



26 June 2023

The Manager, Listing
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI - 400 001

The Manager, Listing
National Stock Exchange of India Ltd
Exchange Plaza, Plot No. c/1,
G-Block, Bandra-Kurla Complex,
MUMBAI – 400 051

Dear Sir,

Sub:- Circulation of the Notice of the 32nd Annual General Meeting and the Annual Report for the year ended 31 March 2023 to the Shareholders of the Company

We wish to inform you that the Notice of the 32nd Annual General Meeting (AGM) scheduled to be held on Thursday, 20 July 2023, at 9:00 am (IST) through Video Conferencing (VC) together with the Annual Report for FY23, through electronic mode is being despatched today to all the members whose name appear in the Register of members/List of Beneficial owner as on 9 June 2023. The Notice and Annual Report 2023 have been uploaded on the website of the Company, as per the following details:

1. Notice (e-book) - <https://www.mphasis.com/content/dam/mphasis-com/global/en/investors/annual-reports/2023-Notice.ebook>
2. Annual Report (e-book) - <https://www.mphasis.com/content/dam/mphasis-com/global/en/investors/annual-reports/2023-Annual-Report.ebook>
3. Notice (PDF) - <https://www.mphasis.com/content/dam/mphasis-com/global/en/investors/annual-reports/mphasis-agm-notice-2023.pdf>
4. Annual Report (PDF) - <https://www.mphasis.com/content/dam/mphasis-com/global/en/investors/annual-reports/mphasis-annual-report-2023.pdf>

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose a copy of the Notice of AGM and the Annual Report 2023 being dispatched to the equity shareholders of the Company.

The following are the events in connection with the AGM and e-voting:

Particulars	Details
Date and time of AGM	Thursday, 20 July 2023, at 9:00 am (IST)
Mode of AGM	Video Conferencing
Link for participation through VC	https://www.evoting.nsdl.com/
Webcast and transcripts link	https://www.mphasis.com
Dividend record date	Wednesday, 5 July 2023
Information for tax on dividend 2022-23	https://www.mphasis.com/home/corporate/investors/tax-declaration-fy23.html
Cut-off date for e-voting	Thursday, 13 July 2023
E-voting start date and time	Saturday, 15 July 2023, 9:00 am (IST)
E-voting end date and time	Wednesday, 19 July 2023, 5:00 pm (IST)
Link for e-voting website of NSDL	https://www.evoting.nsdl.com/

Contact Us:

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F : +91 080 66959943

E : investor.relations@mphasis.com

www.mphasis.com

Mphasis Limited

Registered Office:

Bagmane World Technology Centre,
Marathahalli Outer Ring Road, Doddanakundi Village,
Mahadevapura, Bangalore 560 048, India

CIN: L30007KA1992PLC025294





We also enclose a copy of the newspaper advertisement published today in the Business Standard and Samyuktha Karnataka (Kannada language newspaper) regarding the dispatch of the subject Notice and the Annual Report to the shareholders.

We request you to kindly take the above on record as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking You,

Yours faithfully,

For Mphasis Limited



Subramanian Narayan
Senior Vice President and Company Secretary

Encl: As above

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NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the thirty second Annual General Meeting of the members of Mphasis Limited will be held on Thursday, the 20 July 2023 at 9:00 am (IST) through Video Conferencing (“VC”) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the consolidated and standalone financial statements of the Company comprising of audited balance sheet as at 31 March 2023, the statement of profit and loss and cash flow statement for the year ended on that date and the reports of the Board and Auditors’ thereon.
2. To declare a final dividend on equity shares.
3. To appoint a director in place of Mr. Amit Dixit (DIN: 01798942) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Marshall Jan Lux (DIN: 08178748) who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Mr. Kabir Mathur (DIN: 08635072) who retires by rotation and being eligible, offers himself for re-appointment.
6. To re-appoint Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the thirty seventh Annual General Meeting and to fix their remuneration:

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to Sections 139 and 142 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), B S R & Co. LLP, Chartered Accountants (Registration No.101248W/W-100022), be and is hereby re-appointed as the Statutory Auditors of the Company for a further consecutive term of five years, from the conclusion of this Annual General Meeting till the conclusion of thirty seventh Annual General Meeting at a remuneration to be fixed by the Audit Committee and/or Board of Directors of the Company, in addition to reimbursement of applicable taxes and actual out of pocket and travelling expenses incurred in connection with the audit and billed progressively.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution.

By order of the Board
For **Mphasis Limited**

Bengaluru
27 April 2023

SUBRAMANIAN NARAYAN
SVP and Company Secretary

Registered Office:

Bagmane World Technology Center, Marathahalli Outer Ring Road,
Doddanakhundi Village, Mahadevapura, Bengaluru 560048;
CIN: L30007KA1992PLC025294; Telephone: 080 - 6750 4613;
Website: www.mphasis.com; e-mail: investor.relations@mphasis.com



NOTICE OF THE ANNUAL GENERAL MEETING

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT, PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2 ISSUED BY ICSI:

Name	Mr. Amit Dixit	Mr. Marshall Jan Lux	Mr. Kabir Mathur
DIN	01798942	08178748	08635072
Date of first appointment at the Board	1 Sep 2016	7 Aug 2018	20 Dec 2021
Age	50 years	63 years	44 years
Qualification	MS (Engineering), B. Tech and MBA	Master's in Business	BSc (Hons), Graduate in Economics and a degree in Political Science
Nature of expertise in specific functional areas	Technology, Global Experience / Domain Experience, Strategy, Functional and managerial experience, Financial, Governance, Risk and Compliance, Leadership		Global Experience / Domain Experience, Strategy, Functional and managerial experience, Financial, Governance, Risk and Compliance, Leadership
Directorship in the Boards of other Indian listed entities	Sona BLW Precision Forgings Limited EPL Limited	Nil	Nil
Membership/ Chairmanship in Committees of other Indian listed entities	Nil	Nil	Nil

Notes:

1. Directorships in unlisted entities, foreign companies and membership in governing councils, chambers and other bodies are not included.
2. Membership/Chairmanship in Audit Committee and Stakeholder Relationship Committees of other listed public entities is considered.
3. Mr. Amit Dixit resigned from Jagran Prakashan Limited effective 15 June 2021, Mr. Marshall Jan Lux and Mr. Kabir Mathur have not resigned from Indian listed companies in the last 3 years.
4. There are no inter-se relationship amongst the Directors and Key Managerial Personnel.
5. The above stated Directors do not hold any shares of the Company.
6. The details of the number of Board and Committee meetings attended during the year are given in the Annual Report 2023.
7. The detailed Profile of Directors are disclosed in the Annual Report 2023 and are also hosted on the website of the Company at www.mphasis.com.

Notes:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its circulars dated 28 December 2022 read with circulars dated 8 April 2020, 13 April 2020, 5 May 2020, 13 January 2021, 8 December 2021 and 5 May 2022 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM") through VC. Accordingly, in compliance with the provisions of the Companies Act, 2013 (the "Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 32nd AGM of the Company is being held through Video Conferencing ("VC").
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PURSUANT TO THE MCA CIRCULARS, PROVISION FOR APPOINTMENT OF PROXIES BY THE MEMBERS ARE NOT AVAILABLE FOR THE AGM HELD THROUGH VC. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXY FOR THIS AGM HAS NOT BEEN PROVIDED TO THE MEMBERS AND THE PROXY FORM IS NOT ANNEXED TO THIS NOTICE.
3. Members attending the AGM through VC shall only be counted for the purpose of quorum under Section 103 of the Act and the attendance of the members shall be reckoned accordingly. No separate attendance form is being enclosed with the notice.
4. The place of the AGM for statutory purposes shall be the registered office of the Company.
5. Members may note that the VC facility provided by NSDL, allows participation of one thousand members on a first-come-first-served basis. The large members (i.e., members holding 2% or more shareholding), promoters, institutional investors, can attend the 32nd AGM without any restriction on account of first-come-first-served basis.
6. In compliance with the aforesaid MCA Circulars and the SEBI Circular dated 5 January 2023, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail address are registered with the

NOTICE OF THE ANNUAL GENERAL MEETING

Company / Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.mphasis.com, websites of the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited at www.nseindia.com and www.bseindia.com respectively and on the website of NSDL <https://www.evoting.nsdl.com>.

7. Members, whose email address, bank account details or mobile number are not registered with the Company or with their respective Depository Participant(s) ("DPs"), and who wish to receive the Notice of the 32nd AGM and the Annual Report for the financial year 2023 and all other communication sent by the Company, from time to time, can get their email address, bank account details and mobile number registered by following the steps:
 - a. Members holding shares in physical form may send scan copy of a signed request letter mentioning the folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, along with Form ISR-1 or Form ISR-2, as applicable, by email to the Company's email address at 32.agm@mphasis.com or to the Registrar and Share Transfer Agents at giri@integratedindia.in.
 - b. Members holding shares in demat mode may update the email address, bank account details and mobile number through their respective Depository Participant(s).
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and the certificate from the secretarial auditor under Regulation 13 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 will be available electronically for inspection by members during the AGM.
9. The Institutional and Corporate Investors (i.e. other than individuals, HUF, NRI, etc.,) are encouraged to attend the AGM through VC by sending a scanned copy (PDF / JPG Format) of its Board / Governing body resolution / Authorization etc., authorizing its representative to attend the AGM through VC on its behalf and to vote through remote e-voting. The said resolution / authorization may be sent to the Scrutinizer by email to cs@nagarajsp818.com with a copy marked to evoting@nsdl.co.in and 32.agm@mphasis.com.
10. Members proposing to seek information/clarification with regard to the financial statements or any matter being placed at the AGM, are requested to write in advance to the Company on or before Friday, 14 July 2023 through email on 32.agm@mphasis.com. The same will be replied by the Company suitably at the Annual General Meeting.
11. The members present at the AGM who have not cast their votes by availing the remote e-voting facility may cast their votes through e-voting during the AGM.
12. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him, who shall countersign the same and declare the results of the voting forthwith.
13. The results declared along with the report of the Scrutinizer will be placed on the website of the Company, <http://www.mphasis.com/CorporateGovernance.html> and on the website of NSDL (www.evoting.nsdl.com) after the declaration of the results by the Chairman or a person authorized by him. The results will also be immediately forwarded to the stock exchanges where the shares of the Company are listed. In addition, the results will also be displayed on the Notice Board of the Company at the registered office and the corporate office at "Bagmane Laurel", Bagmane Technology Park, Byrasandra Village, C V Raman Nagar, Bengaluru 560093.
14. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 6 July 2023 to Thursday, 20 July 2023 (both days inclusive).
15. The final dividend on equity shares as recommended by the Board of Directors for the year ended 31 March 2023, if approved at the Annual General Meeting, be payable, electronically:
 - a. to those members holding shares in physical form, whose names appear on the Register of Members at the close of business hours on Wednesday, 5 July 2023, after giving effect to all valid transmission and other requests in physical form lodged with the Company and/or its Registrar and Share Transfer Agent on or before Wednesday, 5 July 2023; and
 - b. in respect of shares held in electronic form, on the basis of beneficial ownership as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) for this purpose at the close of business hours on Wednesday, 5 July 2023.
16. Members who have not registered their bank mandate details for receipt of dividend electronically or wish to change their bank mandates may update the said details at <https://www.integratedindia.in/mph.aspx>. In addition, members holding shares in the demat form are also requested to contact their Depository Participant and register the bank mandate details for electronic payment of dividend.



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17. Members are requested to note that the payment of dividend to the shareholders who have not opted for electronic mode or to whom the said dividend is required to be paid through issuance of Dividend Warrants/Demand Drafts (DDs) including the NEFT/RTGS/NACH/NECS return cases, could be delayed if the postal services/courier services in the Country are affected due to resurge, if any, of the pandemic. In such an event, in terms of General Circular No.20/2020 dated 5 May 2020 read with General Circular No.2/2021 dated 13 January 2021, issued by the Ministry of Corporate Affairs, Government of India, the Company shall dispatch the dividend warrants/demand drafts through post or other permitted dispatch means, upon normalization of postal or other permitted dispatch services. Members may also note that the Company is fully committed to make its best efforts to dispatch the Dividend Warrants/DDs to the aforesaid shareholders promptly once normalcy returns and the dispatch services in the Country are resumed.
18. As per the Income Tax Act, 1961 ("Income Tax Act"), dividend income is taxable in the hands of the members. The Company shall therefore deduct tax at source at the time of making the payment of dividend at the prescribed rates. The members may further note that in case of shares held in the Company in multiple accounts with different status and/or category under a single PAN, the higher rate of tax, as applicable, would be considered on the entire holding in different accounts. The members are requested to note that the Tax Deducted at Source ("TDS") rate varies for each person, based on their residential status and entity type. The applicable TDS and the relevant documents required by the Company to determine the same are as follows:

A. Resident shareholders

For **Resident Shareholders**, taxes shall be deducted at source under Section 194 of the Income Tax Act, as follows:

Shareholders having valid Permanent Account Number (PAN)	10% or as notified by the Government of India
Shareholders not having PAN / valid PAN	20% or as notified by the Government of India as per section 206AA of the Income Tax Act
Shareholders who have not filed the Income Tax Returns for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired and aggregate of tax deducted at source is ₹ 50,000 or more in the said Financial Year	Higher rate of tax as notified by the Government of India as per section 206AB of the Income Tax Act.

However, no tax shall be deducted on the dividend payable to a resident individual shareholder, if the total dividend to be received by them during Financial Year ("FY") 2023-24 does not exceed ₹ 5,000 in aggregate across all holdings in the Company.

If the shareholders wish to avail a lower TDS rate / Nil TDS rate on the dividend, following documents may be uploaded on <https://www.integratedindia.in/ExemptionFormSubmission.aspx> on or before 6 July 2023 before 5:00 pm (IST):

- Lower / Nil withholding certificate issued under section 197 of the Income Tax Act covering FY 2023-24.
- Form 15G, which is applicable to Resident Individual shareholders who are below 60 years of age and whose tax on total income during FY 2023-24 is estimated to be Nil.
- Form 15H, which is applicable to Resident Individual shareholders who are at the age of 60 years and above during the FY 2023-24 and whose tax on total income during FY 2023-24 is estimated to be Nil.

