December 2023

Strictly private and confidential

Mastek Limited

Report on Fair Valuation of Equity Shares

Transaction Square Advisory LLP

Registered Valuer - Securities or Financial Assets

13 December 2023

To,
The Board of Directors,
Mastek Limited
804/805, President House,
Opp. C. N. Vidyalaya, Near Ambawadi Circle,
Ahmedabad - 380006

Subject: Fair valuation of equity shares of Mastek Limited

Dear Sir,

We refer to the engagement letter dated 21 November 2023 and subsequent discussions undertaken with the Management of Mastek Limited (the 'Client' or the 'Management'), wherein the Management has requested Transaction Square Advisory LLP - Registered Valuer - Securities or Financial Assets ('TS Advisors' or 'We' or 'Us') to determine the fair value of equity shares of Mastek Limited ('Mastek' or the 'Company') ('Valuation') as at report date ("Valuation Date"), on a going concern premise, for the purpose of issue of shares under section 62(1)(c) of The Companies Act, 2013.

Please find enclosed the report (comprising 24 pages) detailing our recommendation of the fair value of equity shares of Mastek, the methodologies employed, and the assumptions used in our analysis.

This report sets out our scope of work, background, source of information, procedures performed by us, key value considerations and our opinion on the Valuation of equity shares of the Company.

Yours sincerely,

Niranjan Kumar

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Executive Summary

We have carried out the Valuation of the equity shares of Mastek using the Discounted Cash Flow ('DCF') method, Comparable Companies Multiple ('CCM') method and Market Price Method ('MPM').

A detailed discussion on the appropriateness of the use of Valuation method has been carried out in the section:

'Valuation Approach and Methodology'

The equity value of Mastek has been summarized in the below table. Based on the information and explanations given to us, the equity value per share works out to **INR 2,331.7/-** (face value INR 5/- each).

Valuation Approach	Equity value (INR million)	Equity value per share (INR)	Weights (%)	Weighted average equity value per share (INR)
Income Approach:				
Discounted Cash Flow (DCF) Method	71,586.9	2,313.2	33.33%	771.1
Market Approach:				
Comparable Companies Multiple (CCM) Method	71,370.2	2,306.2	33.33%	768.7
Market Price Method (MPM)	73,516.2	2,375.6	33.33%	791.9
Asset Approach:				
Net Asset Value Method	18,896.5	610.6	-	N/A
Value per equity share (INR) (face value of INR 5/- each)			**100.0%**	**2,331.7**

N/A: Not Adopted/ Not Applicable

This report must be read in totality to understand the basis of our conclusion, the assumptions used and other relevant aspects with respect to our Valuation Approach and Methodology.

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Company Background (1/5)

Company Background:

Mastek, incorporated on 14 May 1982, is engaged in the business of providing vertically-focused enterprise technology solutions. It is a global technology company, offering digital services and software solutions to large public and private enterprises in US, UK, Middle East region and Asia Pacific.

Mastek, including its subsidiaries, offers business and technology services comprising of Application Development, Oracle ERP Implementation & Cloud Migration, Digital Commerce, Application Support & Maintenance, Business Intelligence & Analytics, Agile Consulting, Testing & Assurance and Legacy Modernization. It also provides Data Warehousing and Enterprise Digital Transformation Services.

Equity shares of Mastek are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

Mastek acquired Evosys, a leading Oracle Cloud implementation and consultancy company, serving 1,500+ Oracle Cloud customers across 40+ countries and has added more capability, more capacity and more geographical reach across the globe for the Mastek group. Evosys provides solution offerings like Oracle HCM Cloud, Oracle ERP Cloud, Oracle SCM Cloud, Oracle CX, Oracle EPM Cloud, PaaS solutions (including custom-built solutions), AI, IoT and machine learning.

In July 2022, Mastek and its subsidiaries acquired Meta Soft Tech Solutions Group companies' business which is primarily a salesforce systems integration partner and managed services provider with a focus on clients in need of complex integrations to unify multiple cloud platforms. The acquisition enabled the Company to provide end-to-end digital transformation and cloud migration services & expects to benefit from the cross-sell and co-sell opportunities.

In December 2022, the Company's subsidiary made a strategic investment in VolteoEdge, an Edge Intelligence SaaS company in the Connected Enterprise Space and ServiceNow ecosystem. Through this strategic investment in VolteoEdge, Mastek aims to strengthen its customer service management & field engineering services to a more secure, intelligent, responsive, and connected ecosystem.

Additionally, during H1FY24, the Company's subsidiary has also completed the acquisition of BizAnalytica, LLC a data cloud & modernization specialist with deep expertise in Snowflake, Databricks and AWS data cloud to bolster Mastek's global Data Services & Generative AI capabilities and grant access to a talented pool of qualified data architects and scientists. Mastek has also been awarded a three-year contract from the UK's Government Digital Service during H1FY24.

