% of the issued capital of the Company at the time of grant of options under ESOP Plan V.	March 20, 2009

CORPORATE GOVERNANCE REPORT (Contd.)

K. Notes on Directors seeking re-appointment

Name of Director	Mr Diwan Arun Nanda
Resume of the Director	Mr Diwan Arun Nanda is the Chairman and Managing Director of Rediffusion –Y&R, India has over 40 years of experience in the advertising and marketing industry. A Gold medalist from the first batch of Indian Institute of Mangement, Ahmedabad. In July 1973, he founded Rediffusion, an agency that went on to script history by rewriting the rules of advertising in the country. He has been the advisor to the late prime minister Mr Rajiv Gandhi from 1984-1991. He has been a member of the Jawaharlal Nehru Centenary Committee (a part of the cabinet secretariat of the Government of India); and President of the Advertising Agencies Association of India (1993-95 and 1999-2000).
Other Directorships	On the Board of Rediff.com India Ltd, Kingfisher Airlines Ltd, Clariant Chemicals Ltd, Eveready Industries etc, besides Rediffusion – Y&R ,Everest Brand Solutions, Wunderman, Pvt & Public both Rediffusion- Y&R (Sri Lanka) and Oriental Hotels Ltd.
Chairman/member of committees of the Company	Chairman – Audit Committee Member – Corporate Directions Committee Member – Compensation Committee

Name of Director	Mr Amit Shah
Resume of the Director	<p>Amit Shah focuses on early stage technology investments. As a Partner of Artiman Ventures, he is currently on the boards of Aurnyn, Guavus, InvenSense, Lightwire (formerly SiOptical), MYNDnet and Zyme.</p> <p>Prior to founding Artiman Ventures, he gained technology investment experience as a General Partner of Anthelion I & II, a seed stage venture fund. He also worked as VP of New Markets and Technologies for Cisco Systems' Business Development and Alliances Group. Prior to this, he founded and was CEO of PipeLinks, Inc., acquired by Cisco (1998). Preceding PipeLinks, he founded ZeitNet, a networking systems company which was then acquired by Cabletron (1996).</p> <p>Mr Shah has taught numerous courses and seminars in networking at UC Berkeley, InterOp, and other forums in the United States and abroad. He also authored <i>FDDI: A High Speed Network</i>, published by Prentice-Hall.</p> <p>He holds a B.S.E.E. from M.S University Baroda, India and has done graduate work at UC Irvine.</p>
Other Directorships	Nil
Chairman/member of committees of the Company	Member – Audit Committee Member – Compensation Committee Member – Nominations Committee Member – Corporate Directions Committee

L. Disclosures

- Your Company has entered into agreements with its subsidiaries to provide software development and IT-related services. These agreements are regularly reviewed for amendments.



CORPORATE GOVERNANCE REPORT (Contd.)

Related parties

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

Key Management Personnel: Sudhakar Ram.(Chairman & Managing Director) and R. Sundar (Executive Director) w.e.f January 1, 2009

(Rs. in Lakhs)

	Transactions during the year ended	
	June 30, 2009	June 30, 2008
	Key Management Personnel	Key Management Personnel
Remuneration paid/payable:		
Sudhakar Ram	161.23	286.24
R Sundar	66.56	-

(Rs. in Lakhs)

Key Management Personnel	Closing Balance as at	
	June 30, 2009	June 30, 2008
Remuneration payable	48.05	144.81

Notes:

- Reimbursement of expenses incurred by related parties for and on behalf of the Group and vice versa has not been included above.
- The disclosure given above has been reckoned on the basis of information available with the Group.
- Remuneration to key management personnel given above includes commission Rs. 48.05 Lakhs (Previous year Rs. Nil).

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

M. Management's Discussion & Analysis forms part of the Annual Report. Investor information details are also provided separately in the annual report.

N. Means of Communication

- Quarterly results are generally published in the *Free Press Journal*, *Business Standard* and *Aajkal*. The quarterly results along with the press releases are made available on the website of the Company (www.mastek.com) and on EDIFAR on the day of the declaration of results. Other information relating to shareholding patterns, compliance with the requirements of corporate governance etc are posted on SEBI'S Edifar website and on Mastek's website in the investors section.
- Official news releases and transcripts of conference calls with analysts / investors after the quarterly results are displayed on the Company's website.
- Shareholding pattern is displayed on the Company's website; the information is updated on a monthly basis.

O. Compliance with certain non-mandatory requirements

- Half-yearly unaudited results, including a summary of the significant events, for the six months ended December 31, 2008 were sent to the shareholders of the Company.
- The Whistle-Blower Policy is in place. No employee of the Company was denied access to the Audit Committee.

The Company periodically reviews its corporate governance practices to match internationally accepted codes, which are briefly dealt in Part II.

PART – II

COMPLIANCE WITH OTHER CODES OF CORPORATE GOVERNANCE

Codes of best practice recommended by the Cadbury Committee for effective Corporate Governance

In December 1992, the Cadbury Committee published its Code of Best Practice. The recommendations, which largely reflected perceived best practices at the time, included separating the roles of CEO and chairman, having a minimum of three non-executive directors on the Board and the formation of audit committees. The code also advocated that institutional investors play a more active

CORPORATE GOVERNANCE REPORT (Contd.)

role in the promotion of good practice in corporate governance.

The Company substantially complies with the Cadbury Committee recommendations.

THE OECD principles of Corporate Governance

OECD is the Organization for Economic Co-operation and Development. The OECD principles of corporate governance were endorsed by OECD ministers in 1999 and have since become an international benchmark for policy makers, investors, corporations and other stakeholders worldwide. The principles have been thoroughly reviewed in 2004 to take account of recent developments and experiences in OECD member and non-member countries. The principles are a living instrument, offering non-binding standards and good practices as well as guidance on implementation, which can be adapted to the specific circumstances of individual countries and regions.