No communication/documents on the tax determination/ deduction shall be considered by the Company after 6 July 2023 and the TDS basis the information / documents available with the Company, would be considered.

B. Non-resident shareholders

For Non-resident Shareholders (excluding FPIs / FIIs), taxes are required to be withheld in accordance with the provisions of Section 195 of the Act at the rates in force i.e., 20% (plus applicable surcharge and cess). Non-resident shareholders (excluding FPIs / FIIs), have the option of being governed by the provisions of the Double Taxation Avoidance Agreement (DTAA) between India and their country of tax residence, if the provisions of the DTAA are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following:

- Copy of the PAN Card allotted by the Indian Income Tax Authorities duly attested by the shareholder.
- Copy of Tax Residency Certificate (TRC) for FY 2023-24, obtained from the revenue authorities of the country of tax residence, duly attested by shareholder.
- Self-declaration in Form 10F.
- Self-declaration by the shareholder of having no Permanent Establishment in India in accordance with the applicable Tax Treaty.
- Self-declaration of Beneficial ownership by the shareholder.
- Any other documents as prescribed under the Act for lower withholding of taxes if applicable, duly attested by the shareholder.

NOTICE OF THE ANNUAL GENERAL MEETING

The above referred non-resident shareholders may upload the aforementioned documents on <https://www.integratedindia.in/ExemptionFormSubmission.aspx> on or before 6 July 2023 before 5:00 pm (IST). Thereafter, no communication/documents on the tax determination/ deduction shall be considered by the Company and the withholding tax as appropriate, basis information/ documents available with the Company, would be considered.

For FPIs / FIIs, taxes will be withheld in accordance with the provisions of section 196D of the Act at the rate of 20% (plus applicable surcharge and cess). FIIs/FPIs also have the option of being governed by the provisions of the Double Taxation Avoidance Agreement (DTAA) between India and their country of tax residence, if the provisions of the DTAA are more beneficial to them. Taxes then shall be deducted at the rate provided under DTAA if same is lower than the existing TDS rate of 20%.

The shareholders may note that the above documents would be considered only if they are found to be in order in accordance with the provisions of the Income Tax Act.

Members are advised to verify the correctness of the PAN and update the same with your Depository Participant (if you hold shares in dematerialized mode) or the Registrar and Share Transfer Agent (if you hold shares in physical mode), at the earliest.

The members may note that no claim shall lie against the Company for TDS/withholding taxes deducted from the dividend paid.

The shareholders are advised to refer www.mphasis.com to note the detailed requirements, based on the category of each shareholder, including the prescribed format of declaration, and documents, to be furnished to avail nil TDS/withholding tax.

The Company will arrange to email a soft copy of the TDS certificate at your registered email ID post payment of the dividend. The members may also view the credit of TDS/withholding tax in Form 26AS, which can be downloaded from your e-filing account at <https://www.incometaxindiaefiling.gov.in/>.

19. Stockholders who hold securities either in Pool, Collateral or Securities Unpaid Account on behalf of shareholders are advised to furnish a declaration regarding the beneficial ownership to the Company or to the Registrar and Share Transfer Agent, viz., Integrated Registry Management Services Private Ltd, Unit-Mphasis Limited on or before the closing hours of 6 July 2023 to avoid deduction of TDS in their name instead of the beneficial owners. Declaration made after 6 July 2023 will strictly not be accepted. TDS once deducted by the Company will not be revised by the Company subsequently.
20. In case of joint holders, Members whose name appear as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
21. Pursuant to Section 124 of the Companies Act, 2013 read with the Investor Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the dividends remaining unclaimed/unpaid for seven years is required to be transferred to Investor Education and Protection Fund. Accordingly, the unclaimed and unpaid final dividend for the year FY16, is liable to be transferred to the Investor Education and Protection Fund in December 2023. Shareholders who are yet to claim the said unclaimed dividend, are requested to submit their claims to the Registrar and Share Transfer Agent, viz., Integrated Registry Management Services Private Ltd, Unit-Mphasis Limited. The details of shareholders in respect of whom the dividend has remained unclaimed have been uploaded on the website of the Company at www.mphasis.com under the Investor Section.

In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares in respect of which the dividend remains unclaimed for seven consecutive years are required to be transferred to Investor Education and Protection Fund (IEPF). Accordingly, as at the date of the notice there are 14,917 shares held by 49 shareholders are liable to be transferred to IEPF Authority in December 2023.

The Company has uploaded the details of shareholders whose shares are required to be transferred to IEPF Authority on the website of the Company at <https://www.mphasis.com/content/dam/mphasis-com/global/en/investors/governance/shareholders-whose-dividend-remains-unpaid-for-seven-consecutive-years-as-at-31-march-2023.pdf>.

22. The following are the details of the transactions in the unclaimed suspense account, which is used by the Company for crediting the Unclaimed Shares, as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Unclaimed shares outstanding as at 1 April 2022	Unclaimed shares debited from the account during the period	Closing balance of shares as at 31 March 2023
3,000	Nil	3,000

23. Members are requested to notify any change in their address to the Company / Depository Participant as the case may be.



NOTICE OF THE ANNUAL GENERAL MEETING

24. The shareholders are requested to communicate all their correspondence to:

Senior Vice President and Company Secretary, Mphasis Limited, Bagmane World Technology Center, Marathahalli Outer Ring Road, Doddanakhundi Village, Mahadevapura, Bengaluru - 560 048. e-mail: subramanian.narayan@mphasis.com
Ph: +91 (080) 6750 4613.

OR

Integrated Registry Management Services Private Ltd. Unit: Mphasis Limited, No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru - 560 003. e-mail: giri@integratedindia.in Ph: +91 (080) 23460815 - 818.

25. Since the AGM will be held through VC in accordance with the MCA Circulars, the route map is not attached to this Notice.
26. The Securities and Exchange Board of India ("SEBI") has mandated furnishing of PAN, KYC details (i.e., Postal Address with PIN Code, email address, mobile number, bank account details) and nomination details by holders of securities in prescribed forms. Effective from 1 January 2022, any service requests or complaints received from the member, are being processed by Registrar and Share Transfer Agents ("RTA") on receipt of aforesaid details/ documents. On or after 1 October 2023, in case any of the above cited documents/ details are not available in the folio(s), in terms of SEBI circulars, RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at <https://www.mphasis.com/home/corporate/investors.html>.
27. Nomination facility is available to individuals holding shares in the Company. Members can nominate a person in respect of shares held by him singly or jointly. Members holding shares in physical form and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the website of the Company and RTA. Members holding shares in electronic form may approach their respective DPs for completing the nomination formalities.
28. SEBI has mandated that securities of listed companies can be transferred only in dematerialized form. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form at the earliest.
29. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25 January 2022 has mandated the listed companies to issue securities in dematerialized form only, while processing service requests, viz. Issue of duplicate securities certificate; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Further, SEBI vide its circular Nos. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated 18 May 2022 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16 March 2023 respectively, has simplified the procedure for transmission of securities. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4 and ISR-5, as the case may be. The said form can be downloaded from the website of the Company and RTA.

VOTING THROUGH ELECTRONIC MEANS

- In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the members an electronic voting (e-voting) facility to exercise their right to vote on resolutions proposed to be considered at the thirty second Annual General Meeting (AGM). The instructions for e-voting are given herein below.
- The remote e-voting period commences on Saturday, 15 July 2023 at 9:00 AM and ends on Wednesday, 19 July 2023 at 5.00 PM. During this period, members of the Company, holding shares in physical form or in dematerialized form, as on Thursday, 13 July 2023, being the cut-off date, may cast their vote by remote e-voting. The remote e-voting module shall be forthwith blocked by NSDL after 5:00 PM on Wednesday, 19 July 2023. Vote once cast by a member shall not be allowed to be changed subsequently. Members, who will be present in the AGM through VC facility and have not cast their vote on the resolutions through remote e-voting, and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC but shall not be entitled to cast their vote again during the AGM.
- The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on that cut-off date i.e., Thursday, 13 July 2023.
- Any person who acquires shares and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-voting then he / she can use his / her existing User ID and password for casting the vote.
- Any queries or grievances in relation to the electronic voting may be addressed to Mr. Subramanian Narayan, Senior Vice President and Company Secretary, at the registered office of the Company or may be e-mailed to subramanian.narayan@mphasis.com.

The process and manner for remote e-voting are as under:





- 🔗 Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>
- 🔗 Step 2: Cast your vote electronically on NSDL e-voting system

NOTICE OF THE ANNUAL GENERAL MEETING

Step 1 – Log-in to NSDL e-voting system by following the given below process:

A) Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>A. NSDL IDeAS facility</p> <p>If you are already registered for NSDL IDeAS facility,</p> <ol style="list-style-type: none"> Please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nSDL.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. Click on options available against company name or e-voting service provider - NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. <p>If you are not registered, for NSDL IDeAS facility, follow the below steps:</p> <ol style="list-style-type: none"> Option to register is available at https://eservices.nSDL.com/. Select “Register Online for IDeAS” Portal or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nSDL.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on options available against company name or e-voting service provider - NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 10px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 5px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon and New System Myeasi Tab and then use your existing my easi username and password. After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers’ website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login and New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile and e-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the evoting is in progress and also able to directly access the system of all e-voting Service Providers.



NOTICE OF THE ANNUAL GENERAL MEETING

Individual Shareholders (holding securities in demat mode) login through their depository participants

1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility.
2. Once login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature.
3. Click on options available against company name or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Following are the details of the helpdesk for Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.
5. Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 124001 then user ID is 124001001***

6. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you earlier. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

NOTICE OF THE ANNUAL GENERAL MEETING

- (ii) In case you have not registered your e-mail ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
7. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
 8. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 9. Now, you will have to click on “Login” button.
 10. After you click on the “Login” button, Home page of e-voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system by following the given below process:

1. After successful login at Step 1, you will be able to see all the companies “EVEN” (E-voting Event Number) in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-voting as the voting page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs@nagarajsp818.com with a copy marked to evoting@nsdl.co.in and 32.agm@mphasis.com.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call at 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user ID and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode. please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by e-mail to giri@integratedindia.in for obtaining the user ID and Password for the e-voting.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to giri@integratedindia.in for obtaining the user ID and Password for the e-voting.
3. Alternatively, member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.
4. Upon receipt and validation of the above documents, NSDL will send the user ID and password to the member.
5. Mr. S P Nagarajan (PCS No.4738) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.



NOTICE OF THE ANNUAL GENERAL MEETING

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH VC ARE AS UNDER



Members will be able to attend the AGM through VC by using their remote e-voting login credentials and selecting the EVEN for Company's AGM (<https://www.evoting.nSDL.com/>). Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.



Facility of joining the AGM through VC shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come and first served basis. Members are requested to join the meeting in advance of time of commencement of meeting.



Members who would like to express their views or ask questions during the AGM may register themselves as a speaker shareholder by sending their request to 32.agm@mphasis.com from their registered e-mail ID. The speaker shareholders are requested to quote their DP-ID and Client-ID (in case of shares held in dematerialised form) or folio number (in case of shares held in physical form), PAN and mobile number in the request being sent through e-mail.

Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.



Members are encouraged to join the Meeting through laptops for better experience.



Members will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting. Ensure that the camera is properly positioned and focused at your eye level.



Members may note that Participants connecting from mobile devices or tablets or through laptops via Mobile Hotspots may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable wi-fi or LAN connection to mitigate any kind of aforesaid glitches.



Even though there are no formal dress code for the shareholders. To the extent that shareholders will appear on VC, it is recommended that they be dressed in an attire appropriate for an in-person shareholders meeting or business casual attire as a minimum standard.

System requirements for better VC experience



Internet connection – broadband, wired or wireless (3G or 4G/LTE), with a speed of 5 Mbps or more

Minimum Supported Browser Versions:



Desktop:

- CPU: Quad-Core Processor or Better
- RAM: 4 Gigabytes
- Chrome 65 or later on PC or Mac
- Firefox 52 or later on PC or Mac
- Safari 11 or later for Web Only Conferences
- Safari 12.2 or later for Mixed Conferences at VP8 CIF
- Internet Explorer – Not Supported
- Chrome 65 on Android
- Firefox 52 on Android
- Safari 11 or later for Web Only Conferences
- Safari 12.0 and 12.1 for mixed Conferences at H.264
- Safari 12.2 for mixed Conferences at VP8 CIF
- Internet Explorer – Not Supported



Mobile:

- Chrome 65 on Android
- Firefox 52 on Android
- Safari 11 or later for Web Only Conferences
- Safari 12.0 and 12.1 for mixed Conferences at H.264
- Safari 12.2 for mixed Conferences at VP8 CIF
- Internet Explorer – Not Supported



Helpline numbers: 1800-222-990 and 1800 22 44 30

Contact details of the NSDL official:

Ms. Pallavi Mhatre, Senior Manager,
National Securities Depository Limited,

4th Floor, A Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, India.

Email Id: pallavid@nsdl.co.in; NSDL Contact Number: +91-22- 24994890

NOTICE OF THE ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

In conformity with the provisions of Section 102 of the Companies Act, 2013 and Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, following Explanatory Statement sets out material facts relating to the Item No.6 of the notice regarding re-appointment of the Statutory Auditors and should be taken as forming part of the Notice.

Item No.6 :

The Members at the twenty seventh Annual General Meeting of the Company held on 7 August 2018, had approved appointment of B S R & Co. LLP, Chartered Accountants (Firm Registration No.101248W/W-100022), as the Statutory Auditors of the Company to hold office from the conclusion of the twenty seventh Annual General Meeting till the conclusion of the thirty second Annual General Meeting. Consequently, B S R & Co. LLP will complete their term of five consecutive years as the Statutory Auditors of the Company at the conclusion of this Annual General Meeting.