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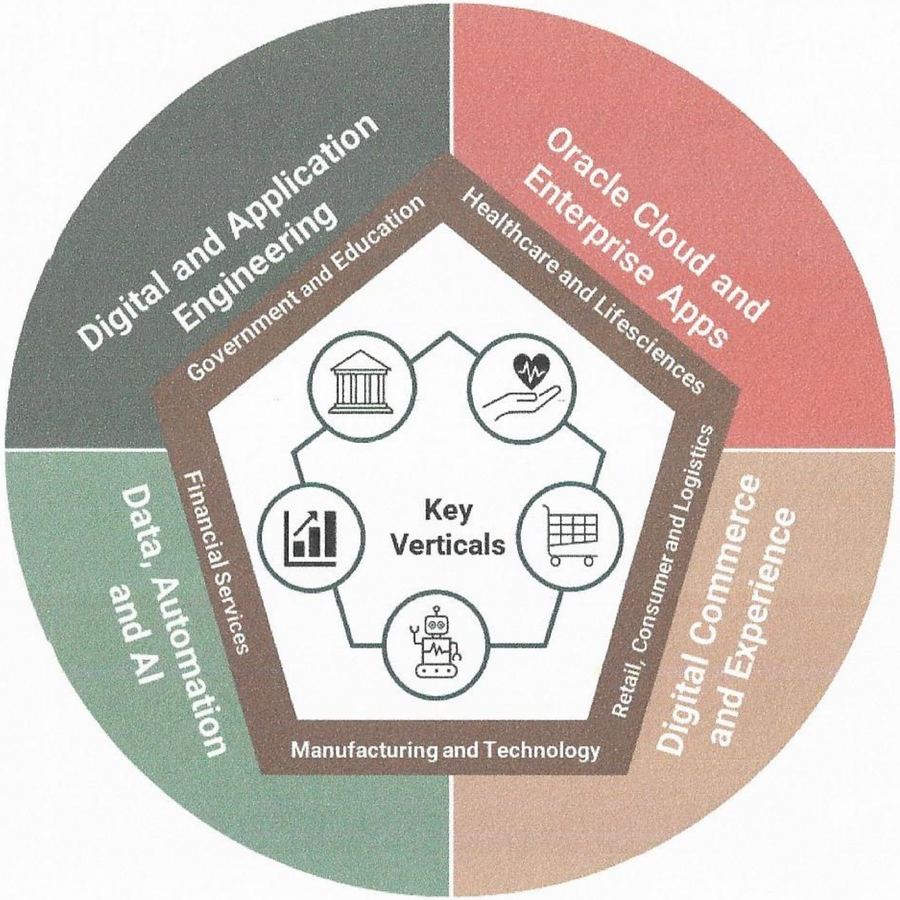
Company Background (2/5)

Key Business Verticals :



Key Business Strengths :

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Company Background (3/5)

Shareholding Details:

The equity shareholding pattern of the Company as at the Report Date is set out below:

Category/ Name of shareholder	Number of shares (Face value INR 5/- each)	Percentage (%)
1. Promoter & Promoter Group (A)	**1,11,84,775**	**36.5%**
- Ashank Desai	33,84,167	11.0%
- Girija Ram	17,53,280	5.7%
- Ketan Mehta	22,44,100	7.3%
- Radhakrishnan Sundar	13,40,800	4.4%
- Others	24,62,428	8.0%
2. Public (B)	**1,94,82,680**	**63.5%**
- Umang Tejkaran Nahata	16,55,840	5.4%
- Ummed Singh Nahata	12,73,849	4.2%
- Abakkus Growth Fund - I	4,97,090	1.6%
- Abakkus Emerging Opportunities Fund - I	4,89,599	1.6%
- Smallcap World Fund, inc	24,48,446	8.0%
- Rakesh Raman	12,26,813	4.0%
- Other public shareholders[$]	1,18,91,043	38.8%
Total no. of equity shares outstanding (A+B)[*]	**3,06,67,455**	**100.0%**

Source: Management Information

**Excluding outstanding vested 2,79,335 ESOPs as at the Valuation Date*

[$] 17,761 shares have been allotted recently and is under listing process with exchange.