The Company complies with the relevant OECD principles.

Euroshareholders Corporate Governance guidelines, 2000

The European Shareholders Group, "Euroshareholders", is the confederation of European shareholders associations. It was founded in 1990 and is based in Brussels. At present, eight national shareholders associations are members of Euroshareholders. The Organization's overall task is to represent the interests of individual shareholders in the European Union.

The main objectives of Euroshareholders are:

- To support harmonisation at the EU level on issues such as minority shareholder protection, transparency of the capital markets and cross-border proxy voting.
- To enhance shareholder value in European companies.
- To support corporate governance issues at the European level.

In April 1999, the Organization for Economic Co-operation and Development (OECD) published its general principles on corporate governance. Euroshareholders guidelines are based upon the same principles, but are more specific and detailed.

The Company substantially complies with the guidelines, except the following:

"Companies should clearly state (in writing) their financial objectives as well as their strategy, and should include these in the Annual Report."

Combined Code of Corporate Governance

The Combined Code was derived from the Ron Hampel Committee's Final Report and from the Cadbury and Greenbury reports. The Combined Code is appended to the listing rules of the London Stock Exchange.

The stipulations contained in the Combined Code require, among other things, that the Boards should maintain a sound system of internal control to safeguard shareholders' investment and the Company's assets. They also required that the directors should, at least annually, conduct a review of the effectiveness of the group's system of internal control and should report to shareholders that they have done so. The review should cover all controls, including financial, operational and compliance controls and risk management.

The Company substantially fulfils the requirements under the code, evaluation of performance of the Board is done on yearly basis. The last evaluation was done in January, 2009. The Governance committee of the Board will take it forward.

PART – III UNIQUE FEATURES OF MASTEK'S POLICIES

Some of the unique policies which Mastek has been following:

- Mastek's Board spends considerable time discussing corporate governance matters, including business ethics and best practices. On a quarterly basis, there is a corporate governance report comprising of internal reports and certifications on business risk management, financial planning & budgeting, financial risk mitigation & management, shareholder relationship, customer relationship, employee relationship, other stakeholder relationship and asset & IPR protection. The Board discusses the report at length at its meetings. In addition, the customer survey analysis and the employee survey analysis are placed at the Board meetings.
- Mastek informally gathers feedback from analysts and investors from leading domestic and foreign institutions from time to time. The findings are used to stream line the company's investor relations program and processes.
- Four of Mastek's non-executive Directors are independent and are not in any way related to the Company.

PART – IV REPORT OF THE COMMITTEES OF THE BOARD

1. AUDIT COMMITTEE

The Audit Committee of the Board consists of the following directors:

Mr. Diwan Arun Nanda – Chairman

Mr. Raj Nair

Mr. Amit Shah

Mr. Ashank Desai

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



CORPORATE GOVERNANCE REPORT (Contd.)

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 about 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 has recommended to the Board, the audited stand alone and consolidated financial statements prepared as per Indian GAAP of Mastek Limited and its subsidiaries for the year ended be accepted by the Board as a true and fair view statement of the financial status of the group.

The Committee also reviewed the financial and risk management policies of the Company and expressed its satisfaction with the same.

The committee recommended to the Board the appointment of Price Waterhouse, Chartered Accountants, as statutory auditors of the Company for the financial year ending June 30, 2010. The committee also recommended to the Board that the necessary resolutions for appointing them as auditors be placed before the shareholders.

The committee recommended to the Board the appointment of Price Waterhouse as auditors of the Company for the US GAAP financial statements for the financial year ending June 30, 2010.

Place: Mumbai,
Date: July 22, 2009

Diwan Arun Nanda
Chairman, Audit Committee

2. SHARE TRANSFER CUM INVESTOR GRIEVANCE COMMITTEE

The Investor Grievance Committee consists of the following directors:

Mr. Ashank Desai - Chairman

Mr. Sudhakar Ram

Mr. Raj Nair

Mr. R. Sundar

The committee is headed by Mr Ashank Desai, Non Executive director. The committee has the mandate to review and redress shareholder grievances and to attend to share transfers. The committee reviewed shareholder grievances, redressal of shareholder grievances and share transfers for the year and expressed satisfaction with the same. The committee also noted that the shareholding in dematerialized mode as on June 30, 2009 was 98.40%.

Ashank Desai
Chairman,

Place: Mumbai,
Date: July 22, 2009

Share Transfer cum
Investor Grievance Committee

To,
The Members of Mastek Limited

Declaration regarding compliance with the code of conduct of the Company by Board members and senior management personnel.

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.

Place: Mumbai
Date: July 22, 2009

Sudhakar Ram
Chairman and Managing Director

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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 year ended June 30, 2009 as stipulated in Clause 49 of the Listing Agreement 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 Agreement. 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 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.

Place: Mumbai
Dated: July 22, 2009

V.Sundaram
Practising Company Secretary
C.P.No. 3373

CORPORATE GOVERNANCE REPORT (Contd.)

SECRETARIAL COMPLIANCE REPORT

To,
The Board of Directors
Mastek Limited

We have examined the registers, records, books and papers of Mastek Limited. ("the Company") as required to be maintained under the Companies Act, 1956 ("the Act"), the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company ("the requirements") for the year ended 30th June 2009. Based on our 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 requisite statutory registers and other records as required under the Act and the Rules made there under have been maintained in accordance with the Act in physical and electronic mode as applicable.
2. The requisite forms, returns and documents required under the Act and the Rules made there under to be filed with the Registrar of Companies and other authorities have been duly filed.
3. The requirements relating to the meetings of Directors and its Committees thereof and of the shareholders as well as relating to the minutes of the proceedings have been duly complied with by the company. The Company has a Board consisting of 8 members and the board had met 11 times and the minutes have been recorded properly in the minutes book maintained for the purpose. As required under the Listing Agreement and Companies Act the Company has the following Committees:
 - Audit Committee: The committee has met 4 times during the year under review. The minutes are recorded.
 - Share Transfer Committee cum Investor Grievance Committee: The committee had held 5 meetings and the minutes are properly recorded.
 - Compensation/Remuneration Committee: The committee had held 6 meetings and the minutes are properly recorded.
 - There are other non-mandatory committees like Governance Committee, Nominations Committee, Corporate Directors Committee and Buyback Committee.