The Board of Directors of the Company ("Board"), based on the recommendation of the Audit Committee, in its meeting held on 27 April 2023, unanimously approved the re-appointment of B S R & Co. LLP, as the Statutory Auditors of the Company, for a further consecutive term of five years from the conclusion of thirty second Annual General Meeting till the conclusion of thirty seventh Annual General Meeting, at a remuneration as may be mutually agreed between the Board and the Statutory Auditors and recommended the same for approval of the shareholders. The Board has considered factors such as qualifications, industry experience, competency of the audit team, efficiency in conduct of audit, independence, pending proceedings relating to professional matters of conduct against B S R & Co. LLP before the Institute of Chartered Accountants of India and before the Courts and were of the view that the qualification and experience of B S R & Co. LLP is commensurate with the size and requirements of the Company. B S R & Co. LLP is a member entity of B S R & Associates, a network registered with the Institute of Chartered Accountants of India. B S R & Co. LLP is registered in Mumbai, Gurugram, Bengaluru, Kolkata, Hyderabad, Pune, Chennai, Chandigarh, Ahmedabad, Vadodara, Noida, Jaipur, Kochi and Vijayawada.

The Board of Directors of the Company, based on the recommendations of the Audit Committee, had approved a fee of ₹19.10 million plus applicable taxes and reimbursement of out-of-pocket expenses (to be reimbursed at actuals) to B S R & Co. LLP for FY23, towards audit, certification and other adhoc services (the "Fees"). Considering the enhanced scope of the audit and increased time spent by the Auditors, the Board of Directors of the Company in its meeting held on 27 April 2023, based on recommendation of the Audit Committee approved a fee of ₹21.40 million for FY24 and ₹21.50 million for FY25, plus applicable taxes and reimbursement of out-of-pocket expenses (to be reimbursed at actuals) to B S R & Co. LLP. The Board, in consultation with the Audit Committee shall approve revisions, if any, in the remuneration of the Statutory Auditors for the remaining part of the tenure. The fees exclude the remuneration to be paid to overseas audit firms for the purpose of statutory audit of overseas subsidiaries and branches and remuneration to be paid for other permitted services obtained from the Statutory Auditors. The Letter of Engagement specifying the detailed terms of appointment shall be finalized by the Audit Committee of the Board or any officer of the Company pursuant to the Authority given by the Board of Directors of the Company and such terms shall specifically include the conditions as mentioned in para 6(A) and 6(B) of the SEBI circular dated 18 October 2019 bearing reference no.CIR/CFD/CMD1/114/2019 and such other conditions as may be specified by applicable law in force. The Board of Directors, in consultation with the Audit Committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

B S R & Co. LLP have consented to their re-appointment as the Statutory Auditors and have confirmed that the re-appointment, if made, would be within the limits specified under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified to be re-appointed as the Statutory Auditors in terms of the provisions of Section 139 and 141 of the Companies Act, 2013 and the Rules framed thereunder.

Approval of the members is sought for re-appointment of B S R & Co. LLP, Chartered Accountants, (Registration No.101248W/W-100022) as the Statutory Auditors of the Company and to fix their remuneration by means of an Ordinary Resolution.

Interest of Directors and Key Managerial Personnel:

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the above resolution.

By order of the Board
 For **Mphasis Limited**

Bengaluru
 27 April 2023

SUBRAMANIAN NARAYAN
 SVP and Company Secretary

Registered Office:
 Bagmane World Technology Center, Marathahalli Outer Ring Road,
 Doddanakhundi Village, Mahadevapura, Bengaluru 560048;
 CIN: L30007KA1992PLC025294; Telephone: 080 - 6750 4613;
 Website: www.mphasis.com; e-mail: investor.relations@mphasis.com

Notes

A series of 25 horizontal blue dotted lines for taking notes.



The New Era Mphasis.ai

A PENTAGONAL PIVOT

A five-dimensional focus to surge ahead

We have set a strong foundation to transform organizations and drive business growth.

AI, the Smarter and Faster Driver

We have created patented AI solutions with our 'platform-and-solution' approach to enable enterprises to increase productivity, reduce time-to-market and improve customer experience. With deep industry expertise, we launched Mphasis.ai, a business unit, to empower businesses to responsibly leverage the best of AI, drive growth and sharpen their competitive edge.

A 'Cloud First' Thrust to Innovation

Through our partnership with hyperscalers, we have expanded access to AI and ML with minimum or no entry barriers. Leveraging the power of AWS, Microsoft Intelligent Cloud Platform and Google Cloud Platform (GCP) for AI, ML, Quantum and other large transformational projects, our offerings unlock tremendous value for global enterprises.

Action Bias towards Client Obsession

We play 'positive offence' with a relentless focus on what matters most – **our clients.**

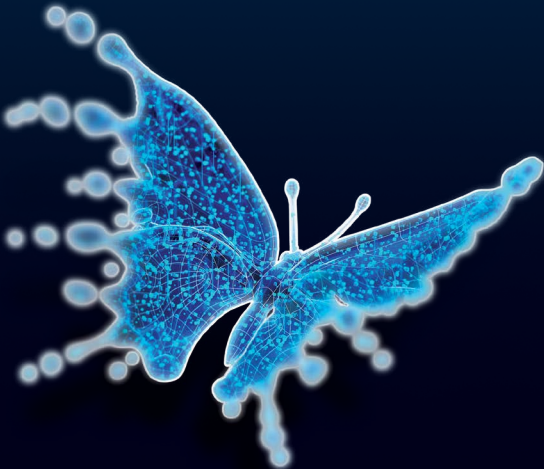
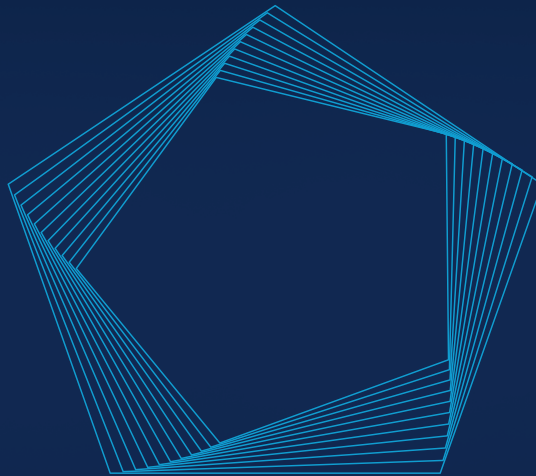
We work to identify new and bespoke ways that help them overcome business challenges and leverage cutting-edge technologies to drive business growth and revenue.

Accelerating Talent

Growth through knowledge is a firm conviction at Mphasis. Through the Talent Next Platform, learning-on-the-job, certifications, collaborative learning, and more, thus enabling our talent to stay relevant to deliver the best business outcomes for our clients.

Archetype-driven Models for Scale

Our deal archetypes and playbook create repeatable success for clients with speed, scale and innovation. This has also resulted in creating opportunities for us to win greater market and wallet share – as reflected in the record pipeline that we generated this year.



FROM THE CEO



Dear Shareholder,

As your Company looks to navigate this period of uncertainty, I am pleased to share the progress made so far. Despite the complex macro-economic environment, we strongly believe we are in the early stages of a tech investing Supercycle, which is driving a sea-change in the way enterprises are consuming technology with Cloud and Data at its center, and with rapid advancements in Artificial Intelligence also beginning to take effect. In this backdrop, your Company continues to operate from a position of strength reaffirming its investment in the right growth areas - new-gen technologies like Cloud, Generative and Conversational Artificial Intelligence and Machine Learning. The Company is committed to staying focused on delivering value to clients as they undertake this pivot and support them as they enter a new era of growth.

Despite significant macro-economic headwinds, Fiscal Year (FY) 23 was another year of broad-based growth for your Company:

- Consolidated gross revenue grew 16.7% on a reported basis and 9.7% in constant currency
- Earnings Per Share (EPS), a key growth indicator, grew by 14.0% to INR 87.1
- New deals in the Direct Business worth TCV \$1.3 billion were won
- **Mphasis.ai**, was launched, a first-of-its-kind business unit, focused on transforming organizations globally by unlocking the potential of Artificial Intelligence
- Entered strategic partnerships with Kore.ai, VMWare Tanzu and Be Informed

These initiatives are concerted strategic moves by your Company to invest, participate and grow in new generation technologies and services while continuing to optimize its core business sustainably.

As a responsible and conscious corporate citizen, your Company has pledged to become 'carbon neutral' by 2030, by implementing a well-defined energy management plan to minimize energy consumption, integrate renewable energy sources and implement energy-efficient practices. It gives me great pleasure to share with you that your Company has moved up from the 69th to 74th percentile, in the S&P Global's Dow Jones Sustainability Indices (DJSI) Corporate Sustainability Assessment (CSA) Annual Review 2022. The improvement in scores further demonstrates the impact of Mphasis' integrated ESG efforts on sustainability.

Through the Mphasis F1 Foundation, your Company has contributed towards long-term societal benefits in the following areas:

- **Environmental Sustainability:** Partnered with United Way of Bengaluru to support and execute three projects - One Billion Drops, Dommasandra Lake Rejuvenation, and Afforestation.
- **Education:** Collaborated with the Indian Institute of Technology Madras (IIT Madras) for fundamental and applied research in quantum technologies with the goal to build a consortium of academia, government and industry to promote the use of quantum computing and quantum communications.

Further strengthened our commitment to Ashoka University with a grant of ₹ 18 crores for a period of three years towards the expansion of the Mphasis Laboratory of Machine Learning and Computational Thinking. We are excited about this partnership that will lay the foundation of Digital Makerspace to intensify engagement and experiential learning with the student community.

- **Inclusion:** As the Museum of Art and Photography's founding patron and accessibility partner, we created a barrier-free and accessible space for persons with disabilities and senior citizens.
- **Livelihood:** Partnered with Magic Bus to train 800 young students from underserved backgrounds in Cloud Computing and connected them to potential employers.

We are proud of the progress we've made in FY23. I am confident about the year ahead as we continue to align with our clients' priorities, while executing on our fundamental strengths. Embracing the uncertainty, our two biggest assets – clients and employees – have both amplified this voice back to us over the recent past.

I would also like to thank you, our shareholders, for your continued support, confidence and partnership.

Regards,

Nitin Rakesh

Chief Executive Officer and Managing Director

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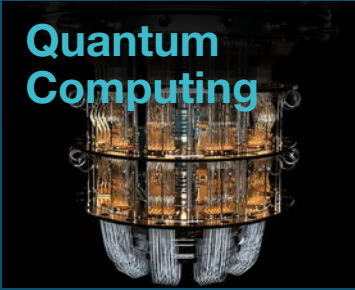


ERA OF EXPONENTIAL CHANGE

An innovation-driven thrust for Mphasis.ai

We are laser-focused on enabling enterprises to leverage the potential of artificial intelligence (AI) to help maximize business outcomes. With cutting-edge technology at its core, we launched Mphasis.ai, a business unit integrating capabilities of NEXT Labs (our R&D wing leveraging patented AI solutions), Sparkle Innovation Ecosystem (partnering with startups), the Mphasis' Hyperscalers network, partnerships with Kore.ai and Databricks, to herald this transformative journey, empowering our clients to unlock unparalleled productivity, drive efficiency and shape a future of endless possibilities.

Mphasis, through this business unit, offers services including Generative AI Advisory, AI App Development, Reinforcement Learning Based Conversation Design, Industry Specific Model Development & Large Language Models (LLMs) Fine-tuning, Prompt Engineering, LLM Application Testing, Factuality Evaluation and Data Prepping. With Databricks, we offer a unified approach to simplify data architecture by eliminating the data silos that traditionally separate analytics, BI, data science and machine learning, with a lakehouse. This helps achieve the full potential of analytics and AI initiatives. The power of this business unit is expected to enhance engineering productivity while driving innovation of the Contact Center, IT Operations, Business Operations and Experience for enterprise clients.



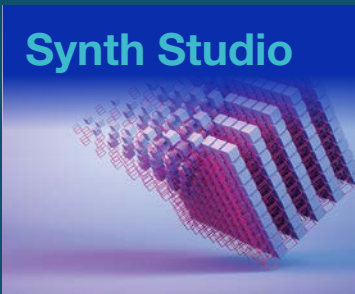
Mphasis Quantum initiative is focused on building domain-agnostic IPs, industry-focused solutions for verticals such as T&E, BFSI, Healthcare, etc., and delivering client projects in the areas of Machine Learning, Optimization and Simulation. We have engaged with our customers to solve problems such as last mile route optimization, pathogen detection in metabolomics data and high dimensional ML for loyalty program enrollment through our 'Get Quantum Ready' engagement model built on Quantum assessment, consulting and software development framework.

Our Generative AI offerings span across multiple themes, including software engineering productivity enhancement, intelligent customer service across various channels, fine-tuning of LLM using a data-centric AI approach, factuality evaluation and multimodal synthetic data generation. We have established purposeful hyperscalers, startup and academic partnerships to drive positive outcomes from Generative AI.



DeepInsights™ is a cognitive computing platform, which transforms enterprise decisions by enabling businesses of all sizes to harness vast amounts of unstructured and complex data. It is powered by state-of-the-art algorithms in Natural Language processing, machine learning, deep learning, image analytics and Generative AI. DeepInsights™ enables businesses automate processes, drive stronger operational performance and engage with their customers through more personalized experiences.

InfraGenie™ is the Mphasis AI-enabled solution for managing a hybrid multi-cloud enterprise that enables proactive, highly automated, zero-touch service delivery and operations management.



Generating high-quality synthetic data for trustworthy business insights, Synth Studio has enabled organizations across industries and functions to achieve data sharing with privacy, preserve data patterns and correlations for high efficiency, facilitate accurate decision-making in monetizing data and accelerate innovation.

Mphasis Framework and Methodology to automate multiple stages in the machine learning (ML) pipeline, accelerating the lifecycle of development, deployment, and productionizing of ML algorithms. It is a combination of Mphasis proprietary tools and methodologies along with best-in-class third-party as well as open-source tools.



Xenon



The Xenon framework is a data modernization and integration platform that acts as a foundation for building AI solutions across various industry verticals. Xenon brings proven architectural patterns and execution methods based on our Front2Back™ principles across various hyperscaler ecosystems.

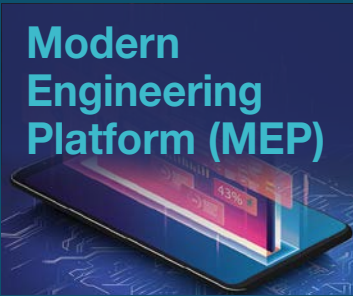
Mphasis approaches contact centers with a true end-to-end design methodology.