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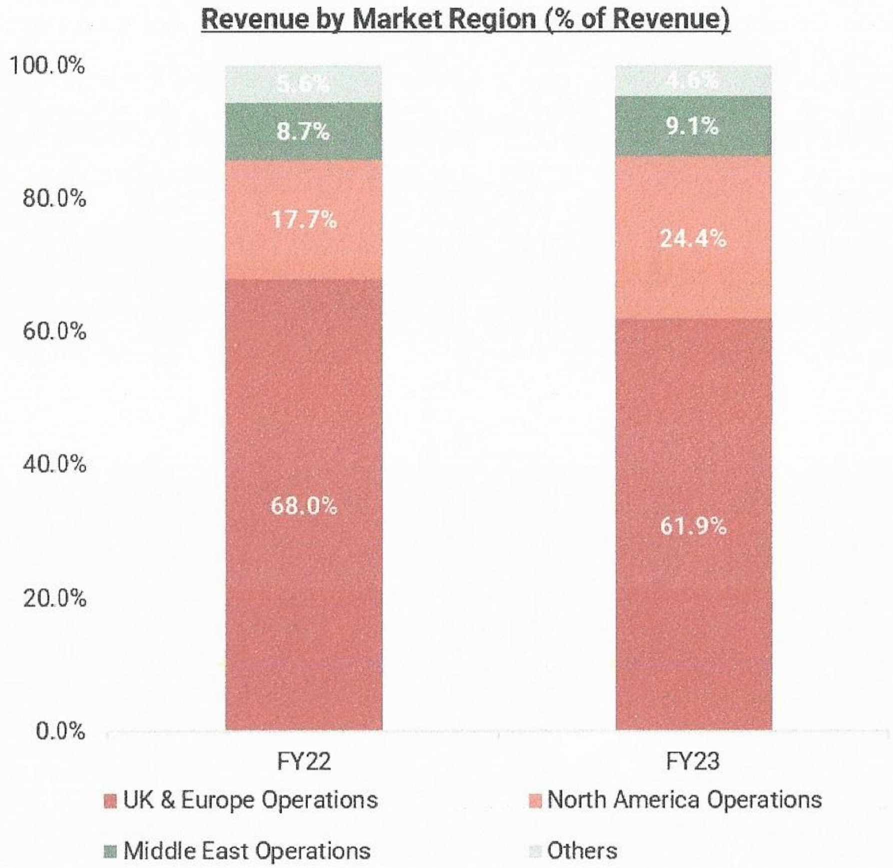
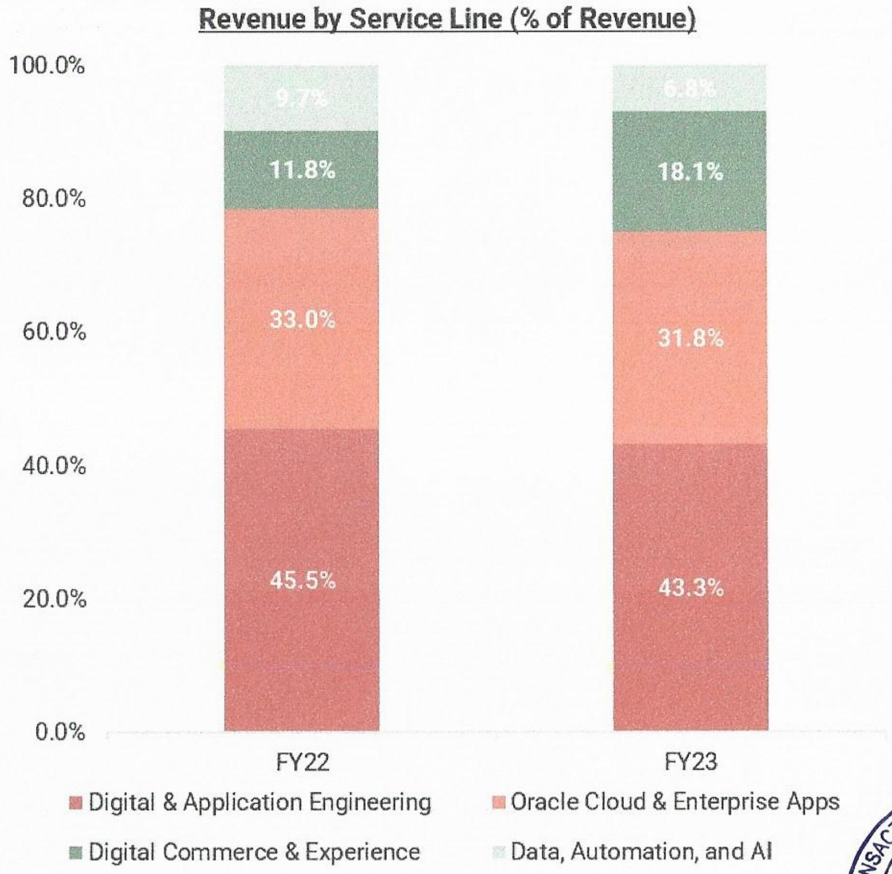
Company Background (4/5)

Financial Overview:





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Company Background (5/5)

Financial Overview:

Snapshot of the consolidated audited financial statements for the financial year ended 31 March 2022 ('FY22') and financial year ended 31 March 2023 ('FY23') along with consolidated limited reviewed financial statements for the six months' period ended 30 September 2023 of Mastek is set out below:

Historical Balance Sheet INR million

Particulars as at	31-Mar-22	31-Mar-23	30-Sep-23
	Audited	Audited	Limited Reviewed
Share capital	150.1	152.6	153.2
Other equity	10,563.5	16,681.5	17,772.6
Non controlling interest	1,503.4	911.0	970.7
Net worth	**12,217.0**	**17,745.1**	**18,896.5**
Borrowings	1,902.6	3,707.8	4,770.0
Trade payables	1,871.8	1,829.4	2,002.0
Deferred tax liabilities	212.4	296.1	278.4
Current tax liabilities	622.5	619.2	506.5
Lease liabilities	125.7	325.6	331.6
Provisions	550.0	668.1	775.7
Other liabilities	7,379.7	6,217.7	8,304.0
Total equity & liabilities	**24,881.7**	**31,409.0**	**35,864.7**
Fixed assets	564.7	593.2	592.9
Goodwill	6,980.1	14,975.8	17,116.6
Other intangible assets	710.4	1,537.7	1,764.0
Right-of-use assets	113.7	295.8	293.9
Investments	297.9	687.1	520.2
Deferred tax assets	705.0	1,048.5	971.0
Other tax assets	32.2	32.3	217.7
Trade receivables	4,355.7	5,066.3	5,747.3
Cash and Cash equivalents	7,669.3	2,084.3	3,037.0
Capital Work in progress	43.5	66.6	34.2
Other current assets	3,409.2	5,021.4	5,569.9
Total assets	**24,881.7**	**31,409.0**	**35,864.7**

Source: Audited financial statements & Management information

Historical Income Statement INR million

Particulars for the year ended	31-Mar-22	31-Mar-23	30-Sep-23
Period in months	12	12	6
	Audited	Audited	Limited Reviewed
Total Operating Revenue	**21,958.6**	**25,893.6**	**14,934.9**
Employee benefit expense	(10,954.5)	(13,758.8)	(8,196.5)
Other expenses	(6,258.6)	(7,316.6)	(4,211.1)
EBITDA	**4,745.5**	**4,818.2**	**2,527.3**
Depreciation & Amortization	(428.7)	(673.7)	(406.0)
EBIT	**4,316.8**	**4,144.5**	**2,121.3**
Finance cost (net)	(76.8)	(247.2)	(219.1)
Non-operating income/expense	240.4	123.2	44.9
PBT	**4,480.4**	**4,020.5**	**1,947.1**
Exceptional items	-	253.2	(41.1)
PBT (Adjusted)	**4,480.4**	**4,273.7**	**1,906.0**
Tax expense	(1,146.2)	(1,171.0)	(517.8)
PAT	**3,334.2**	**3,102.7**	**1,388.2**

Source: Audited financial statements & Management information

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Scope and Purpose of this Report

Scope and Purpose:

Mastek, subsequent to Shareholders Agreement dated 8 February 2020 ('SHA') had acquired Evosys business of India, USA, UK and Rest of the World (together referred to as 'Evosys Business') through demerger into Mastek Enterprise Solutions Private Limited ('MESPL'), erstwhile known as Trans American Information Systems Private Limited, a subsidiary of Mastek. The consideration for acquisition of Evosys Business was through issue of CCPS of MESPL and equity shares of Mastek Limited. We understand that the Company has received National Company Law Tribunal (NCLT) approval for acquisition of Evosys Business through demerger process on 14 September 2021. Subsequently, MESPL has issued CCPS to the erstwhile shareholders of Evosys Business.

As per the terms of SHA, Mastek has written a put option for the CCPS of MESPL, where the holders of the CCPS have the right to exercise the put option and sell back the CCPS to Mastek. We understand from the Client that CCPS holders have exercised the put option to sell their CCPS to Mastek. We understand from the Management that part of the consideration for acquisition of CCPS shall be discharged by way of issue of Mastek equity shares. Given that the equity shares of Mastek shall be issued for consideration other than cash ('acquisition of CCPS') the Management of Mastek appointed TS Advisors to determine the fair value of equity shares of Mastek as at the report date ('Valuation Date') on a 'going concern' premise.

It is in this regard that the Management has requested Transaction Square Advisory LLP - Registered Valuer - Securities or Financial Assets ('TS Advisors') to undertake a valuation exercise and submit a Valuation Report ('Report') recommending the fair value of the equity shares of Mastek for the purpose of issue of shares for consideration other than cash under section 62(1)(c) of The Companies Act, 2013.