The Company has passed five resolutions through the postal ballot route on 20.03.09 and the report of the scrutinizer has been filed as required under the provisions of Section 192A and the rules made there under.

4. The re-appointments of Directors who retired by rotation during the period under review at the Annual General Meeting have been made in accordance with the

requirements of the Act. The Company has modified the terms & conditions of appointment of Mr. Sudhakar Ram, Chairman Managing Director for one year from 01.01.2009 and also reappointed him as chairman and Managing Director for a further period of 2 years from 01.01.2010. Mr. Radhakrishnan Sundar was appointed as Executive Director with effect from 01.01.09 after complying with the requirements of Companies Act, 1956 and Schedule made there under.

5. Due disclosures under the requirements of the statutes have been made by the Company. The Company had allotted 19293 Equity Shares under ESOP schemes for its employees and during the year under review after complying with the provisions of the Companies Act and Listing Agreements. The shares so allotted have been listed as required under the Listing agreement. The Company has also complied with the requirements in pursuance to the listing agreements with the Stock Exchanges. The Company has complied with the relevant provisions of SEBI (Disclosure & Investor Protection) Guidelines 2000 in respect of ESOP scheme of the Company.
6. The Company has complied with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 as amended from time to time. The Company has received the information as required from the promoters & others and had filed statements with the stock exchanges under the regulation 8(3) of the said Regulations within the stipulated period.
7. The Company has complied with the requirements of the Depositories Act 1996 pertaining to dematerialization of shares. As per information received from Sharepro Services (I) Pvt. Ltd, who were appointed by the Company as Registrars and Transfer Agents (R T A), no requests for rematerialization has come. The Company has not received any requests from any members holding physical equity shares for transfer/transmission/transposition.
8. The Company has declared Dividend in the Annual General Meeting held during the year and the same have been paid after duly complying with the requirements of the Act within the stipulated time as prescribed under the Act. The company has transferred the monies lying in unclaimed dividend account to the Investors' Education and Protection Fund.
9. The Company has obtained credit facilities from Banks and the necessary compliances are made with the provisions of section 293(1) (a) and 293 (1) (d) of the Act. Charges created, modified or satisfied by the Company were duly filed and noted and entered in the Register maintained for the purpose during the financial year ending 30th June, 2009.
10. The Company has complied with the provisions of section 372A and other provision of the Act in respect

CORPORATE GOVERNANCE REPORT (Contd.)

of guarantees given, loans granted and investment made by way of Equity Shares made in subsidiaries and other companies during the financial year ending 30th June, 2009. 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.

11. The Company has neither accepted any Fixed Deposits nor borrowed by way of debentures. The dividend declared has been paid during the year. The Annual Return and the Annual Reports were duly filed as required under the Act. The Company has, therefore not defaulted in any of the provisions of Section 274 (1) (g) of the Act, which would otherwise disqualify the Directors of the Company from acting as Directors of any other Company.
12. The Company has complied with the relevant clauses of the listing agreement with the Stock Exchanges pertaining to submissions of the statements, documents, disclosure requirements, publication in newspapers, press releases, Corporate Governance Standards as

prescribed in clause 49 of the Listing Agreement. The Company has complied with the relevant provisions of SEBI (Prohibition of Insider Trading) Regulations 1992 as amended from time to time. The Company noted the Code of Conduct for Directors and other Senior Executives as required under the Clause 49 of the Listing Agreement.

13. 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.
14. The Company has during the period under review completed the procedures of Buyback of shares initiated during the previous financial year and has bought back 16,60,095 equity shares of Rs. 5 each after complying with the requirements of the Act and SEBI guidelines.

For V.Sundaram & Co.

Place: Mumbai
Dated: July 22, 2009

V.Sundaram
Practising Company Secretary
C.P.No. 3373

CORPORATE GOVERNANCE REPORT (Contd.)

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 the US, Europe, Canada, Middle East and Asia Pacific. The Company was promoted by Mr. Ashank Desai, Mr. Ketan Mehta and Mr. R. 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 Rs.422.1 lacs in gross aggregate proceeds. There was an additional public offering in March 1996 when it raised Rs.720 lacs in gross aggregate proceeds.

2. EQUITY HISTORY: Number of shares

Prior to Initial Public Offer	23,97,000 of Rs. 10/- each
Initial Public Offer in December, 1992	6,03,000 of Rs. 10/- each
Issued under Employees' Stock Option Plan till 1996	56,640 of Rs. 10/- each
Second Public Offer in March, 1996	4,00,000 of Rs. 10/- each
Bonus Shares in January, 2000	34,56,640 of Rs. 10/- each
Adjusted the above in view of sub-division of shares of Rs. 10/- into two shares of Rs. 5/- each	1,38,26,560 of Rs. 5/- each
Buy-back of shares in 2003-04 & 2004-05	3,99,848 of Rs. 5/- each
Bonus Shares in April, 2006	1,40,54,594 of Rs. 5/- each
Issued under Employees' Stock Option Plans from 2000-01 till 2007-08	10,58,990 of Rs. 5/- each
Shares Bought back in 2007-08 & 2008-09	16,60,095 of Rs. 5/- each
Issued under Employees' Stock Option Plans in 2008-09	19,293 of Rs. 5/- each

3. THE COMPANY'S EQUITY SHARES ARE LISTED ON THE FOLLOWING STOCK EXCHANGES:

National Stock Exchange of India Limited

Bombay Stock Exchange 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 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: 6772 0300 / Fax : 2837 5646

e-mail: indira@shareproservices.com

abrahamkg@shareproservices.com

Contact Person: Ms. Indira Karkera / Ms. Nalini Kotian

- (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-3/2001 dated 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

CORPORATE GOVERNANCE REPORT (Contd.)