We identify issues, challenges and pain points with current client environments, then use design led thinking to drive solutions with significant improvements to CX (Customer Experience) and EX (Employee Experience), resulting in a better overall UX (Unified Experience). Our solutions go beyond just technology to include workflow and process automation and improve KPI metrics that matter to our clients.

Contact Center Transformation



Modern Engineering Platform (MEP)



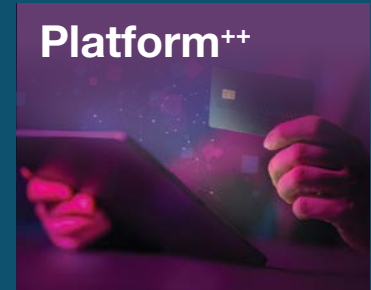
MEP helps drive productivity by systematically introducing AI interventions in the engineering value chain. It acts as a single interface for various engineering personas and creates a catalog of reusable IT assets that can be used to compose complex architectures. MEP acts as a co-pilot to the engineers through their day in life, helping accelerate product development and go-to-market.

Platform+ from Mphasis Javelina is a game-changing Business Process-as-a-Service (BPaaS) model that combines advanced technology and extensive healthcare expertise to deliver streamlined and effective operations.

It leverages the power of our patented AI and ML solutions like Hypergraf™, DeepInsights™, Mphasis CG, and Optimize.AI to provide higher operational efficiency and resource optimization. Additionally, our next-gen business process services and cognitive data analytics capabilities further enhance the platform's capabilities, delivering an intelligent, lean, and highly resilient approach to operations.

Platform++ offers zero cost transformation by implementing cloud-based solutions that streamline operational processes without additional expenses. This helps healthcare payers transition from conventional outsourcing to an outcome-focused, comprehensive platform-driven strategy, freeing them to invest in new opportunities and groundbreaking innovations.

Platform++



LEANING FORWARD SMARTLY ON GROWTH

Focused industries, regions & accounts

Realigned GTM

Our go-to-market strategy has been realigned to focus on dedicated farming and strategic hunting by leveraging domain expertise aligned to key industry verticals in our target markets.

Deal Archetypes and Playbook

Lending itself to advantageous scalability, our archetypes provide templates — from account plans to pitch. This results in quick ‘good’, which is better than the elusive perfect.

Our proactive new-gen win rate was 1.5 times the reactive traditional way.

Large Deal Focus

We shifted our stance to originate and win more deals in our areas of strength through bespoke and out-of-the-box thinking. While our large deals were 4% of our total opportunities, they generated 43% of our TCV.

Focus on Strategic Accounts

- BFSI continues to be our biggest source of revenue. Our wins come from the strategic accounts and through the New Client Acquisition channel.
- Healthcare, Travel, Transportation & Logistics, Hi-Tech and Insurance continue to be our new engines of growth.

STRATEGIC PARTNERSHIPS & COMPETENCIES

Amazon Web Services

- Launch Partners for the ‘AWS Cloud Operations Competency’

Microsoft

- Partner Advisory Council Members:
 - App Modernization Partner Advisory
 - Java Modernization Partner Advisory
- Specializations
 - Cloud Security
 - Infra and Database Migration
 - Threat Protection
- Solution Partner
 - Data & AI
 - Digital & App Innovation
 - Infrastructure
 - Security
- Java Modernization Partner for Microsoft in Calgary, Canada.

VMWare Tanzu

- Mphasis was invited to be part of VMWare Tanzu Partner Advisory Council and Design Partner Program for testing and user feedback.
- Launched one of the first multi-cloud innovation labs for Tanzu products in delivering Front2Back™-led accelerated cloud native legacy transformations, to further accelerate mutual success in the fast-evolving Kubernetes ecosystem.

Google Cloud Platform

- Mphasis obtained expertise levels in 4 areas Google Cloud Analytics, Financial Services, SAP on Google Cloud and Apigee.

Registered Partner for Snowflake and Databricks in the US and Mphasis Datalytx is a Snowflake Premier Partner in Europe.



AT THE CORE, IT'S ALWAYS THE CULTURE

Living our values, with excellence

Our purpose of being the 'driver in the driverless car' is backed by a powerful 'Hi-Tech, Hi-Touch and Hi-Trust' culture, with principles that encompass the following:

Mphasis first - to always put Mphasis first, and deliver with excellence to all stakeholders, including clients, employees, investors, partners and the community.

"It inspires us to be more accountable. We proactively approach a client to solve their problem even before they come to us. That's how we champion the clients and Mphasis."

Sujata Menon
Vice President - Delivery

Growth mindset - to nurture growth and promote owner's mentality. Every Mphasian owns their individual growth and the organization's collective progress.

"This principle calls for inner maturity to seek growth in all our actions. It helps us realize we are indeed catalysts to usher in growth."

Balasubramaniam V
Head - Healthcare & Life Sciences

Ready, fire, aim - to be action oriented, and experiment without fear of failure.

"Ready, fire, aim has always been an approach for us. I've been with Mphasis for almost 20 years, and we have always experimented without the fear of failure. We've been an action-oriented team, ready to take on any challenges that come our way."

Gautam Tongia
Associate Vice President - NextOps Delivery

Work for each other - to be team players, going beyond titles and designations to make things happen.

"At Mphasis, we take pride in delivering world-class products and services to all our clients. In all fairness, much of this cannot be achieved without bringing our workforce together — giving them a sense of purpose, clarity of goals and a safety net to say it's OK to fail. Work for each other is key to this."

Sandy Cariappa
Associate Vice President - Deal Governance, NextOps

Disagree but commit - to value diversity and encourage different opinions, yet being united in a shared commitment to the organization's success.

"At Mphasis, you get the room to express your views. You can bring a fresh perspective to the processes and systems which could improve the overall efficiency."

Manikantan T
Head - Finance Operations & Insurance



EMPOWERING TALENT TO STAY AHEAD

Upskilling to be relevant

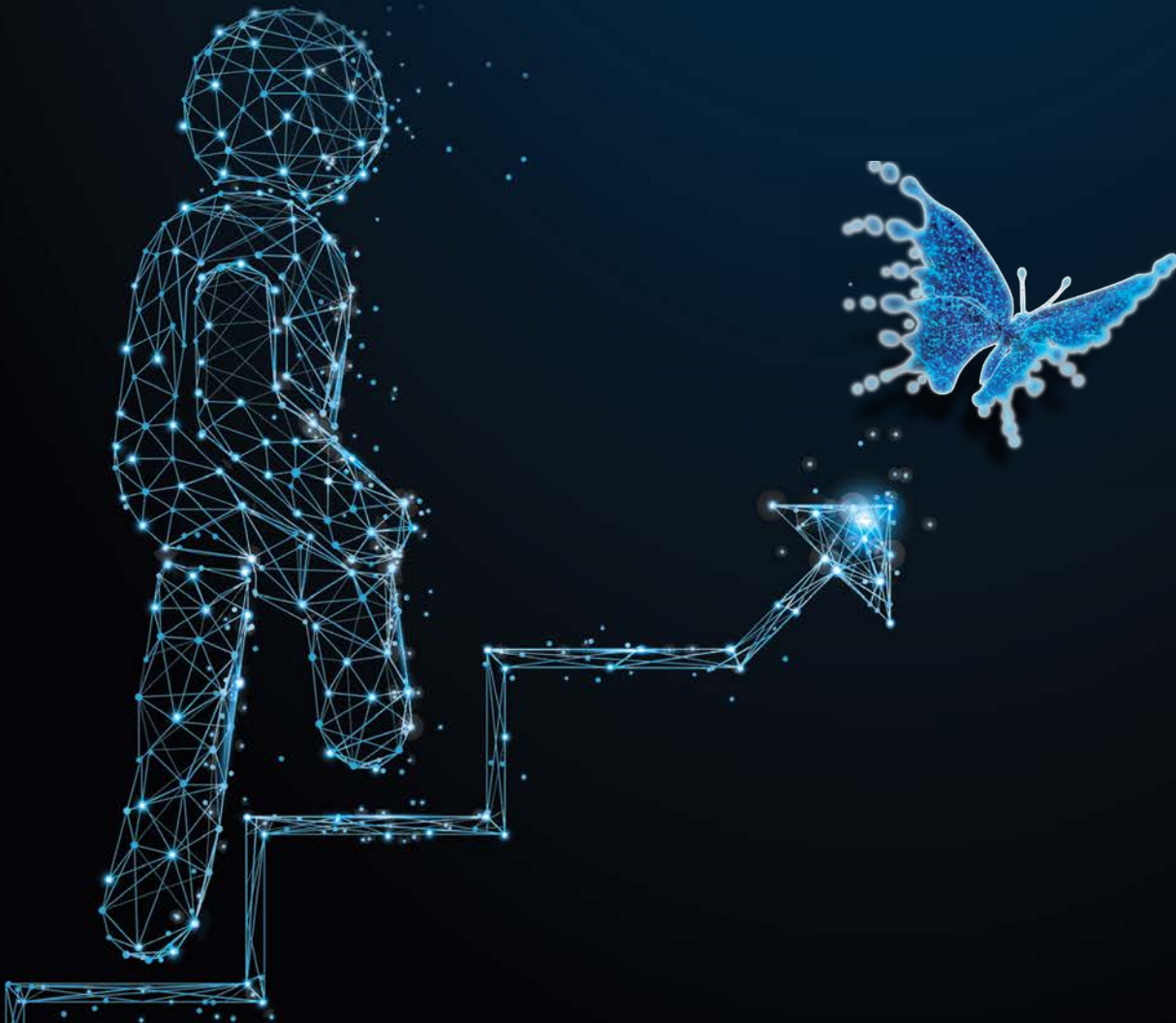
Mphasis' talent strategy is closely linked to the organization's philosophy of being a Cloud-native and Cognitive-first company.

The Talent Next Platform

Enables continuous learning for our employees on technical and leadership competencies. With a wide range of learning resources – instructor-led training, eLearning, books, cloud labs, assessments, etc., Talent Next is powered by gamification and social learning features for learners to collaborate in real-time. In FY23, we ramped up the number of learning solutions in next-gen digital skills such as AI/ML, Cloud, DevOps, Big Data, Cybersecurity, Data Engineering, etc. We also witnessed a huge uptake in the number of lateral employees getting trained and certified in these next-gen skills.

The Mphasis Learning Academy

Prepares campus hires to become business ready. In FY23, due to the economic downturn, we saw a smaller number of freshers inducted into the company. Yet, we cross-skilled them on Cloud and Cognitive skills in higher numbers than the previous year.



DIVERSITY, EQUITY AND INCLUSION (DEI) @ MPHASIS

At Mphasis, we are committed to enable Mphasians to be unique in their own ways. Our key DEI tenets include:

Invest

We believe in investing in employees, regardless of their background, to promote a healthy, engaged and vibrant workforce.

Inspire

Our inclusiveness is a core value that we uphold through mentorship, training, storytelling, and opening doors to new opportunities.

Involve

We believe that each employee plays a unique role in a judgment-free environment that shapes individualism, respect and appreciation.

DEI Council

We have a top-down approach in all our diversity efforts. Our DEI council has senior leadership to provide expertise, insights, and experiences that are crucial in shaping our policies, initiatives and programs to create a more inclusive and equitable workplace that benefits everyone.

Integrated Circuit Program

A fireside chat with client executives who share their stories and lessons of life experiences to inspire our employees to emulate the same in their personal and professional front.

Pay Parity Study

We are committed to the principles of equal pay for our employees where all are given remuneration/ reward packages based on meritocracy. At Mphasis, we strongly believe a robust pay structure creates a positive environment for our employees, leading to improved morale and better productivity.

Employee Resource Group (ERG) Fosters:

- **Mothers Forum:** A platform where we discuss, share and support working mothers as they navigate their professional and personal lives. Our sole objective is to empower, showcase and support their hard work and talent. This forum opens up various learning opportunities and best practices sharing on work-life balance, positive parenting and nutrition.
- **The Allyship Program:** A member-based initiative working towards increasing the knowledge, awareness and support of women employees, LGBTQ+ employees, persons who are differently abled, etc. In partnership with passionate individuals, the Allyship program aims to create a safe and inclusive work environment for the employees at Mphasis and to advocate for a culture of Diversity, Equity and Inclusion.

- Signed the United Nations Women's Empowerment Principles as a patron membership of ASSOCHAM and is a signatory of the Valuable 500
- Mphasis has been recognized in the '100 Best Companies for Women in India (BCWI), 2022'
- Won an 'Exemplar of Inclusion' in the Most Inclusive Companies Index (MICI) by Avtar & Seramount, 2022
- Certified with the 'Disability Confident Committed' Level 1 certificate (United Kingdom)
- Global Head DEI, Dnyan Shah has completed The Diversity Auditor certification program





CORPORATE, SOCIAL AND RESPONSIBLE

Touching life with a human and humane reach

Our CSR team executed several programs across four focus areas — Education, Livelihood, Inclusion and Environmental Sustainability – aligned with the UN Sustainable Developmental Goals 2030.

Education

We collaborated with the Indian Institute of Technology Madras (IIT Madras) for fundamental and applied research in quantum technologies by setting up a Quantum Lab to develop methods and algorithms to solve computationally intractable problems on quantum computers and annealers, to provide leadership in quantum information and communication technologies and its standardization and to develop a national and international network of researchers actively involved in quantum science and technology, with exchanges of faculty and students. The lab will act as a hub for providing training and capacity building.

In the first year of this collaboration,

- 9 projects under Quantum Computing towards fundamental and applied research in quantum technologies are underway
- The Quantum Center's work was showcased at a conclave at IIT Madras, presided by Hon Finance Minister, Smt. Nirmala Sitharaman to foster greater industry academia collaboration
- A conference on Progress in Quantum Science and Technology was conducted to bring together experts from both academia and industry to develop various applications of quantum technologies
- Over 500 hours of training in Quantum science was provided to over 120 students and industry professionals, including some of Your Company employees

Livelihood

Our projects aim to improve employability and generate income.

We partnered with Magic Bus to find employment for 800 graduates from the underserved section, trained in Cloud Computing.