The scope of our service is to conduct a valuation exercise as at the Valuation Date to determine the fair value of equity shares of the Company on a going concern basis using internationally accepted valuation methodologies as may be applicable to the subject case and report on the same in accordance with generally accepted professional standards including the ICAI Valuation Standards, 2018 issued by the Institute of Chartered Accountants of India (ICAI).

This Report is our deliverable for the said engagement and is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality and in conjunction with the relevant documents referred to therein.

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Sources of Information

In connection with Valuation of the Company, we have used and relied on the following sources of information:

A. Company specific information:

Information provided by the Management, which includes,

- Consolidated limited reviewed financial statements for the six months' period ended 30 September 2023 & 30 September 2022 and consolidated audited financial statements for the financial year ended FY23 and FY22 of Mastek;
- Consolidated financial projections of the Company from 1 April 2023 ('FY24') to 31 March 2029 ('FY29') ('Management Projections') which represent the Management's best estimate of the projected consolidated financial performance of the Company;
- Earnings presentation for the six months' period ended 30 September 2023 and FY23;
- Consolidated net-debt position of the Company as at 30 September 2023; and
- Discussions and correspondence with the Management to *inter-alia* understand the historical performance of the Company, expectations of future performance, recent acquisitions, key value drivers, market outlook and competitive scenario, etc.

B. Industry and economy information:

- Information readily available in the public domain in respect of comparable companies/ transactions, as may be relevant under the circumstances and to the extent available; and
- Such other information and relevant data, representations, information and explanation provided by the Management as considered relevant for the purpose of current Valuation exercise.

Besides the above listing, there may be other information provided by the Management which may not have been perused by us in detail, if not considered relevant for our defined scope.

The Management has been provided with the opportunity to review the draft report (excluding the final valuation outcome) as part of our standard practice to make sure that factual inaccuracy/ omissions are avoided in our report.

Procedures Adopted

Procedures used in our analysis included such substantive steps as we considered necessary under the circumstances, including, but not necessarily limited to the following:

- Discussion with the Management to:
  - Understand the business and the fundamental factors that affect its earning generating capability including strength, weakness, opportunity and threat analysis and historical financial performance;
  - Understand the current status of business operations and enquire about business plans and future performance estimates;
- Analysis of information shared by the Management;
- Considered the consolidated limited review financial statements for six months' period ended 30 September 2023 & 30 September 2022 and consolidated audited financial statements for FY23 and FY22 of the Company;
- Considered net-debt position of the Company as at 30 September 2023, as provided by the Management;
- Considered the Management Projections provided by the Management of the Company, including understanding the basis of preparation and the underlying assumptions;
- Analyzed the economic and competitive environments in which the business operates;
- Considered information available in public domain in respect of comparable companies and of the Company;
- Such other analyses, reviews and inquiries, as we considered necessary;
- Selection of appropriate internationally accepted valuation methodology/ (ies) after deliberations and consideration to the sector in which the Company operates and analysis of business operations, the stage of the Company in its lifecycle, etc.; and
- Arrived at fair value per equity share of the Company after allocating due weightage to the value arrived at using the methods considered appropriate.

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Valuation Approach and Methodology (1/5)

Basis and Premise of Valuation

Valuation of the equity shares of Mastek Limited as on the Valuation Date is carried out in accordance with ICAI Valuation Standards ("ICAI VS"), issued by the Valuation Standard Board of the Institute of Chartered Accountants of India ("ICAI) and adopted by ICAI Registered Valuers Organization ("ICAI RVO") considering 'Fair Value' base and 'going concern value' premise. Any change in the valuation base, or the valuation premise could have a significant impact on the valuation outcome of the Company.

Basis of Valuation

It means the indication of the type of value being used in an engagement. Fair Value as per ICAI VS is defined as under:

"Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date."

Premise of Value

Premise of Value refers to the conditions and circumstances how an asset is deployed. Valuation is carried out on a Going Concern Value premise which is defined under ICAI VS as under:

"Going concern value is the value of a business enterprise that is expected to continue to operate in the future. The intangible elements of going concern value result from factors such as having a trained work force, an operational plant, the necessary licenses, systems, and procedures in place, etc."

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Valuation Approach and Methodology (2/5)

It is pertinent to note that the valuation of any business/company or its assets is inherently imprecise and is subject to various uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions considering *inter-alia* dependency and financial assistance from existing shareholders and general business and economic conditions, many of which are beyond the control of the company. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the business, and other factors which generally influence the valuation of the company, its business and assets.

