

In the Business of **Transformation**

Mastek Limited

Annual Report

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Mastek 

In the Business of Transformation

When faced with adverse market conditions, Mastek drives three pronged approach to assist its clientele:

Respond to the situation and maintain continuity.

Recover and adjust to emerge stronger.

Revitalise and shape the “new normal”.

Being in the business of digital transformation, we aim to serve our customers by creating a robust and resilient business and facilitate them to deliver superior customer experience. We do this by converting challenges into opportunities using **Mastek’s Transformational Capabilities** and empowering our customers to transform their businesses and adapt to changing market dynamics. Our transformation solutions give them the rights of passage to compete and thrive within the “New Normal.”

During the year, we successfully navigated the challenging business conditions arising out of “Brexit” while continuously managing our business operations during the COVID-19 pandemic by taking decisive action to realign our business to support accelerated growth beyond 2020. Our strategic actions were focused on rebuilding and restructuring our leadership team and business processes and support sustainable growth. This was possible only on the back of our inherently strong balance sheet that can endure challenges and maintain our course for the future. Further, we completed the final chapter of Vision 2020 with the successful and exciting acquisition of Evosys, which adds impetus to Mastek, making us more valuable to more customers.

Today, as we navigate through an unprecedented global disruption, Mastek will work hard to maintain its position as a preferred partner to our customers who trust us, and to our investors who believe in us. With a capable and stable leadership a clear vision, and a resolute workforce, we remain undeterred to realise our business ideals.

Forward Looking Statement

This Annual report contains ‘forward-looking statements’, identified by words like ‘plans’, ‘expects’, ‘will’, ‘anticipates’, ‘believes’, ‘intends’, ‘projects’, ‘estimates’ ‘endeavours’ and so on and are based on our current expectations, assumptions, estimates and projections about the Company, our industry, economic conditions in the markets in which we operate, and certain other matters. All statements that address expectations or projections about the future, but not limited to the Company’s strategy for growth, future operations, margins, market position, profitability, liquidity and capital resources, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realised as these statements are subject to known and unknown risks, uncertainties and other factors, which may cause actual results or outcomes to differ materially from those projected in any forward-looking statements. In light of these and other uncertainties, you should not conclude that the results or outcomes referred to in any of the forward-looking statements will be achieved. All forward-looking statements included in this Annual Report are based on information available to us on the date hereof, and we do not undertake to update these forward-looking statements unless required to do so by law. For any further clarification, please contact Mastek Limited.