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.

4. ANNUAL GENERAL MEETING:

- Date and Time :
October 1, 2009 at 3 p.m.
- Venue :
Gajjar Hall, Nirman Bhavan,
Law Garden, Law College Road,
Ellis Bridge, Ahmedabad 380 009
Gujarat, India

5. FINANCIAL CALENDAR:

- Financial reporting for the quarters ending –
September 30, 2009 : around October 9, 2009
December 31, 2009 : around January 8, 2010
March 31, 2010 : around April 9, 2010
June 30, 2010 : around July 23, 2010
- Annual General Meeting for the year ending
June 30, 2010 : around October 5, 2010

6. BOOK CLOSURE DATE :

September 24, 2009 to October 1, 2009.
(Both days inclusive)

7. DIVIDEND PAYMENT :

on or after October 5, 2009 but within the statutory limit.

8. STOCK CODE :

	Reuters	Bloomberg
Bombay Stock Exchange	523704	MAST.BO MAST@IN
National Stock Exchange	MASTEK	MAST.NS MMAST@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 :

<u>Authorised Capital</u>	
Equity	Rs. 20,00,00,000/-
Preference	Rs. 20,00,00,000/-
Issued, Subscribed and Paid-up Capital	
Equity	Rs 13,44,97,470/-

11. DISTRIBUTION OF SHAREHOLDING AS ON JUNE 30, 2009

Range No. of shares	Number of Shareholders	Percentage %	Value Rs.	Percentage %
1 - 500	13,289	90.22	57,74,880	4.29
501 - 1000	804	5.46	30,54,580	2.27
1001 - 5000	501	3.40	50,55,610	3.76
5001 - 10000	55	0.37	20,06,210	1.49
10001 and above	80	0.54	11,86,06,190	88.19
Total	14,729	100	13,44,97,470	100

DISTRIBUTION OF SHAREHOLDING AS ON JUNE 30, 2008

Range No. of shares	Number of Shareholders	Percentage %	Value Rs.	Percentage %
1 - 500	12,782	90.49	53,77,325	3.89
501 - 1000	744	5.27	28,49,280	2.06
1001 - 5000	456	3.23	46,75,865	3.39
5001 - 10000	44	0.31	15,79,400	1.14
10001 and above	100	0.70	12,36,41,040	89.52
Total	14,126	100.00	13,81,22,910	100.00

CORPORATE GOVERNANCE REPORT (Contd.)

12. ANNUAL HIGH-LOW PRICE HISTORY FOR PREVIOUS THREE YEARS

Fiscal Year	BOMBAY STOCK EXCHANGE		NATIONAL STOCK EXCHANGE	
	Price Per Equity share (Rs.)		Price Per Equity share (Rs.)	
	High	Low	High	Low
2009	390	97	400	97
2008	419	220	418	224
2007	410	276	410	275

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

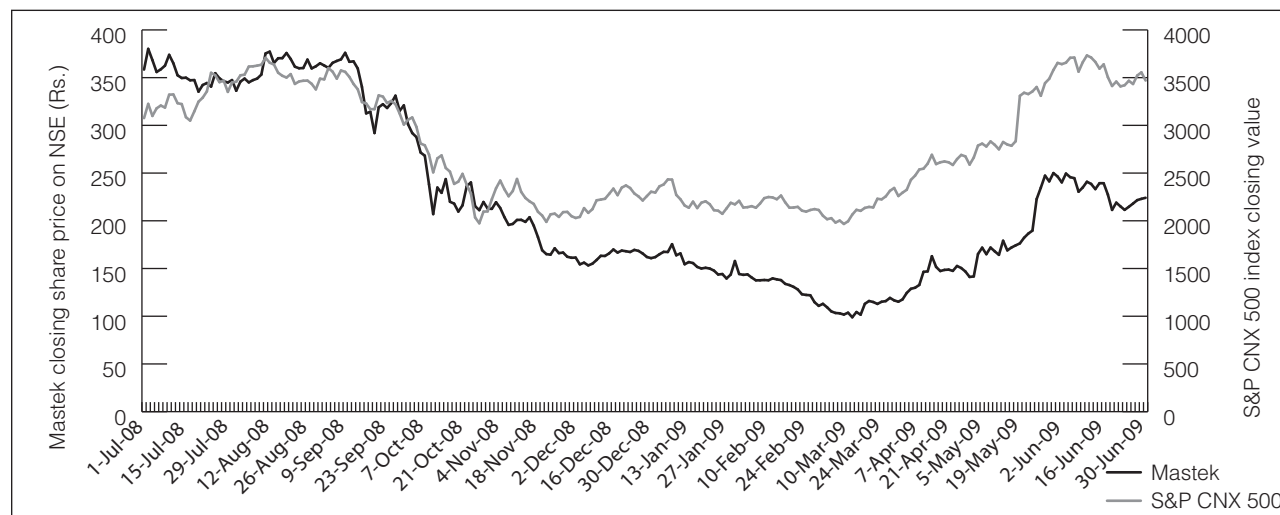
Fiscal Year	BOMBAY STOCK EXCHANGE		NATIONAL STOCK EXCHANGE	
	Price Per Equity share (Rs.)		Price Per Equity share (Rs.)	
	High	Low	High	Low
2009				
1st quarter	390	265	400	265
2nd quarter	339	150	315	150
3rd quarter	179	97	179	97
4th quarter	266	117	265	117
2008				
1st quarter	355	242	357	240
2nd quarter	419	272	417	274
3rd quarter	361	220	400	224
4th quarter	419	300	418	302