The three main valuation approaches are the market, income and asset approach. There are several commonly used and accepted methods for determining the fair value of equity shares of the Company, which can be considered in the present case, to the extent relevant and applicable, to arrive at the fair equity value of the Company, such as:

1. Asset Approach - Net Asset Value ('NAV') Method
2. Market Approach including -
    a) Market Price Method ('MPM')
    b) Comparable Companies' Multiple ('CCM') Method
3. Income Approach - Discounted Cash Flow ('DCF') Method

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although, different values may exist for different purpose, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

We have carried out the Valuation of the equity shares of Mastek using the MPM, CCM method and DCF method.

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Valuation Approach and Methodology (3/5)

1. Asset Approach - Net Asset Value Method ('NAV')

The asset-based Valuation technique is based on the value of the underlying net assets of the business, either on a book value basis, realizable value basis or replacement cost basis. This Valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominates earnings capability. It is also used where the main strength of the business is its asset backing rather than its capacity or potential to earn profits.

Valuation of Mastek is carried out on a "going concern" basis. Mastek has made operating profits in the past and is expected to make operating profits in the near to medium term. Asset Approach does not attribute value to the profit earning ability of a company which would be significant incase of a profit earning company. Further, self-generated key intangibles such as technology, customer relationship, brand/ trademark, distribution network may not be reflected in their historical net asset value. Hence, we have not applied the net assets value methodology for this exercise.

2. Market Approach:

a) Market Price Method ('MPM')

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market.

The equity shares of Mastek are listed on the stock exchanges, widely held, regularly and frequently traded with reasonable volumes on the exchanges. We have therefore used MPM method as one of the method to arrive at the equity value of Mastek.

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Valuation Approach and Methodology (4/5)

b) Comparable Companies' Multiple ('CCM') Method / Comparable Transaction Method ('CTM')

Under **CCM** method, the value of the shares / business of a company is estimated by applying the derived market multiple based on market quotations of comparable public / listed companies, in an active market, possessing attributes similar to the business of such company - to the relevant financial parameter of the company / business (based on past and / or projected working results) after making adjustments to the derived multiples on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued. These valuations are based on the principle that such market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

There are comparable listed companies which operate in the similar line of business/Industry as that of Mastek, we have therefore used CCM method as one of the methods to arrive at the equity value of Mastek.

Under **CTM** method, the value of shares/ business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

We have not used this methodology considering the acquirer specific considerations that may affect the transaction multiple and availability of data in public domain.

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3. Income Approach - Discounted Cash Flows Method ('DCF')

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalized) amount.

Under the **DCF** method, the projected free cash flows to the firm are discounted at the weighted average cost of capital. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the explicit forecast period and the perpetuity value at an appropriate discount factor. The terminal value represents the total value of the available cash flow for all periods subsequent to the horizon period. The terminal value of the business at the end of the horizon period is estimated, discounted to its present value equivalent and added to the present value of the available cash flow to estimate the value of the business.

Such DCF analysis involves determining the following:

- Estimating future free cash flows: Free cash flows are the cash flows expected to be generated by the company/asset that are available to the providers of the company's capital - both debt and equity.
- Appropriate discount rate to be applied to cash flows i.e., the cost of capital: This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

To arrive at the total value attributable to the equity shareholders of the business, value arrived through DCF method for the company is usually adjusted for surplus assets, debt & debt-like items, cash inflow on exercise of ESOPs, etc. The total value for equity shareholders is then divided by the total number of equity shares (on fully diluted basis) to arrive at the value per share of the business/ company.

Mastek is profit making and generates surplus cash flows. Going forward as well, the Management expects the company to make profits and generate surplus cash flows. The Management has provided the Management Projection from FY24 to FY29, which the Management believes to be their best estimates as to the future operating performance of Mastek. Considering the aforementioned, DCF method being one of the most commonly used and internationally accepted pricing methodology for valuing such companies, has been adopted as one of methods to arrive at the equity value of Mastek.

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Valuation Recommendations (1/5)

Valuation using Discounted Cash Flow ('DCF') method:

The discounted cash flow model uses the following formula for arriving at the Enterprise Value:

Enterprise Value = Present value of free cash flows to firm for the explicit period + present value of cash flows for terminal period

The free cash flows are discounted by the Weighted average cost of capital ('WACC'), which is considered an appropriate discount factor. The WACC represents the returns required by the investors of equity as well as lenders to the business. The returns expected would depend on the perceived level of risk associated with the business of the company and the industry in which the company operates. WACC is arrived at by using the Capital Asset Pricing Model ('CAPM').

Enterprise value of Mastek under Income Approach so arrived is adjusted for surplus assets, debt & debt-like items, cash inflows on account of exercise of ESOPs, contingent consideration to be paid on acquisition of MST and fair value of liability of put option for acquisition of CCPS of MESPL to arrive at the equity value of Mastek as at the 30 September 2023.