Inclusion

Mphasis and the Museum of Art and Photography (MAP) partnered to create barrier-free access to the museum for persons with disabilities and senior citizens,

covering infrastructure (accessible website, signage and technology), programs (education and outreach, exhibition), structural work and interiors, executed with the expert guidance of Diversity and Equal Opportunity Center (DEOC).

With Mphasis' support, MAP completed the following:

- Launched fully accessible physical space following universal design principles (meeting the latest government guidelines)
- Made available content translated in Kannada and Hindi to the Bloomberg Connects app for public benefit
- Conducted the accessibility audit of the MAP building with DEOC
- Identified candidates with hearing impairment to take up ongoing accessibility-related programs
- Designed accessible website and made it open to the public with guided training

Environmental Sustainability

We partnered with United Way of Bengaluru (UW-Be) to execute three projects on environmental sustainability.

One Billion Drops - Constructed 1278 percolation wells over 2 years in Bengaluru to conserve rainwater.

We will support Bengaluru's Lalbagh Botanical Garden, to construct 220 additional percolation wells.

Dommasandra Lake Rejuvenation - We are involved in the restoration of Dommasandra Lake, Bengaluru. A multi-year project to improve water quality, enhance biodiversity and increase community ownership to help the population of Dommasandra Panchayat.

Afforestation - We are setting up a dense forest on an 11-acre plot (part of the 228 acres Botanical Garden at Doddasaggere) in Koratagere part of Tumkur district of Karnataka. We will plant 100,000 dry deciduous tree saplings here.

A NEW MANTRA FOR A SUSTAINABLE FUTURE

The promise of technology, delivered with sustainable impact

Our approach to ESG is driven by four pillars — architecting stakeholder value, applying good governance, incorporating inclusion and engineering climate sustainability.

A Commitment to Carbon Neutrality by 2030

Aligning with the climate goals of Blackstone, Mphasis has pledged to eliminate CO₂e emissions from its facilities and operations to become carbon neutral by 2030. We aim to achieve this goal by implementing an energy management plan to minimize energy consumption, integrate renewable energy sources, and implement energy-efficient practices.

We have conducted a comprehensive evaluation to analyze the possible influence of climate risk on its business operations and supply chain. Furthermore, we have established a yearly objective to decrease energy consumption by 5% and carbon footprint by 1%, and we are actively and consistently striving to accomplish this target.

Specific initiatives undertaken by Mphasis to prioritize net zero include:

Reduce greenhouse gas emissions: Mphasis has discarded old air conditioning units with R22 refrigerants that are not ozone friendly and replaced with new air conditioning units with refrigerants R407c and R410a which are non-ozone depleting gasses, resulting in greenhouse gasses emission reduction by 55% approximately from the year 2015.

Environmental footprint: Mphasis has been tracking its carbon footprint for the past 10 years, and as of now the carbon footprint has reduced by 53.75% from the year 2015.

Reduction in energy consumption: Energy consumption is being tracked for the past 15 years, and as of now energy consumption has been reduced by 47.73% from the year 2015.

ESG Performance

Through an in-depth materiality assessment, we identified and prioritized the most critical environmental, social and economic sustainability issues relevant to our business.

Our robust sustainability strategy focuses on key material issues including data privacy, business ethics, regulatory compliance, security and resilience of IT systems, and protection of human rights.

Our ESG scores for the year: DJSI

- Total score for Mphasis Limited: 59 (+12 increase from the 2021 score of 47)
- In the 74th percentile of all peer group respondents
- High scores in corporate governance, human capital development, privacy protection, operational eco-efficiency and environmental reporting



ACKNOWLEDGEMENT OF EXCELLENCE

Awards and recognition for versatile outperformance

The awards and recognition we have received are reaffirmations of our purposeful vision, strong values, positive reputation and excellent performance across multiple industries and regions. They are a reflection of our deep commitment to clients, employees, various partners and the community around us.



EVEREST GROUP

Leader

- Group Life Policy Administration Systems (PAS) Products PEAK Matrix® Assessment 2023 – North America

Major Contender and Star Performer

- Acing the Art of Platform-driven Growth: Software Product Engineering Services PEAK Matrix® Assessment 2023
- Application Automation Services PEAK Matrix® Assessment 2023

Major Contender

- Multi-cloud Application Development Services PEAK Matrix® Assessment 2022
- Open Finance IT Services PEAK Matrix® Assessment 2023
- Capital Markets Operations – Services PEAK Matrix® Assessment 2023
- Application and Digital Services (ADS) in Life and Annuity (L&A) Insurance – PEAK Matrix® Assessment 2023
- Risk & Compliance in BFS IT Services PEAK Matrix® Assessment 2023
- Financial Crime and Compliance (FCC) Operations – Services PEAK Matrix® Assessment 2022
- Healthcare Payer Digital Services PEAK Matrix® Assessment 2022
- Healthcare Customer Experience Management (CXM) Services in North America PEAK Matrix® Assessment 2023
- Connected Medical Device Services PEAK Matrix® Assessment 2022
- Healthcare Cloud-based Core Administration Platforms PEAK Matrix® Assessment 2023
- Data and Analytics (D&A) Services PEAK Matrix® Assessment 2022
- Property and Casualty (P&C) Insurance BPS – Service Provider Landscape with Services PEAK Matrix® Assessment 2022
- Intelligent Process Automation (IPA) PEAK Matrix® Assessment 2023
- IT Security Services PEAK Matrix® Assessment 2022 – North America
- System Integration (SI) Capabilities on Amazon Web Services (AWS) PEAK Matrix® Assessment 2022
- System Integration (SI) Capabilities on Microsoft Azure PEAK Matrix® Assessment 2022
- Digital Claims in Property and Casualty (P&C) Insurance – Solutions PEAK Matrix® Assessment 2023
- Application and Digital Services (ADS) in Property & Casualty (P&C) Insurance PEAK Matrix® Assessment 2023

NET (net)

- Mphasis ranked #2 in the list of 'Top 10 IT Services Companies of 2023' by NET(net) Inc

GARTNER**Midsize Providers**

- Competitive Landscape: IT Service Providers, Banking and Investment Services

Profiled

- Market Guide for Life Policy Administration Systems, Americas
- Market Guide for Life Policy Admin Systems, EMEA

Mentioned

- Magic Quadrant for Custom Software Development Services, Worldwide
- Hype Cycle for U.S. Healthcare Payers, 2022
- Cool Vendors in Quantum Computing

HFS**Top 10**

- HFS Top 10: Capital Markets Services, 2022 – Formidable Challengers
- HFS Top 10: HCP Service Providers, 2022
- HFS Top 10: Cybersecurity Service Providers, 2022

Horizons Report

- The Best Service Providers for Retail Banks, 2023 – Disruptors, Enterprise Innovators and Market Leaders
- Cloud Native Transformation, 2022

Highlight Report

- Mphasis addresses the lack of interoperability that is dangerous to our health

ISG

- ISG Provider Lens Award 2022 for Cloud Services and Solutions

Rising Star and Product Challenger

- AWS Ecosystem Partners

FORRESTER**Small Size Providers**

- The AI Service Providers Landscape, Q3 2022
- Now Tech: Cloud Migration And Managed Service Partners In Asia Pacific, Q2 2022

Mid Size Providers

- Now Tech: Modern Application Development Services, Q1 2022

CELENT**Profiled**

- EMEA Life Policy Administration System Deal Trends
- Policy Administration Systems: North American Group/Voluntary Life Insurance Edition

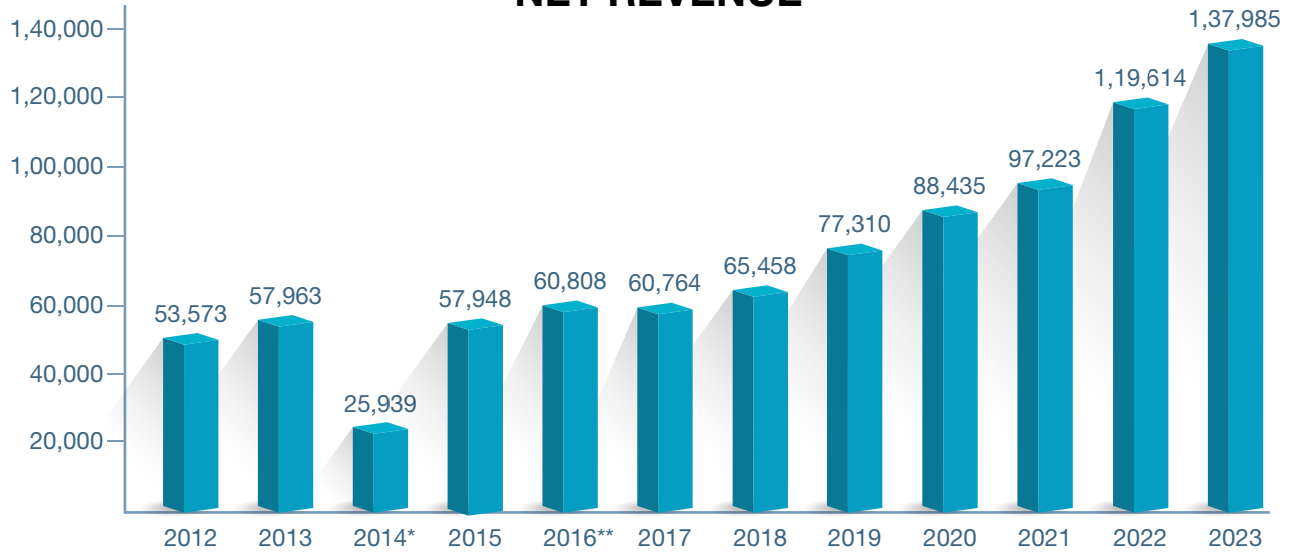
**AWARDS AND RECOGNITION**

- Named Employer of the Future 2022 by Fortune India in partnership with Work Universe
- Awarded Silver for Excellence in Talent Acquisition
- Veda Iyer, Global Chief Marketing Officer | Head Hyperscaler Partnerships | Head Sales APAC, awarded the Women Leaders in Marketing and Sales by the Vedica Women Alliance 50
- KelpHR PoSH AWARDS® 2022 by KelpHR for being one among the Top 25 safest workplaces in India
- ALM Legal Week Leaders in Tech Law awards 2023 in the 'Contract Lifecycle Management' category
- Nitin Rakesh featured in the Visionary CEOs list by the HR Association of India
- Manish Dugar won the FE CFO Award for CFO of the Year in the Large Enterprises - Services Industry