14. MONTHLY VOLUMES AND PRICES: FISCAL 2008-09

Month and year	BOMBAY STOCK EXCHANGE			NATIONAL STOCK EXCHANGE		
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume
Jul-08	390	320	3,53,077	400	322	4,73,447
Aug-08	384	335	15,85,841	383	333	2,52,586
Sep-08	384	265	1,64,163	380	265	3,29,782
Oct-08	339	171	2,91,208	315	174	19,31,387
Nov-08	224	158	66,800	230	160	1,44,629
Dec-08	176	150	1,57,797	181	150	2,72,978
Jan-09	179	134	2,21,345	179	135	2,70,645
Feb-09	148	111	54,163	148	110	1,04,754
Mar-09	122	97	82,392	124	97	2,14,463
Apr-09	172	117	3,92,117	176	117	7,05,945
May-09	266	145	2,88,602	265	144	9,20,785
June-09	255	208	2,29,377	255	209	7,06,151

CORPORATE GOVERNANCE REPORT (Contd.)

MASTEK SHARE PRICE PERFORMANCE VERSUS 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 JUNE 30, 2009

Category	No of Shares	% of Shareholding
Indian Promoters	1,15,42,260	42.91
Mutual Funds And UTI	2,25,741	0.84
Financial Institutions/Banks	2,412	0.01
Insurance Companies	37,53,982	13.96
Foreign Institutional Investors	75,79,886	28.18
Directors	16,821	0.06
Bodies Corporate	2,52,411	0.94
Individuals Holding Nominal Capital Upto Rs. 1 Lakh	28,64,614	10.65
Individuals Holding Nominal Capital More Than Rs. 1 Lakh	4,13,121	1.54
Non-resident Indians	2,48,246	0.92
Grand Total	2,68,99,494	100.00

SHAREHOLDING PATTERN AS ON JUNE 30, 2008

Category	No of Shares	% of Shareholding
Indian Promoters	1,14,65,460	41.50
Mutual Funds And UTI	12,33,791	4.47
Financial Institutions/Banks	760	0.00
Insurance Companies	20,22,427	7.32
Foreign Institutional Investors	81,35,528	29.45
Bodies Corporate	13,86,727	5.02
Individuals Holding Nominal Capital Upto Rs. 1 Lakh	26,77,623	9.69
Individuals Holding Nominal Capital More Than Rs. 1 Lakh	4,18,517	1.52
Non-resident Indians	2,83,749	1.02
Grand Total	2,76,24,582	100.00

CORPORATE GOVERNANCE REPORT (Contd.)

16. DETAILS ON PHYSICAL & ELECTRONIC MODE

Date	Status of Shares - Physical versus Electronic mode		
	Physical	Electronic	Total
June 30, 2009	4,31,216	2,64,68,278	2,68,99,494
June 30, 2008	4,83,589	2,71,40,993	2,76,24,582

17. OVERVIEW OF THE VOLUME OF CORRESPONDENCE HANDLED DURING THE YEAR ENDED JUNE 30, 2009:

	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)	41
3. Complaints	—
Total	41

There were no pending transfers as on June 30, 2009.

18. INSTITUTIONAL SHAREHOLDERS WITH MORE THAN 1% HOLDING AS AT JUNE 30, 2009

Sr No	Name of the Shareholder	Number of shares	%
1	Nalanda India Fund Ltd	2688020	9.99
2	Life Insurance Corporation of India	1989111	7.39
3	Goldman Sachs Investments (Mauritius) Ltd	1487327	5.53
4	Bajaj Allianz Life Insurance Co Ltd	1731555	6.44
5	Dynamic Global Value Fund	1338141	4.97
6	Dynamic Global Value Class	274569	1.02
7	Dynamic Far East Value Fund	269722	1.00

19. Transfer to the Investor Education & Protection Fund:

Pursuant to the provisions of Section 205A(5) and Section 205C of the Companies Act, 1956, (the Act) the amount of dividend of Rs. 1,31,657/- 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 the Investor Education and Protection Fund (IEPF) established by the Central Government. Accordingly, the amount of dividend for the financial year ended June 30, 2002 which has remained unclaimed and unpaid for the stipulated period is due to be credited to the IEPF on November 2, 2009 and no claims shall lie against the IEPF or the Company in respect of such amounts after this date.

Members who have so far not encashed their dividend warrants or have not received the dividend warrants are requested to lodge their claim, if not already lodged with Sharepro Services (i) Pvt. Ltd., the RTA for revalidating the warrants or obtaining duplicate warrants/ or payment in lieu of such warrants in the form of demand draft for payment of the unclaimed dividend amount.

20. Information for shareholders on the Internet

The Company actively communicates its strategy and the developments of its business to the financial markets. The senior executives of the Company regularly meet the analysts. The press release, analysts' conference calls as well as the presentations at analysts meetings are organized by the Company. Decisions in such meetings are always limited to information that is already in the public domain. Please access the homepage at <http://www.mastek.com> and register yourself for regular updates.

21. Outstanding GDRs/ADRs/warrants or any convertible instruments:

There are no outstanding GDRs/ADRs/warrants except for the stock options granted to the employees of the Company and its subsidiaries which shall be eligible for conversion over the vesting period. The options, when exercised, shall increase the equity share capital.