The equity value so arrived is rolled forwarded to the Valuation Date using the WACC to arrive at the adjusted equity value. The adjusted equity value is then divided by the diluted number of equity shares (dilution on account of exercise of ESOPs) as at the Valuation Date, to arrive at the value per equity share of Mastek.

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Valuation using Comparable Companies Multiple ('CCM') method:

This method involves valuing the equity shares by using market multiples of Indian listed companies in sphere of operations same as that of Mastek to determine its value. We have considered the Enterprise Value to Earnings before interest, tax, depreciation and amortization multiple (EV/EBITDA multiple) to derive the value of the Company under this method.

The following broad steps are considered to determine the value:

a) Considering inter-alia business model, historical performance, external geo-political environment, competitive scenario and other market factors affecting the performance of the Company, EBITDA of trailing twelve months period ended 30 September 2023 ('TTM Sept-23') has been considered for Valuation. The amount of depreciation and interest and other non-operating/non-recurring incomes/expenses are adjusted to arrive at the maintainable EBITDA.

b) We have then computed the market capitalization of the comparable companies in similar sphere of operations ('Comparable companies') for an appropriate period as at the Valuation Date. Further, we have adjusted the cash and cash equivalents, investments, debt and debt-like items and minority interest, if any to determine the Enterprise Value. The EBITDA for comparable companies is determined for trailing twelve months period ended 30 September 2023. The median EV/EBITDA multiple of Comparable companies is applied to determine the Enterprise Value of Mastek.

c) Enterprise value of Mastek under this method so arrived is adjusted for surplus assets, debt & debt-like items, cash inflows on account of exercise of ESOPs, and contingent consideration to be paid on acquisition of MST and fair value of liability of put option for acquisition of CCPS of MESPL to arrive at the equity value of Mastek.

d) The Equity Value is then divided by the outstanding number of equity shares (diluted for ESOPs) to determine the value per equity share of the Company.

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Valuation Recommendations (3/5)

Valuation using Market Price Method ('MPM'):

The market price of the equity share as quoted on the stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regular and freely traded in, subject to the element of speculative support that may built in the value of the shares. But there could be situations where the value of the share as quoted on the stock market may not be regarded as proper index of fair value of the share especially where the market values are fluctuating in a volatile capital market.

The equity shares of Mastek, listed on BSE and NSE, are frequently traded. Considering that the highest volume is observed on NSE, we have determined the market price as per Regulation 164 of the SEBI (ICDR) Guidelines applicable for Preferential Allotment from NSE. The relevant extract of the Regulations 164 of SEBI (ICDR) Guideline is as follows:

(1) *If the equity shares of the issuer have been listed on a recognized stock exchange for a period of ninety trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:*

*(a) the **90 trading days** volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date; or*

*(b) the **10 trading days** volume weighted average prices of the related equity shares quoted on a recognized stock exchange preceding the relevant date.*

Considering inter-alia, the aforesaid the market price of the equity shares of Mastek has been considered prior to the Board Meeting date of 13 December 2023 (i.e. prices upto 12 December 2023) and the higher of 90 trading days or 10 trading days has been adopted to determine the value under market price method.

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Valuation Recommendations (4/5)

Recommendation of fair value of equity shares of Mastek:

Different values have been arrived under each of the above methodologies. However, for the purpose of arriving at the fair value it is necessary to give appropriate weights to the values arrived at under each methodology. We have assigned equal weights to the value arrived under each of the methods for the purpose of arriving at the fair equity value per share of the Mastek as at the Valuation Date. The same is summarized in the table below:

Valuation Approach	Equity value (INR million)	Equity value per share (INR)	Weights (%)	Weighted average equity value per share (INR)
Income Approach:				
Discounted Cash Flow (DCF) Method	71,586.9	2,313.2	33.33%	771.1
Market Approach:				
Comparable Companies Multiple (CCM) Method	71,370.2	2,306.2	33.33%	768.7
Market Price Method (MPM)	73,516.2	2,375.6	33.33%	791.9
Asset Approach:				
Net Asset Value Method	18,896.5	610.6	-	N/A
Value per equity share (INR) (face value of INR 5/- each)			**100.0%**	**2,331.7**

N/A: Not Adopted/ Not Applicable

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Valuation Recommendations (5/5)

Conclusion:

Based on the afore-mentioned considerations, analysis of the information provided by the Management, market analysis as at the Valuation and subject to scope, limitations, and disclaimers in our opinion the fair value per share of Mastek as at Valuation Date, on a 'going concern' premise is **~INR 2,331.7 (Two Thousand Three Hundred Thirty-One and Seventy Paise) each**.

This Report forms an integral whole and cannot be split in parts. The outcome of the valuation can only lead to proper conclusions if the Report as a whole is taken into account.