KEY OPERATING METRICS

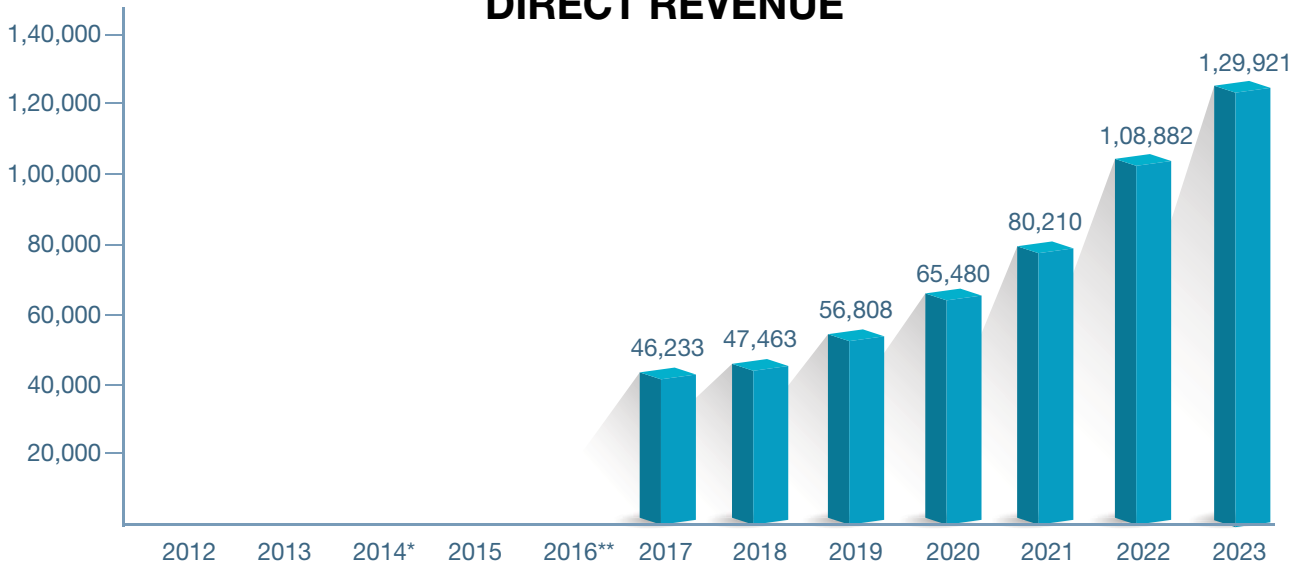
₹ MILLION

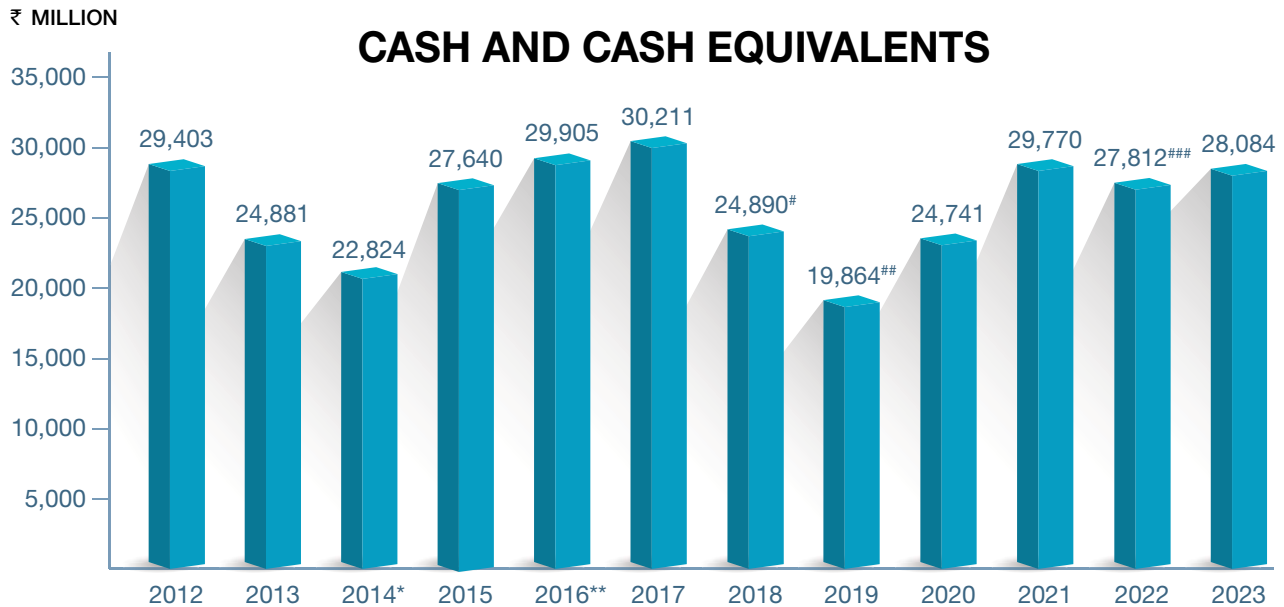
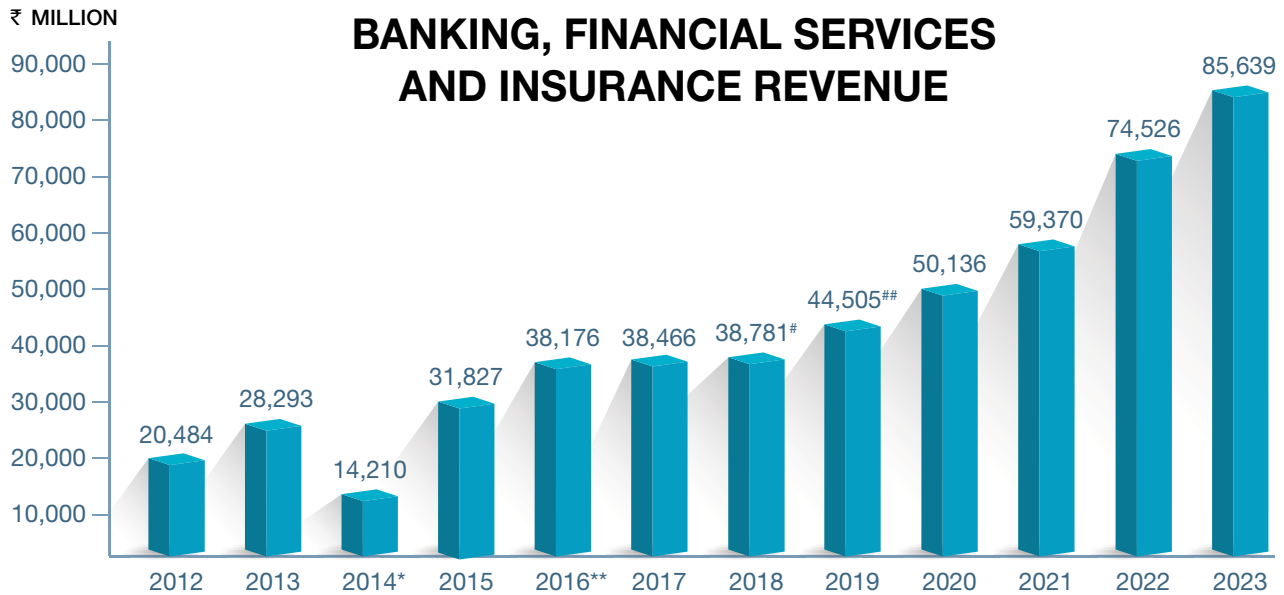
NET REVENUE



₹ MILLION

DIRECT REVENUE





* Transition year 2014 represents 5 months of operations.

** Figures from 2016 are under Ind AS framework and the figures for 2015 and prior years are under previous Indian GAAP.

2018 cash and cash equivalents is net of cash outlay of ₹ 11,060 million for the buyback of equity shares completed during the year.

2019 cash and cash equivalents is net of cash outlay of ₹ 9,949 million for the buyback of equity shares completed during the year.

2022 cash and cash equivalents is net of cash outlay of ₹ 5,219 million for Blink UX acquisition and ₹ 5,058 million for special dividend of ₹ 27 per share.

BOARD OF DIRECTORS



**Davinder
Singh Brar**
Chairman



Nitin Rakesh
Chief Executive Officer and
Managing Director



Narayanan Kumar
Director



Amit Dixit
Director



**Jan Kathleen
Hier**
Director



**David Lawrence
Johnson**
Director



**Marshall
Jan Lux**
Director



Amit Dalmia
Director



Kabir Mathur
Director



Pankaj Sood
Director



**Courtney Karlan
della Cava**
Director



**Maureen
Anne Erasmus**
Director

**EVP, GENERAL COUNSEL AND CHIEF
ETHICS & COMPLIANCE OFFICER**
Eric Winston

**SENIOR VICE PRESIDENT
AND COMPANY SECRETARY**
Subramanian Narayan

CHIEF FINANCIAL OFFICER
Manish Dugar

AUDITORS

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Tel: +91 80 6750 1000
Website: www.mphasis.com
CIN: L30007KA1992PLC025294

REGISTRAR & SHARE TRANSFER AGENT

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(Unit: Mphasis Limited)
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4th Cross Sampige Road, Malleswaram
Bengaluru – 560 003, India
Tel: +91 80 2346 0815-818
Fax: +91 80 2346 0819
CIN: U65993TN1987PLC014964

MANAGEMENT DISCUSSION AND ANALYSIS OF RISKS AND CONCERNS

The business landscape has shifted over the last several quarters, transitioning from a VUCA (Volatile, Uncertain, Complex and Ambiguous) world to a BANI (Brittle, Anxious, Non-linear and Incomprehensible) world. This shift has been driven by a variety of factors, including the rapid pace of technological changes, geopolitical instability and the ongoing impact of the COVID-19 pandemic. Businesses now must be agile, adaptable and responsive to an ever-changing environment in order to thrive. The ability to anticipate and navigate complex and unpredictable challenges is now essential for survival, making it more crucial to stay ahead of the curve and embrace a mindset of constant innovation and experimentation.

Starting with the COVID-19 pandemic in March 2020, followed by the Russia – Ukraine war, which began in February of 2022, and more recently, the instability of a few regional banks in the US in March 2023, that impacted the banking sector – have created a non-linear, challenging business environment over the last few quarters. FY23 was again a year with unexpected events. The global economy was beset by a multitude of challenges through the year:

- Severe and sustained inflation
- Increasing cyber attacks
- Rising geo-political tension due to the Russia-Ukraine war
- Resurgence of COVID
- Fallout from a few regional banks in the US
- The impact of the acquisition of Credit Suisse by UBS

The Information Technology and Information Technology Enabled Services (IT and ITES) Industry was impacted by these developments and face the threat of possible muted demands in the near term.

However, your Company is in a unique position to support its clients and other stakeholders by providing value through its transformational vision, agility and adaptability. With a well governed risk management framework, your Company consistently progresses in contributing to digital transformations and a sustainable world.

The following paragraphs provide a view of how risk is managed at Mphasis and the status of the important enterprise level risks.

Your Company has implemented an Enterprise Risk Management (ERM) program, benchmarked to COSO ERM framework, adhering to the ISO 31000 Risk Management Standard, and complying with the Indian Companies Act, 2013 and SEBI directives.

The ERM program is aligned to the business strategy of the Company and helps to proactively identify, assess, mitigate, monitor and report risks across the enterprise that have the potential to prevent the Company from achieving its business objectives. Broadly, enterprise risks are classified and managed under the following categories:

- I. **Strategy Risks** - These have the potential to impact the entity's mission which arises out of strategic decisions and IT Investments, resource allocation, delivery models, geographical expansion and other activities. These risks are generally non-routine in nature and have high impact on the Company.
- II. **Operational Risks** – These have the potential to impact the efficiency and effectiveness of the business operations.
- III. **Cyber and Privacy Risks** – These have the potential to adversely impact security of information assets and information processing systems and have assumed paramount importance in the current business environment as the cyber threats have continued to grow both in terms of numbers and in sophistication.
- IV. **Financial and Reporting Risks** – These have the potential to adversely impact the profitability of the Company. These also have the potential to impact the financial statements and transmission of timely and accurate information to investors and other stakeholders.
- V. **Compliance Risks** – These have the potential to expose the Company to regulatory, statutory, and legal risks.

To provide appropriate Governance and Oversight, given the criticality of risk management, and to comply with the regulatory requirements, the Company has formed a Risk Governance and Management Committee (RGMC) comprised of Board Members and the Company's senior executives to assist the Board in discharging its risk oversight responsibilities. This Committee reviews the details of Risk Assessments undertaken by management.

At the management level, the Mphasis Risk Management Committee (MRMC), chaired by the CEO, provides the required oversight for the ERM program and monitors the progress of various identified enterprise risks and periodically reviews the mitigation efforts. MRMC comprises of identified Company executives and met 6 times during the year ended 31 March 2023. There is a dedicated risk management function headed by Chief Risk Officer to coordinate all risk related activities across the enterprise and who periodically reports the status of enterprise risk to the Board/RGMC/Audit Committee/MRMC.

MANAGEMENT DISCUSSION AND ANALYSIS OF RISKS AND CONCERNS

Risk Intelligence: Pursuant to our larger goal of making Mphasis a Risk Intelligent Organization, this program aims to spot the ‘Black Swans’ and manage ‘Gray Rhinos’ (external risks) in the horizon and manage them proactively. Using inputs from PESTLE/GRIC (Global, Regional, Industry & Client) analysis, it complements the ERM program and provides a snapshot of external global events that are likely to have an impact on the Company enabling the management to take informed and timely decision.

Some of the important enterprise risks/concerns specific to the Company and steps taken by the Company to mitigate these risks are given below:

Volatile Global Political and Economic situation

The Company derives a considerable portion of its revenue from its clients’ discretionary spending which is linked to their business outlook. Political disruptions or volatile economic conditions impact business globally, potentially resulting in reduced spending by our clients and prospects, restricting revenue growth opportunities.

Mphasis is proactively partnering with the clients and prospects in their re-evaluation of geo-diversity and workload distribution plans for business continuity. Management is proactively engaging with various governments on building a pathway for technology employment generation and wherever possible, negotiating offshoring and near-shoring opportunities.

Sustainability Risks – Climate Change and Environmental aspects

Mphasis is committed to environment friendly and sustainable business growth model and has developed frameworks compliant with global standards. Management is focused on achieving its commitments towards ESG programs – the reduction of non-renewable energy consumption, water and waste management, reduction of greenhouse gas emissions, promoting inclusive growth or upholding highest standards of governance in its operations.

To resolve global environmental concerns such as climate change and global warming, we have built a range of policies and initiatives. We recognize our obligation to the natural world and are committed to reducing the environmental effects of our operations. Our Environmental Health and Safety policy addresses the concerns relating to enhancing sustainability initiatives to reduce the Company’s carbon footprint, optimize energy consumption, strive to prevent / minimize pollution, educate the suppliers on environmental standards and continuously improve on environmental performance indicators.

All said, changing weather and seasonal diseases, epidemics and pandemics are threats to human safety and may lead to business disruption. As Mphasis has operations globally with its employees wide-spread, the sustainability risks may potentially impact employee safety and well-being, delivery and the safety of Mphasis stakeholders resulting in business disruption.

The Company has a strong and well tested Business Continuity Program in place to ensure the commitments to our stakeholders are met even during testing times.

Artificial Intelligence (AI) Revolution changing the way companies operate:

While ChatGPT has democratized access to AI, it has also opened a Pandora’s box of potential risks alongside. Some of the key risks in using Generative AI systems such as ChatGPT are:

- Potential leakage of data
- Potential violation of Data Privacy laws and regulations
- Potential IP infringement
- Bias due to inaccurate data

Your Company has developed a comprehensive ‘Security Policy on use of AI’ and has deployed DLP agents to notify any data leakage. Employees are advised to use the technology appropriately.

Strategy Risks

Concentration Risk

Client Concentration Risk: This risk arises when a higher percentage of revenue is received from very few clients. The Company has addressed this risk by focusing on growing many other clients across geographies which has helped to mitigate this risk. The Company also monitors concentration risk within the Direct Core business and ensures that this is mitigated. Several other initiatives have also been implemented to de-risk the Company from these risks which includes - programs to develop high stickiness with existing clients, closely monitor the client satisfaction (CSAT) score of the top clients, grow wallet share of other existing clients and acquisition of new logos.

Geographical Concentration Risk: This risk was identified for mitigation, as a high percentage of our revenues come from North America. To ensure this risk is mitigated, the Company has implemented plans to grow in other regions such as Canada, Europe and other emerging geographies. The Company has taken several measures during the year and focused efforts on the growth in these geographies. New offices have been set up in countries like Argentina etc. and significant investments have been made in augmenting salesforce - MU and DU leaders targeting customized portfolio for each geography.

MANAGEMENT DISCUSSION AND ANALYSIS OF RISKS AND CONCERNS

Risk of Capability Obsolescence

Continued growth and success of the Company depends upon its ability to cater to growing technology and business demands of clients. To ensure consistent and competitive growth, your Company initiated a Tribe model GTM strategy in 2019.

This Tribe model was created to bring the right tech capabilities across the company to stitch together the most appropriate IT and business solutions for our global clients. Called the 'Power of Eight', Tribe 3.0 is comprised of

- | | |
|-----------------------------------|-------------------|
| 1. Modernization | 5. Nextops |
| 2. XaaS (Platforms and Protocols) | 6. Agile IT Ops |
| 3. Next Gen Data | 7. Cyber Security |
| 4. IT Value Stream Acceleration | 8. Experience |

The Tribe 3.0 transition has positioned us well to capitalize on the mainstream acceptance of emerging technologies, focusing on speed to market and improved collaboration across tribes. The Tribe model is flexible, and is based on client demand, market trends and helps in creating strategic partnership opportunities. As a result, your Company has also seen accelerated growth across business channels with more than 75% of the revenue coming from our New Gen offerings while at the same time mitigating risk of capability obsolescence. In addition, your Company has invested in Next Labs, the research and development arm of the Company, which helps to incubate new technology solutions based on AI/ML, Quantum Computing etc. Your Company has also developed a world class Talent Next program, which is a fulsome on-demand training platform. Talent Next makes technology skill training available in a systematic and planned manner balancing market demand for tech skills and an individual employee's career aspirations.