22. Off-shore Development Centers:

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

23. Compliance Officer of the Company:

Name: O Banerjee, Company Secretary

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

*CORPORATE SOCIAL
RESPONSIBILITY*

CORPORATE SOCIAL RESPONSIBILITY

Going beyond only financial performance and focusing also on performance in the social and other stakeholder areas (including customers and employees) defines our approach to corporate social responsibility. Discussed in the following paragraphs are some of our initiatives in the areas of customer and employee relationships as well as towards social causes (which is led by Mastek Foundation).

CUSTOMERS

Since inception, Mastek has always been a company focused on building long-term relationship with its customers. And to a great extent we are successful. This success is not by chance but by design. At an organization level, we have a two-pronged approach to ensure customer intimacy.

Organization structure aligned to customer needs

Our business units, solutions group and delivery units are seamlessly structured to give one view of the organization and deliver solutions that deliver business impact to our customer. In the last financial year, we have substantially added senior level customer facing team across all our geographies.

We encourage our account managers and program managers to build strong interpersonal relations with our customers, understand their business domain, vision and challenges. Our senior business managers and delivery heads meet with customer representatives on a regular basis to judge their satisfaction and needs.

We are structured to serve our customers.

Customer Intimacy Programs

At Mastek we organize various customer intimacy programs that gives our customers an opportunity to network and get-to-know a broader Mastek, its people and its capabilities. Such programs are frequently organized and are led by the Business Unit head.

Mastek's leadership team also takes active participation in networking with our customers. This year we launched 'Executive Connections Program', a forum where the Mastek leadership team gets a chance to network with our C-level customers and partners.

Customer Satisfaction Survey

We at Mastek are always keen to understand our customer views and elicit their suggestions on how we performed and on the services we offer. To build a holistic picture of Mastek's engagement; last year we enhanced our Customer Satisfaction Survey to cover Relationship & Engagement Satisfaction and Delivery Satisfaction.

This survey allows us to monitor our performance against a number of key performance metrics and provides our customer with an opportunity to make their opinions known to us. Not just once a year, but twice a year.

Responses to this survey are taken with utmost priorities. They are well analyzed and presented to a core team

comprising of unit heads and business heads. This team is chaired by Mastek's Chairman and Managing Director. Follow-up action points are discussed, finalized and monitored.

At Mastek, we are committed to deliver exceptional solutions to customer and customer satisfaction surveys are critical in helping us do so. It also helps us in understanding the client's business and vision, and how best IT can drive their business and give them sustainable competitive advantage in marketplace.

EMPLOYEES

At Mastek, the focus for the year has been on strengthening and aligning various HR systems and processes keeping in line with the Leadership Statement of Intent (LSI) published post the Mastek's Engagement Survey 2008. The aim of the LSI has been to continue to focus on the areas of **Talent Management**, grow & retain high performing talent. **Strengthen Communication**, to build alignment and pride in Mastek and **Build engaged teams**, by focusing on Role clarity, Recognition, Communication & Development

Towards the same we worked on building organizational effectiveness and alignment by strengthening career streams, creating role dossiers, reviewing grade structure and employee designations. Based on employee feedback and with an objective to have robust HR systems, we reviewed and strengthened our Capability Framework and few aspects of our Performance Management System. Employee Communication was strengthened to further enhance organizational alignment by providing clarity and maintaining transparency to the changing business outlook and economic conditions. E – Learning was introduced to deepen our reach in providing learning opportunities to Mastek's, among other things. This enabled us to create a more holistic impact in the organization. Further details on these initiatives are highlighted below.

Strengthening Organisation Effectiveness to Enable us Build Engaged Teams

Based on internal feedback and external benchmarking, we experienced the need to review our grade structure. Thus, we introduced one more grade within a broad junior grade and a new designations framework was created for all roles and grades in order to align them with industry practices and thereby address stagnation and strengthen employee retention.

We created detailed Role Dossiers for all unique roles at Mastek. This helped in creating clarity for role holders and standardizing role descriptions that are used for processes such as recruitment, KRA setting, career planning and advancement etc. The Role dossiers also helped to create clear role descriptions for the new grades which were introduced across functions and career streams.

We re-looked at the career streams available for Mastek's and introduced a new career stream in line with our Product focus called the Product Management Group.



CORPORATE SOCIAL RESPONSIBILITY (Contd.)

Enhanced Employee Communication to Build Alignment

In uncertain times as today, it becomes all the more imperative to keep employees informed on all aspects of business and industry outlook and other company matters. Thus, during this year we built on our strengths in employee communication. In addition to continuing our best practices like Quarterly Meetings, Senior Leadership Buzz & Chats, and Town Hall for Managers, we undertook several more actions to consistently communicate with our employees. Communication initiatives like monthly global conference call between senior managers and the Executive Committee have been established to share the monthly update and to give broader perspective on various decisions and actions of top management. Project Level Meetings with the COO and president were introduced in addition to monthly articles published from the desk of Chairman and Group CEO.

A Communication Board comprising of members from across functions was instated, who proactively designed and implemented employee communication strategy at Mastek and tracked the success of its initiatives through an internal online survey.

Review & strengthening of Performance Management System, Capability Framework and People Process Scorecard

Changes were introduced to the Performance Management System, Capability framework and the People Process Scorecard making it more robust and user friendly based on the employee feedback received through several formal and informal sources.

Talent Management

We also initiated a structured Talent Management program for employees with high potential and leadership capabilities. The selection criteria for this program are stringent and only individuals who have displayed strong potential for growth and are aligned to the Mastek vision and values are selected to be part of the global talent pool. Talent Management framework have been conceptualized and will be implemented rigorously in the new financial year.

Creating more avenues for Learning & Development

Learning & Development at Mastek plays a crucial role in the overall development of our employees. We have an induction program to align all Mastekers joining the company with systems, procedures and processes at Mastek. The induction process also helps new joiners identify with what Mastek stands for and appreciate Mastek values and culture.