Respectfully Submitted,

Transaction Square Advisory LLP
Registered Valuer - Securities or Financial Assets
IBBI Registration Number - IBBI/RV-E/06/2023/194

TRANSACTION SQUARE ADVISORY LLP ★ REGISTERED VALUER-SEC. OR FIN. ASSETS ★ IBBI Regn. No. IBBI/RV-E/06/2023/194

Niranjan Kumar
Partner
IBBI Registration Number - IBBI/RV/06/2018/10137
UDIN: 23121635BGUWYQ1180

Date: 13 December 2023

Scope Limitations, Assumptions, Qualifications, Exclusions and Disclaimers (1/3)

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us.

This Report, its contents and the results herein are specific and subject to:

i. the purpose of Valuation agreed as per the terms of this engagement;

ii. the date of this Report;

iii. shareholding pattern of Company as at the Valuation Date;

iv. are based on the consolidated audited financial statements for FY23 and FY22 and consolidated limited reviewed financial statement for the six months period ended 30 September 2023 of Mastek;

v. Management Projection from FY24 to FY29, which the Management believes to be their best estimates as to the future operating performance of the Company;

vi. relevance of the companies used for comparable companies' multiples method ('CCM') including the financial parameters considered;

vii. market price reflecting the underlying fair value of the Company;

viii. accuracy of the information available in public domain and comparability of companies identified to the current exercise; and

ix. data detailed in the section - Sources of Information.

A Valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular. It is based on information made available to us as of the Valuation Date, events occurring after that date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

The ultimate analysis will have to be tempered by the exercise of judicious discretion by the valuer and judgement taking into account the relevant factors. There will always be several factors e.g., Management capability, present and prospective yield on comparable securities, market sentiment etc., which are not evident on the face of the financial statements, but which will strongly influence the equity value of the Company.

Scope Limitations, Assumptions, Qualifications, Exclusions and Disclaimers (2/3)

The recommendation rendered in this Report only represent our recommendation based upon information furnished by the Management till the Valuation Date, and other sources, and the said recommendation shall be considered to be in the nature of non-binding advice, (our recommendation should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of fair value is not a precise science and the conclusions arrived at in many cases, will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single fair value. While we have provided our recommendation of fair value of equity shares based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion.

In the course of our analysis, we were provided with both written and verbal information, including market, technical, financial and operating data by the Management.

In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification of,

i. the accuracy of information made available to us by the Management, which formed a substantial basis for this Report; and

ii. the accuracy of the information that was publicly available.

We have not carried out a due diligence or audit or review of the Company for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided.

We are not legal or regulatory advisors with respect to legal and regulatory matters for the Company. We do not express any form of assurance that the financial information or other information as prepared and provided by the Company is accurate. Also, with respect to explanations and information sought from the Management, we have been given to understand that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt.

Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. Our conclusions are based on these assumptions and information given by/on behalf of the Management. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Management and their impact on the Report. Also, we assume no responsibility for technical information (if any) furnished by the Management. However, nothing has come to our attention to indicate that the information provided was materially misstated/ incorrect or would not afford reasonable grounds upon which to base the Report.

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Scope Limitations, Assumptions, Qualifications, Exclusions and Disclaimers (3/3)

We do not imply, and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

The Report assumes that the Company complies fully with relevant laws and regulations applicable in all its areas of operations and that the Company will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary; this Report has given no consideration on to matters of a legal nature, including issues of legal title and compliance with local laws and litigation and other contingent liabilities that are not represented to us by the Management.

This Report does not look into the business/ commercial reasons behind the proposed transaction nor the likely benefits arising out of the same. Similarly, the Report does not address the relative merits of the current exercise as compared with any other alternatives, or whether or not such alternatives could be achieved or are available. This Report is restricted to estimation of fair value of equity shares of the Company only.

We must emphasize that the Management was unable to provide us with future cash flow projections as it is listed Company and such information are price sensitive in nature. We have therefore not used the DCF method for the purpose of our Valuation.

The fee for the Engagement is not contingent upon the results reported.

To the best of our knowledge and information available, we would like to confirm that valuation exercise has been carried out by us in the capacity of an independent valuer and we do not have any direct or indirect present or potential financial interest or conflict with the Company.

We owe responsibility to only the Board of Directors of Mastek, who have appointed us, and nobody else.

We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion. In no circumstance shall the liability of TS Advisors exceed the amount as agreed in our Engagement Letter.

This Valuation Report is subject to the laws of India.

Neither the Valuation Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, loan agreement or other agreement or document given to third parties, other than in connection with the purpose of filing with the stock exchanges and SEBI for the proposed scope of work (as defined earlier), without our prior written consent.

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