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Company Introduction

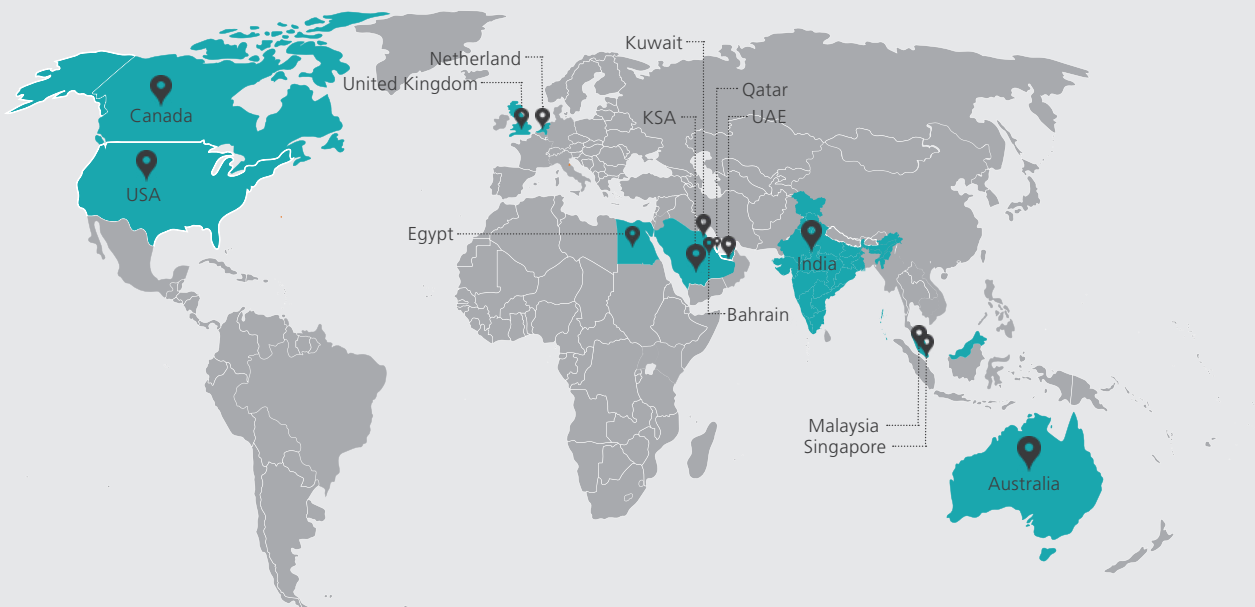
What we do

- Unlock the Power of Data
- Develop and Modernise Applications
- Accelerate Digital Advantage
- Delivering Measurable Value with Oracle Cloud Solutions

What we offer

- Application Development
- Application Maintenance and Support
- ERP and Cloud Migration
- Business Intelligence & Analytics
- Agile Consulting
- Assurance and Testing
- Digital Commerce

Our Presence



Evolving over the course of three decades from being an offshore IT provider, today we are an agile, digital transformation partner with a portfolio of leading companies, engineering excellence for customers globally.

What we achieved in FY2020

Completion of

'VISION 2020'

₹ 1,112.8 crore

Total Income 5.2% YoY Growth

14.5%

Operating margin

₹ 169 crore

Free cash flow

13,868

beneficiaries supported by our CSR programmes

Recognised as **'Digital Service Company of the Year'** at Digital Technology Leaders Awards 2019 in London

Recognised as **'Global Partner of the Year for HCM Cloud'** at Oracle Open World 2019

Who we work with

106

Customers in Government & Health Sector

321

Customers in Commercial Sector

9

Educational Institutes

53

New Logos Added in FY2019-20

98.7%

of our revenues come from existing clients

How we do it

- Strategic Alliances for the right technology stack
- Maturity assessment and journey roadmaps
- DevAct and Adapt 2 frameworks for ways of working
- ADOPT and Glide for your Oracle cloud migration

How we operate

Our Core Guiding Values

- Passion
- Accountability
- Collaboration
- Transparency
- Sustainability

Dear Investors,

The Annual Report for FY2019-20 charts the progress made by Mastek in realising its long-term vision to be a global leader in Enterprise Digital Transformation in technology driven world while meeting its responsibilities as a public listed Company.

FY2019-20 was one of significant progress, as we achieved our goals, furthered our business and firmly established ourselves on a strong financial footing. In its new avatar, Mastek has clear strategic direction focused on geographical diversification and customer acquisition aided by the acquisition of Evosys; strengthening leadership team in core geographies of US and UK; emerging stronger and resilient from the ongoing pandemic. I believe the Board has acted decisively in the interests of all stakeholders to put Mastek on a new trajectory of long-term success.

Strategies to drive differentiation

We have entered an era of the digital revolution, where competitive advantage depends on how well organisations use the enterprise digital infrastructure and utilise the business applications and massive amounts of data flowing across it. Digital transformation in the IT landscape means doing more with less and doing it faster. Automation of various processes and vital operations results in better adherence to deadlines, reduced chances of errors, faster delivery of work and outcomes.



Sudhakar Ram
Vice-Chairman & Managing Director

Mastek in Numbers

₹107,148 lakhs

Revenue from Operations

14.6%

Return on Equity

0.36

Debt Equity Ratio

₹19,666 lakhs

EBITDA

₹42.93

Earning Per Share (Diluted)

436

Clients

₹148 lakhs

Global CSR Spendings

This enhanced efficiency, in turn, helps enterprises save costs, time and resources while improving the quality of delivery and formalising new strategies to scale up.

Mastek plays a vital role in navigating and embarking various organisations on a digital transformation journey. Our delivery performance on transformational programmes remains the mainstay of our capability, and we have proven our expertise by executing large and complex transformational projects of scale.