Profitability risk:

While your Company registered exponential growth and won large deals, the IT Industry in general experienced pricing pressure from its global clients. To surmount this risk, the Company implemented several cost optimization programs through the year ensuring that it does not impact business targets while balancing with long-term profitability. Some of the important measures include value-based pricing of deals, pyramid management of human resource by inducting more freshers and increased rigor in solutions risk reviews.

Operational Risks

Risk of Attrition

Being a global IT service provider, human resource plays an important and critical role in a company's success. Your employees continue to remain the critical differentiators and loss of these critical resources will pose risk to the Company in the ability to deliver on the contractual commitments.

Although the pandemic had adverse impacts across the spectrum, it catalyzed the adoption of tech across all industries resulting into exponential demand for IT services. However, this huge growth meant huge global demand for IT resources which in turn has increased the risk of attrition as every IT company became laser focused on hiring resources.

Your Company has taken several measures to ensure that this risk is adequately managed. Various initiatives have been rolled out to identify critical talents across the company and to reduce attrition. Assessing risk by categorizing employees into Critical Risk, High Risk and Low Risk profiles and providing mitigation plans like role / project change, onsite assignments, salary increases and promotions have helped in maintaining the right workforce. Your Company also ensures that HR interventions such as employee engagement, job enrichment and job rotations are used to retain critical employee talent. In addition, skill enhancement, building special interest professional groups, internal job postings and rewards and recognition through various platforms are other initiatives taken by the Company to mitigate this risk. Talent Next, the flagship talent management program continues to focus on up-skilling and cross-skilling the Company's workforce on next-gen skills and technologies. It helps in workforce development and effective deployment of a certified pool.

Risk of adverse impact to topline and bottom line due to scarcity of trained IT professionals

Despite the tech layoff, there is a shortage of IT talent and as a result resource costs could go up, impacting our bottom line.

Contract Management Risk

This was identified as an important risk, as contractual terms legally bind the Company and can adversely affect in many ways. To ensure that the terms of engagement are not vague, unachievable representations are not made and implementation is possible, a robust function has been created with adequate checks and balances. The Company has put a contract management system in place to ensure process compliance, track the implementation of contract clauses and effectively manage commercial risk.

Solution risk review and monthly project reviews are some of the important processes that have helped the Company to ensure that all proposals are commensurate with our competencies, all SLAs are identified and adhered to and the scope of projects are documented without ambiguity.

MANAGEMENT DISCUSSION AND ANALYSIS OF RISKS AND CONCERNS

Risk of not meeting Service Level Agreements

A subset of the above risk is the risk of not meeting Service Level Agreements (SLA) entered into by the Company with its clients. To manage this risk your Company has implemented comprehensive programs to ensure compliance with contractual commitments both quantitatively and qualitatively. The program includes the entire lifecycle of SLA management from identification, monitoring delivery of SLAs and reporting them to the right stakeholders.

Risk of Key Client Loss

Today's market is competitively compelling. Winning new clients is difficult but retaining them may be equally or even more challenging, as clients are continuously bombarded with options. Unless one can consistently delight the client, there is always risk of losing them to competition. The Company has recognized this and has put in place proactive mechanisms to gauge the levels of client satisfaction from various perspectives, including, satisfaction of client with the present work, growth of the account and innovative and cost-effective solutions offered by the Company. Delivery Excellence oversees startup rigor for all new transitions to ensure effectiveness of knowledge transfer, shadow and readiness for cut-off. The CSAT surveys are conducted regularly by an independent team and scores are monitored closely by the MRMC and reported to the RGMC/Audit Committee of the Board.

Risk of Fraud

To foster an ethical climate devoid of misconduct at all levels, the Company has implemented a comprehensive Fraud Risk Management System consisting of policies and procedures that provide direction for ensuring antifraud mechanisms as a part of the fabric of the organization. In addition, the Company through various governance structures, such as internal audits, whistle blower mechanisms and an independent investigation team has built a strong framework to detect and mitigate fraud risk. The Company has spent significant time and effort in promoting Fraud Risk awareness to ensure that the Company has a workforce which is aware of the right conduct and can prevent and detect frauds.

As a global Company, we must comply with applicable country specific regulations such as the Foreign Corrupt Practices Act in the USA and the UK Bribery Act. The Company has established appropriate mechanisms to ensure compliance to these laws, including guidelines and training. Necessary amendments to the policy structure have been made during the year to ensure control rigor.

Financial & Reporting Risks

To ensure that this risk is addressed adequately, a separate function is established to oversee and ensure all regulatory compliances. This function, in coordination with other functions, ensures that the compliances are executed as per the requirements of the applicable laws and regulations, ensures that the Financial Statements are duly audited by the Statutory Auditors and is reported in a timely manner to the applicable regulatory authorities. In addition, the Company has engaged an external independent audit firm for undertaking internal audits which reports to the Audit Committee. Your Company has implemented the mandatory Internal Financial Controls (IFC) framework which mitigates several such financial and reporting risks.

Currency Risks

Mphasis uses multiple billing currencies including USD, Euro, GBP, etc. and adverse movements in these currency rates may impact the Company's profitability.

Your Company follows an established hedging policy, which is undertaken to protect from the unfavorable currency movements and is periodically reviewed by the Treasury Committee of the Board of Directors of the Company.

Cyber and Privacy Risks

Data and Information Security Risk

Information and cyber security threats are growing in type and magnitude and the Company is exposed to different kinds of risks related to information assets and data breaches. These threats have become highly sophisticated and with the involvement of professional Cyber Criminals and Nation States, this threat has increased in the recent months. Successfully managing such threats demand high end technology and processes. To mitigate these risks, the Company has implemented several measures including robust IT security frameworks, a Cyber Security Strategy and is also certified on ISO 27001. This is an international Information Security Management System (ISMS) standard. This certification provides a reasonable assurance to all concerned stakeholders that the Company has implemented adequate data protection and information security measures. The Company implemented certain highly sophisticated technology security solutions to deftly ward off the threat of data breaches and cyber-attacks. Considering that some of our BPO projects process credit card data, the Company undertook a special certification for being PCI DSS compliant (Payment Card Industry Data Security Standard - a global standard). To provide high order of assurance to clients, the Company undergoes SOC 1 Type 2 and SOC 2 Type 2 audits annually which are undertaken by an independent third-party auditor. In addition to the above measures, your Company

MANAGEMENT DISCUSSION AND ANALYSIS OF RISKS AND CONCERNS

also hires services of professionals to test the Cyber Preparedness in the form of Red Team Assessments, mock attacks to identify gaps and mitigate them. Despite several major global cyber incidents, the Company did not face any cyber incidents that impacted business operations during this period because of the measures implemented.

Mphasis Cyber Security strategy which was developed in 2016-17 delivered on its objectives (risk reduction, enable business & brand protection). A comprehensive review of the same was undertaken in FY'21 considering exponential growth of cyber threats, highly sophisticated attacks and increasing regulatory scrutiny with inputs from clients, shareholders, governmental agencies and our own internal risk assessments and has been recalibrated to support the business for next 2-3 years. A roadmap of initiatives has been developed with clear milestones covering people, process, technology to ensure achievement of cyber security objectives.

As people remain a constant security vulnerability, in part because of social engineering attacks, your Company created a separate function to drive employee security awareness and leverage technology solutions in addition to traditional programs to ensure we have the appropriate security culture within the organization. This function is yielding results.

Continuity and Disaster Recovery Risk

Increased disruptions due to manmade and natural calamities pose a risk to the enterprise Information Technology infrastructure and in turn to business operations. Recovery and availability of enterprise applications and infrastructure, post any such disruptions, have become critical for uninterrupted service delivery. In addition to implementing Disaster Recovery for the identified critical enterprise applications, the Company is certified on ISO 22301 which is an international standard for Business Continuity Management System (BCMS) and provides reasonable assurance of continuity of service to clients. The Company has been able to deliver services despite several city level disruptions due to manmade and natural calamities during last year.

Privacy Risk Management

Protection of personal information is of utmost significance and is becoming a primary concern for our clients and other stakeholders. Regulatory authorities too have taken cognizance of the same and have stepped up their oversight. Governments across the globe are enacting stringent privacy laws, since Organizations are exposed to the risk of privacy breaches, penalties and lawsuits as the nature of the Organizations' operations largely involves handling and processing personal information. To mitigate this risk, your Company has implemented a Privacy Risk Management Framework comprising of adequate controls encompassing people, process and technology to ensure compliance with relevant and applicable privacy laws including but not limited to European Union's General Data Protection Regulation (GDPR), California Consumer Privacy Act (CCPA), Australian Data Privacy Principles, etc. Effectiveness and efficiency of the data privacy measures and controls are periodically self-assessed, audited through third parties and reported to the Audit Committee. Your Company has implemented the Privacy Risk Assessment (PRA) process to evaluate risks for all its client accounts periodically. Your Company is attuned to progressively fine tune its data privacy framework and posture whenever there is a need to adapt to latest technology or there are updates to existing or new laws and regulations that apply.

Compliance Risks

Non-compliance with statutory requirements

The Company has presence across multiple jurisdictions and countries, and therefore is subject to a diverse set of legislation. As a result, there is a risk of non-compliance or delay in compliance with statutory and regulatory requirements. The Company uses enterprise level global legal compliance tools to track compliance across jurisdictions. The Company also uses services of professional consultants to ensure compliance with domestic and overseas laws and regulations. The Company has implemented processes to ensure internal stakeholders of the Company are aware of statutory requirements and maintain required evidence to demonstrate that due care has been taken by the Company to ensure compliance.

New Labor Codes (India-2021)

These changes were expected to be notified by the Government of India with effect from 1 April 2021. When notified, it is likely to result in increased employer cost in terms of higher cost of social security and other benefits (PF, gratuity, leave encashment, bonus), higher cost of sub-contractors, reduced settlement timelines for separated employees, etc. which could have an impact on the P&L statement.

Risk of non-compliance to sanctions regulations

Different countries periodically announce sanctions regulations and non-compliance to such sanctions can lead to serious risks and penalties.

The Company has implemented a comprehensive Trade Sanctions Compliance framework to ensure compliance with sanctions regulations. The Company has established a 'screening' protocol for all vendors and clients to ensure that the Company does not deal with sanctioned individuals, groups, entities or countries.

MANAGEMENT DISCUSSION AND ANALYSIS OF RISKS AND CONCERNS

Non-Compliance with Immigration Laws

Being in a human resource intensive industry, movement of human resources to various countries for execution of client projects is a necessity. Changes to visa regimes in countries where the Company is operating, including, in form of increased scrutiny or rejections of visa request, pose a risk of increased cost of the operations. The Company has put in place several measures such as local campus hiring, offshoring of onsite work and rework rate cards where possible with clients to reduce the impact on margins.

The industry has also seen increased scrutiny by various governments for non-compliance with immigration laws and have levied penalties on non-compliant companies. The Company is equipped with the expertise to handle the complex immigration laws in the relevant countries and has processes to ensure compliance. In addition to an internal team with the right expertise, the Company has enlisted external consultants, wherever necessary, to ensure compliance with these laws. Periodic immigration compliance reviews, audits, training and awareness programs are facilitated to ensure compliance with immigration requirements.

Intellectual Property (IP) Violation

IP is one of the factors that can act as a multiplier in a company's valuation, provides competitive edge, create efficiencies through innovation and increases profitability. On the other hand, infringement of patents, trademarks, copyrights and other intellectual property can lead to costly litigation and damages. Any violation in this space will negatively impact the Company's reputation, brand and can create legal exposure. The Company has put in place mechanisms to detect and mitigate any infringement of IP rights. To ensure this, the Company has implemented technology-based solutions and has taken several steps to hone the awareness level of the employees to ensure that the Company's IP is well guarded. Mandatory trainings, knowledge sharing sessions and discussions on best practices are conducted to ensure that this risk is well mitigated.

The Company has also implemented an enterprise-wide Open-Source Software (OSS) Policy and conducted training, with the objective to provide governance around harnessing the OSS regime and ensure compliance with OSS Licenses and client contracts.

Focus Areas for the Financial Year 2024:

As we prepare for the next financial year, the Chief Risk Office plans to focus on the following key areas that are critical to continued success of our business.

- a) Data privacy is among the top priorities for our business and the Chief Risk Office will continue to work on improving our privacy framework to ensure we safeguard the confidentiality and integrity of client and stakeholder data.
- b) Technology risk management will be another key area of focus for the Chief Risk Office. We will continue to work towards improving our cybersecurity posture to protect our systems and data from cyber threats.
- c) The Chief Risk Office will also be focusing on subsidiary risk governance, ensuring that all our subsidiaries are operating in accordance with our risk management policies and procedures. We will be conducting regular risk assessments and implementing risk mitigation measures to address any identified weaknesses or gaps in our subsidiary risk governance framework.
- d) Third-party risk management will be another key area of focus, as we recognize that our ecosystem comprising of the third-party service providers and vendors play a part in our success. We will be implementing rigorous due diligence processes and conducting regular assessments of our third-party providers to ensure that they meet the expectations and standards of your company.
- e) Finally, we will be focusing on Environmental, Social and Governance (ESG) risks, recognizing that these issues are increasingly important to our clients and investors. We will be conducting regular ESG risk assessments and implementing measures to address any identified risks or concerns.

In conclusion, we believe that our focus on these key risk management areas will position us well for success in the next financial year and beyond. We are committed to maintaining a strong risk management culture and will continue to invest in the resources and expertise needed to manage our risks effectively.