Fresh trainee recruits joining Mastek are put through a detailed programme which has been further strengthened this year to simulate real life project environment enabling their smooth transition from the campus/college environment to the corporate world.

Besides the general induction, every Masteker undergoes a project induction which aligns him/her to the project. To

cater to the training needs of the organization, we have an online training calendar and registration system which groups together all trainings like Technology, Soft Skills and Processes under one umbrella.

With the economic downturn, this year a considerable emphasis has been on training being provided by internal subject experts. We as an organization have considered training as an investment to develop Mastekers and prepare Mastek for the future.

Towards this we have launched an e-learning initiative "edge" (employee development and growth through elearning). This has enabled Mastekers across the globe to access and undergo a wide variety of self paced online training programs and certifications.

We have been focusing on gearing up Mastekers with the latest technology trends in areas like JEE; Microsoft & Oracle to ensure the right skill sets are in place to meet future requirements. Domains like EAI/B2B, portal technologies like SharePoint along with designs & performance aspects have also been looked at for Mastekers. We also delivered sessions on best practices, effective tool usage with the objective of increasing developer productivity.

To address the growing needs of application security, we at Mastek are aiming to ensure via security workshops that all project teams are security-aware and the applications we build are secure by design, development and deployment.

At Mastek we introduced an exclusive learning portal called "Edify" for the additional learning material and also a specialized training design, titled "Bridge to Project" to have an efficient resource pool for future requirements.

Mastek has been honoured with Excellence in Education Award for the year 2009 by LOMA. The Excellence in Education Award recognizes companies doing an outstanding job of developing their human resources through the use of LOMA's professional education and learning programs.

Also Project management Certification has enabled 45 Mastekers to become Prince 2 and PMP Certified Practitioners, while another set of Mastekers have embarked on their journey towards their certifications.

On the soft skills front, we emphasized on strengthening managerial and leadership development programs. Towards this end we offered "One skill a month" programs to enable managers to adapt to skills like delegation, coaching, giving and receiving feedback. Besides this to enhance workplace productivity of Mastekers, we offered various sessions like email etiquette, note taking and problem solving. A special program, titled "Rising In Adversity" was offered to enable Mastekers to cope with turbulent times.

Average number of training days per employee in FY 2009 was 7.8 days per employee.

MASTEK FOUNDATION – LEADING THE INFORMED GIVING MOVEMENT IN INDIA

At Mastek, we believe that a company is an integral part of the community, and must cater to the interests of stakeholders as well as the disadvantaged sections of society. As an organization, we are in a position to enrich and empower those who do not have access to basic facilities like food, shelter, clothing, good medical care, clean drinking water and education.

It is Mastek's aim to be a catalyst in the transformation of underprivileged groups; our business philosophy is to do so in a manner that is ethical and transparent to all our stakeholders.

Mastek has taken a leading role in the informed giving movement in India. The keystone of our Corporate Social Responsibility (CSR) initiative, the Mastek Foundation, seeks to "inspire global communities to make a difference through informed giving and responsible receiving". The idea behind the foundation is not only to facilitate monetary donations to social causes, but also to educate employees on informed giving, creating awareness on various issues facing society, and to provide physical volunteering opportunities not only to Mastekers but also to others. In addition, the foundation helps NGOs become more efficient, transparent and accountable and streamline their operations by enabling them to inculcate best practices in governance.

Mastek has been a pioneer in the CSR arena, setting standards for others to follow. The CSR initiatives are not just aimed at creating a "feel-good" factor. We measure our contribution to society with specific and measurable targets, such as the specified number of volunteering hours and amount of payroll funds contributed. We use employee engagement with CSR and the impact of our activities on the community as key parameters for our CSR initiatives.

In FY 2009 Mastek Foundation participated in a host of meaningful campaigns, and organized activities covering a wide range of social issues. Some of them are listed below:

Lighting a Billion Lives Campaign

The Lighting a Billion Lives (LaBL) campaign, an initiative by the Government of India and The Energy and Resources Institute (TERI), aims to light up villages across the country with solar lamps. Solar lamps are smoke-free and offer better light than kerosene and paraffin lanterns, which emit high amounts of carbon dioxide.

Mastek adopted Dhawalpuri, a village in the Ahmednagar district of Maharashtra, which has electricity only from 3.00 am to 10.00 am. Through employee contributions, we have raised funds for this project and will soon begin installing the solar charging station and training entrepreneurs in the village.

Mastek's efforts will enable the villagers to guard their farms, study and cook after dark, and provide greater entrepreneurship and employment opportunities.

A Book to Read Campaign

Access to a well-stocked library with good books is the stepping stone to a holistic education. However, access to

good books is a distant dream for underprivileged children. Mastek Foundation launched 'A Book to Read' campaign to provide books to these children.

We started 11 libraries during the year at various NGOs in Mumbai and Pune. The first library was set up at the Sharanam Centre for girls at Sion, Mumbai. Mastekers across the board joined hands for this project — contributing funds, adopting libraries and even visiting NGOs to help set them up. While setting up a library, we make sure that the books cater to the specific requirements of the beneficiaries.

With the support of project teams within Mastek, we have set up libraries in NGOs like Aarambh, Maze Maher and Kherwadi Social Welfare Association in Mumbai. Mastek Pune contributed for a library for mentally disturbed women and their children in Maher, an NGO in Pune.

Working with NGO Partners — 'Shramdaan'

Mastek's financial contributions are just one aspect of its social service efforts. The Mastek Foundation actively encourages active volunteering service to the community.

This year, the foundation chose to explore the concept of "Shramdaan" (voluntary labour) by partnering with The Bridge Public Charitable Trust. Bridge is an NGO that works in the tribal villages of Maharashtra, especially in the area of water conservation. It promotes rainwater harvesting by building reservoirs and laying pipelines to supply water to these villages. Mastekers contributed financially through the Payroll Giving Programme to build a dam in the village.