Building on inorganic growth

As the cloud services market continues to grow faster than traditional IT Services, it has prompted many organisations to start their digital transformation journey.

Evosys has a proven business model to deliver EBS implementation for its customer and migrate them to cloud solutions using its unique IP. This, coupled with Mastek's bespoke service offering and delivering reputation, creates an ideal opportunity for customers to accelerate their digital transformation and extract more value from all their digital assets: current, legacy and future.

This accretive acquisition allows us to diversify our geographic concentration, leverage the customer acquisition velocity that Evosys brings, and provide an immediate addressable opportunity to increase our share of wallet and deliver more value for our customers.

With this, we welcome Mr. Rajeev Grover as an Independent Director on the Board of Mastek. We also welcome Mr. Umang Nahata - Chief Executive Officer and Mr. Rakesh Raman - Chief Operating Officer of Evosys to our Mastek family, who will soon become shareholders of our Company after necessary regulatory approvals. We aim to create dynamic teams that maximise business performance and enhance the global organisational culture to best meet the business needs.

Showing resilience in crisis

FY2019-20 was interspersed with various challenges in the form of US-China trade war, Brexit, geopolitical issues along with COVID-19 pandemic. Despite the market headwinds, we have maintained our overall group momentum.

Our priority remains the health and well-being of the staff while maintaining business operations for customers where allowable and possible. We have taken all appropriate actions to protect our employees, and office space whilst delivering to the client objectives seamlessly.

New strategic direction after Vision 2020

We delivered on our endeavors of Vision 2020 by being recognised as a leader in Enterprise Digital Transformation. Under the leadership of our Group CEO Mr. John Owen, Mastek delivered the strategy under three stages of **“Vision 2020: Fix, Win and Grow”**. This has helped Mastek transform from being an offshore IT service provider to being a Digital Transformation partner of choice for our customers spanning Government, Healthcare, Defense, Retail, Financial Services and more verticals across the matured markets of UK and USA. Our consistent financial and operational performance reflect the successful execution of our growth strategy.

This clarity has brought welcome stability and enabled us to respond faster to the dynamic and fluid business requirements that drive the digital agenda. With the acquisition of Evosys, we are now well-positioned to serve our customers with a vast array of services along with our core service. This has helped us achieve geographic diversity and access to newer markets of Europe, Middle East and South East Asia.

Thank you

I would like to thank all our customers for entrusting us with their business and allowing us to assist in their transformational journey.

Also, I extend my gratitude to our Board of Directors for their support and guidance and thank our shareholders for the patience and commitment they've shown this year while we embarked on our new strategic direction.

Most importantly, I would like to acknowledge our dedicated and talented employees, who are the foundation of our continued success. Mastek has survived and thrived for more than three decades by adapting and innovating and employing top talent. I look forward to the next chapter in our shared history together.

Sudhakar Ram

Vice-Chairman & Managing Director

Dear Investors,

FY2020 was always going to be a pivotal year for Mastek. Internally, it marked the completion of our strategy Vision 2020 and externally our key market of the UK (where we secure the majority of our revenue) was to exit the European Union (Brexit). We successfully navigated the challenging conditions of Brexit and took decisive action to realign our business to support accelerated growth beyond 2020. I am pleased to report our 4th consecutive year of revenue growth, and despite the ongoing challenges of COVID-19, we look with optimism to make it 5th year in a row. I am incredibly proud of what we accomplished; however, I am more focused, excited and motivated about our future as a leader in Enterprise Digital Transformation.

Delivering on the Last Phase of Vision 2020 – The “GROW” Phase

I am pleased to report another consistent year's performance for FY2020. As the third and final year of our three-year strategy 'Vision 2020', we made tangible progress towards repositioning Mastek as a recognised leader in implementing Enterprise Digital Transformations.

The focus of the year was on rebuilding and restructuring our leadership team and business processes to support sustainable growth. We completed the final chapter of Vision 2020 with the successful and exciting acquisition of Evosys, which will provide added impetus to Mastek and