To mark World Water Day (22 March), the foundation arranged a visit for Mastekers who wanted to donate time to this cause. Volunteers visited Kothala village in Shahpur Taluka, and helped lay water pipelines of approximately 2 km to bring water from the dam to the village. The village houses 3,010 tribals and the water pipeline is a godsend for the women, who had to earlier walk miles in the scorching sun to fetch water for their families.

The visit gave Mastekers an opportunity to make an on-site contribution to making the tribals' lives easier, and left them with a feeling of fulfillment and satisfaction. It also sensitized them to the importance of conserving water, which is so freely available to them in their homes.

A Present for the Future

Mastek Foundation conducted a tree plantation drive to observe World Environment Day on 5th June. The foundation collaborated with Hariyali, a Thane-based NGO, to take about 70 Mastekers to deforested land at Bhavale in Maharashtra so that they could experience for themselves the environmental repercussions of deforestation. The volunteers, who also included Founder and ex-Chairman Ashank Desai and the children of some Mastekers, planted saplings to reforest the area. Their efforts should contribute to a greener future.



MASTEK FOUNDATION – LEADING THE INFORMED GIVING MOVEMENT IN INDIA (Contd.)

Ongoing Programmes

Mastek organizes two-to-three volunteering activities every month to bring employees closer to the community.

For instance, about 15 Mastekers mentor and tutor underprivileged children from The Akanksha Foundation every Saturday in the office premises in personality grooming and soft skills. We also organize regular on-campus blood donation drives for special causes like thalassaemic children, who need blood once every 15 days.

There was an increase in the number of exposure visits to NGOs this year, including the Aangan Trust and the Helen Keller Institute for the Deaf & Deaf-Blind at Mahape.

Other activities conducted in FY'09 included:

- Mastekers celebrated Christmas with street children at the Bandra East Community Centre (BECC) and Aarambh Centre, Turbhe, and 30 orphan girls of the Sharanam Centre.
- Mastek Foundation raised funds for two NGOs — Prerna and Vatsalya Foundation.
- Mastek volunteers participated in a Career Fair organized by the Kherwadi Social Welfare Association and helped youth from Bandra's slum communities by giving information on vocational and educational courses and the career paths they could take after they completed these courses. Youth who had already finished their curriculum and were looking for jobs were provided assistance.
- Mastekers donated unused medicines in a medicine donation drive for the NGO Apnalaya for its public health clinic in the slums of Mumbai.
- A 'Save Trees' initiative was launched at STGMastek in February 2009 by collecting waste paper – paper printed only on one side, used notebooks, cartons, etc – and offering it to the NGO Apnalaya, which put it to use in its communities.
- Mastek Foundation collaborated with an NGO, Community Outreach Programme (CORP) to organize a clothes donation drive at STGMastek. CORP works with disadvantaged people in 13 slum communities in Mumbai.
- Mastek Foundation conducts NGO exhibitions regularly. There was an exhibition of products made by deaf-blind students of Helen Keller Institute at STG in December. There was also an exhibition of bags, pillow covers, etc made by mentally challenged children of the Indian Council of Mental Health & Hygiene in February. Such exhibitions not only help create awareness about NGOs, but also sensitize Mastekers to issues facing the disadvantaged.
- The foundation always tries to find new and innovative ways to engage Mastekers in matters that concern

the community and the world at large. On 5th June, World Environment Day, an event was held on the theme 'Global Warming and Climate Change'. There was a contest 'A Film to Inspire Change and Action', which was meant not only to help Mastekers discover their hidden talent, but also to sensitize people on environmental issues through the medium of film.

"Spirit of Mastek" awards

Each quarter, Mastek felicitates individuals who have contributed to society in a substantial way and have made a difference with the 'Spirit of Mastek' Award.

In January, the unsung heroes of the 26/11 Mumbai terror attacks were honoured for their extraordinary courage under fire.

Jayant Mehta of The Bridge Public Charitable Trust was honoured with the award in April for his commitment to ensuring adequate drinking water to the tribal villages of Maharashtra.

Earlier awardees include Shaheen Mistri of Akanksha, Shailesh Gandhi, and Dr Arun Ranade, all of whom are pioneers in their respective fields.

Payroll Giving Programme

The Mastek Foundation's Payroll Giving Programme enables employees to contribute to the social cause of their choice in a simple manner. Mastekers can choose the cause to which they wish to donate, and the amount is deducted accordingly from their salaries.

This programme has been running for more than four years, with more than 60% employees actively contributing to various causes.

India Volunteer Portal

An important CSR goal for us is to take volunteering activities beyond Mastek, and provide opportunities to people to volunteer for NGOs and for organizations to partner with NGOs. With this in mind, Mastek launched www.indiavolunteerportal.org in partnership with IndianNGOs.com.

The portal enables the general public to seek and register for volunteering opportunities, offer their services, and share their core competencies with NGOs. For instance, a person with marketing expertise can help NGOs to build capacity to raise funds, or how to write proposals.

Indiavolunteerportal.org helps people identify NGOs working on issues close to their hearts. It offers a variety of volunteering opportunities: from a few minutes to a longer-term association; close to the home, office or in between.

In addition, Mastek has been identifying NGOs looking for comprehensive systemic change and which need expert advice. Volunteers will be able to help such NGOs with expertise in their areas of core competence.



Mastekeers' time out with children at NGO Buniyaad



Blood Donors



Mastekeers offering Shramdaan



Mastek team (co-founder Ashank Desai on right) on their way to Tree Plantation



Mastek-sponsored volunteering portal 'www.indiavolunteerportal.org'



Chhota Mastekeers sowing seeds