INDEPENDENT AUDITORS' REPORT

To the Members of Mphasis Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mphasis Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Evaluation of tax positions	
See Note 24 and 32(a) to the consolidated financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The Group's operations in India are subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business, including direct tax and transfer pricing matters.</p> <p>Estimating the income tax expense also requires the Group to determine the probability of tax authorities accepting a particular tax treatment for potential tax exposures. These involve significant judgment by the Group to determine the possible outcome of the tax litigations and potential tax exposures, consequently having an impact on related accounting and disclosures in the consolidated financial statements.</p>	<p>Our audit procedures on taxation included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of key tax litigations and potential tax exposures. • Evaluated the design, implementation and operating effectiveness of the internal controls relating to management's assessment of the possible outcome of tax litigations, potential tax exposures and related accounting and disclosures in the consolidated financial statements. • The audit team, along with our internal tax experts: <ul style="list-style-type: none"> ♦ read and analyzed select key correspondences and consultations done by the Group including with their external tax experts for key tax litigations and potential tax exposures. ♦ inquired with the Group and external tax experts to evaluate key assumptions and grounds of appeal considered by the Group in estimating the provision in accordance with the applicable accounting standards. ♦ evaluated the status of the recent tax assessments / inquiries, results of previous tax assessments, legal precedence / judicial rulings and changes in the tax environment. This is performed to assess and challenge the Group's estimate of the possible outcome of key tax litigations and potential tax exposures. ♦ assessed and tested the presentation and disclosures in the consolidated financial statements in compliance with the applicable accounting standards.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Impairment of Goodwill	
See Note 5 to the consolidated financial statements	
The key audit matter	How the matter was addressed in our audit
<p>Goodwill is a significant item on the balance sheet and the Group performs impairment testing for goodwill annually.</p> <p>In performing such impairment assessments, the Group compares the carrying value of each of the identifiable cash generating units ("CGUs") to which goodwill has been allocated with their respective "value in use" (VIU). The VIU is computed based on the discounted cash flow method and is used to determine if any impairment loss should be recognized.</p> <p>The discounted cash flow method involves significant judgement in estimating the revenue growth rates, operating margins, terminal growth rates and discount rates considered by the Group for each identifiable CGU.</p>	<p>Our audit procedures on testing for goodwill impairment included the following:</p> <ul style="list-style-type: none"> • Evaluated the design, implementation and operating effectiveness of the processes and internal controls relating to impairment of non- financial assets including goodwill and related disclosures in the consolidated financial statements. • Evaluated the Group's identification of CGU's, their carrying value, allocation of goodwill to each CGU and the methodology followed by the Group for the impairment assessment in compliance with the applicable accounting standards. • Evaluated the basis of key assumptions included in the discounted cash flow method, used for computing VIU of each CGU. This includes assumptions such as revenue growth rates, operating margins, terminal growth rates and discount rates with reference to our understanding of their business and historical trends. • Engaged valuation specialists to evaluate the appropriateness of the methodology used to compute the VIU of the CGU and the key underlying assumptions. • Assessed the sensitivity of the outcome of the impairment assessment to a reasonably possible change in key assumptions such as revenue growth rates, operating margins, terminal growth rates and discount rates. • Assessed and tested the presentation and disclosures made in the consolidated financial statements in compliance with the applicable accounting standards.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Holding Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements (continued)

In preparing the consolidated financial statements, the respective Management and Board of Directors of the Companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of each Company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by section 143(3) of the Act, we report, to the extent applicable that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Report on Other Legal and Regulatory Requirements (continued)

- (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received by the management from directors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 23, 24 and 32 to the consolidated financial statements.
- (b) Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses on derivative contracts. Refer Note 18 and 42 to the consolidated financial statements in respect of such items as it relates to the Group. The Group did not have any material foreseeable losses on other long- term contracts.
- (c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023.
- (d) (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements/financial information have been audited under the Act have represented that, to the best of their knowledge and belief, as disclosed in Note 43 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements/financial information have been audited under the Act have represented that, to the best of their knowledge and belief, as disclosed in Note 43 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- (e) The final dividend paid by the Holding Company during the year, which was declared for the previous year, is in accordance with section 123 of the Companies Act, 2013 to the extent it applies to payment of dividend.
- As stated in note 44 to the financial statements, the Board of Directors of the Holding Company have proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. The subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.
- (f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company and its subsidiary companies incorporated in India only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Report on Other Legal and Regulatory Requirements (continued)

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiary companies incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Amit Somani

Partner

Membership No: 060154

ICAI UDIN: 23060154BGXCZX5550

Place: Bengaluru

Date : 27 April 2023

INDEPENDENT AUDITORS' REPORT (Continued)

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Mphasis Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) The Companies (Auditor's Report) Order (CARO) report of the Holding Company did not include any unfavorable answers or qualifications or adverse remarks. According to the information and explanations given to us, in respect of the following subsidiary companies incorporated in India and included in the consolidated financial statements, the CARO report relating to them has not been issued by their auditor till the date of this principal auditors' report.

Name of the companies	CIN	Relationship
Msource (India) Private Limited	U72200KA2000PTC038931	Subsidiary
Mphasis Software and Services (India) Private Limited	U72200KA1998PTC038932	Subsidiary
Mrald Services Private Limited	U62099KA2023FTC171132	Subsidiary

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Amit Somani

Partner

Membership No: 060154

ICAI UDIN: 23060154BGXCZX5550

Place: Bengaluru
Date : 27 April 2023

INDEPENDENT AUDITORS' REPORT (Continued)

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Mphasis Limited for the year ended 31 March 2023

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of sub-section 3 of section 143 of the Act

(Referred to in paragraph 2 (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Mphasis Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

INDEPENDENT AUDITORS' REPORT (Continued)

Annexure B to the Independent Auditors' report on the consolidated financial statements of Mphasis Limited for the year ended 31 March 2023 (Continued)

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Amit Somani

Partner

Membership No: 060154

ICAI UDIN: 23060154BGXCZX5550

Place: Bengaluru
Date : 27 April 2023

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

(₹ million)

	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,249.12	2,456.54
Capital work-in-progress	3	54.60	109.84
Right-of-use assets	4	7,469.00	6,236.31
Goodwill	5	29,585.89	27,348.06
Other intangible assets	7	1,293.95	1,695.39
Intangible assets under development	7a	269.24	-
Financial assets			
Investments	8	3,847.61	3,778.01
Trade receivables	13	1,333.66	-
Other financial assets	10	717.61	998.46
Deferred tax assets (net)	24	2,422.40	1,616.11
Income tax assets (net)	24	5,817.43	5,309.34
Other assets	11	1,503.83	849.66
Total non-current assets		56,564.34	50,397.72
Current assets			
Financial assets			
Investments	12	13,678.81	14,352.11
Trade receivables	13	25,206.32	22,269.36
Cash and cash equivalents	14	10,441.13	8,268.47
Bank balances other than cash and cash equivalents	15	93.31	1,225.90
Loans	9	287.54	318.21
Other financial assets	10	1,435.35	2,644.56
Other assets	11	8,387.79	8,085.11
Total current assets		59,530.25	57,163.72
TOTAL ASSETS		116,094.59	107,561.44

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

(₹ million)

	Notes	As at 31 March 2023	As at 31 March 2022
EQUITY AND LIABILITIES			
EQUITY			
Share capital	16	1,884.07	1,878.25
Other equity	17	77,464.32	67,553.06
Total equity		79,348.39	69,431.31
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities		6,815.82	5,840.48
Other financial liabilities	18	329.03	1,059.52
Employee benefit obligations	19	375.83	1,183.82
Deferred tax liabilities (net)	24	1,029.61	718.22
Income tax liabilities (net)	24	217.55	227.89
Total non-current liabilities		8,767.84	9,029.93
Current liabilities			
Financial liabilities			
Borrowings	21	1,984.76	5,272.42
Lease liabilities		1,727.08	1,406.42
Trade payables	22		
- outstanding dues to micro and small enterprises		13.84	18.41
- outstanding dues to creditors other than micro and small enterprises		8,626.31	8,477.51
Other financial liabilities	18	8,562.88	6,131.36
Other liabilities	20	2,431.85	2,961.69
Provisions			
Employee benefit obligations	19	1,310.50	1,188.23
Others	23	1,110.22	1,083.77
Income tax liabilities (net)	24	2,210.92	2,560.39
Total current liabilities		27,978.36	29,100.20
TOTAL EQUITY AND LIABILITIES		116,094.59	107,561.44

Summary of significant accounting policies.

2

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date attached.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number:
101248W/W-100022

Amit Somani
Partner
Membership No. 060154

Bengaluru
27 April 2023

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer & Managing Director
New York

Manish Dugar
Chief Financial Officer

Bengaluru
27 April 2023

Narayanan Kumar
Director
Chennai

Subramanian Narayan
Senior Vice President &
Company Secretary
Bengaluru

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ million)

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	25	137,984.97	119,614.44
Other income	26	1,615.99	1,604.50
Total income (I)		139,600.96	121,218.94
Expenses			
Employee benefits expense	27	80,757.80	70,345.01
Finance costs	28	972.58	744.03
Depreciation and amortization expense	29	3,252.42	2,907.52
Other expenses	30	32,887.59	28,093.38
Total expenses (II)		117,870.39	102,089.94
Profit before tax (III) [(I)-(II)]		21,730.57	19,129.00
Tax expense			
Current tax	24	5,078.68	4,859.65
Deferred tax		272.67	(39.54)
Total tax expense		5,351.35	4,820.11
Profit for the year (A)		16,379.22	14,308.89
Other comprehensive income ('OCI')			
Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains / (losses) on defined employee benefit plans		14.68	(245.91)
Income tax effect on the above		(5.44)	85.63
Items to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of financial statements of foreign operations		2,083.84	833.29
Net change in fair value of derivatives designated as cash flow hedges		(2,240.28)	405.34
Income tax effect on cash flow hedges		780.68	(141.06)
Net change in fair value of investments in debt instruments carried at fair value through OCI		(4.66)	-
Income tax effect on fair value of investments in debt instruments		1.44	-
Total OCI for the year, net of tax (B)		630.26	937.29
Total comprehensive income for the year (A+B)		17,009.48	15,246.18
Profit for the year attributable to:			
Equity owners of the Company		16,379.22	14,308.89
Non-controlling interests		-	-
		16,379.22	14,308.89
OCI for the year attributable to:			
Equity owners of the Company		630.26	937.29
Non-controlling interests		-	-
		630.26	937.29
Total comprehensive income for the year attributable to:			
Equity owners of the Company		17,009.48	15,246.18
Non-controlling interests		-	-
		17,009.48	15,246.18
Earnings per equity share (par value ₹ 10 per share)			
Basic (₹)	31	87.05	76.38
Diluted (₹)		86.37	75.61

Summary of significant accounting policies.

2

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date attached.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number:
101248W/W-100022

Amit Somani
Partner
Membership No. 060154

Bengaluru
27 April 2023

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer & Managing Director
New York

Manish Dugar
Chief Financial Officer

Bengaluru
27 April 2023

Narayanan Kumar
Director
Chennai

Subramanian Narayan
Senior Vice President &
Company Secretary
Bengaluru

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

a. Equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. in million	₹ million
As at 1 April 2022	187.82	1,878.25
Changes in equity share capital due to prior period errors	-	-
Restated balance as at 1 April 2022	187.82	1,878.25
Issue of shares (refer note 17)	0.58	5.82
As at 31 March 2023	188.40	1,884.07
As at 1 April 2021	187.04	1,870.49
Changes in equity share capital due to prior period errors	-	-
Restated balance as at 1 April 2021	187.04	1,870.49
Issue of shares (refer note 17)	0.78	7.76
As at 31 March 2022	187.82	1,878.25

b. Other equity

(₹ million)

	Attributable to the equity owners of the Company											Total equity attributable to equity shareholders of the Company
	Reserves and surplus							Items of OCI				
	a	b	c	d	e	f	g	h	i	j		
	Securities premium	General reserve	Retained earnings	Capital reserve	Capital redemption reserve	Special Economic Zone re-investment reserve	Share based payments reserve	Cash flow hedging reserve	Investments in debt instruments	Foreign currency translation reserve		
As at 1 April 2022	1,155.61	2,031.38	52,519.33	361.39	251.66	1,556.74	1,114.81	870.83	-	7,691.31	67,553.06	
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	
Restated balance as at 1 April 2022	1,155.61	2,031.38	52,519.33	361.39	251.66	1,556.74	1,114.81	870.83	-	7,691.31	67,553.06	
Profit for the year	-	-	16,379.22	-	-	-	-	-	-	-	16,379.22	
Other comprehensive income / (losses), net of tax	-	-	9.24	-	-	-	-	(1,459.60)	(3.22)	2,083.84	630.26	
Total comprehensive income for the year	-	-	16,388.46	-	-	-	-	(1,459.60)	(3.22)	2,083.84	17,009.48	
Transactions with owners of the Company												
Dividends	-	-	(8,652.35)	-	-	-	-	-	-	-	(8,652.35)	
Issue of shares on exercise of stock options	617.58	13.72	-	-	-	-	(366.39)	-	-	-	264.91	
Total contributions and distributions	617.58	13.72	(8,652.35)	-	-	-	(366.39)	-	-	-	(8,387.44)	
Transferred to Special Economic Zone re-investment reserve	-	-	(960.13)	-	-	960.13	-	-	-	-	-	
Transferred from Special Economic Zone re-investment reserve	-	-	304.90	-	-	(304.90)	-	-	-	-	-	
Share based expenses	-	-	-	-	-	-	1,289.22	-	-	-	1,289.22	
As at 31 March 2023	1,773.19	2,045.10	59,600.21	361.39	251.66	2,211.97	2,037.64	(588.77)	(3.22)	9,775.15	77,464.32	

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

(₹ million)

	Attributable to the equity owners of the Company										Total equity attributable to equity shareholders of the Company
	Reserves and surplus							Items of OCI			
	a	b	c	d	e	f	g	h	i	j	
	Securities premium	General reserve	Retained earnings	Capital reserve	Capital redemption reserve	Special Economic Zone re-investment reserve	Share based payments reserve	Cash flow hedging reserve	Investments in debt instruments	Foreign currency translation reserve	
As at 1 April 2021	596.40	2,031.08	50,262.91	361.39	251.66	1,839.95	588.65	606.55	-	6,858.02	63,396.61
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1 April 2021	596.40	2,031.08	50,262.91	361.39	251.66	1,839.95	588.65	606.55	-	6,858.02	63,396.61
Profit for the year	-	-	14,308.89	-	-	-	-	-	-	-	14,308.89
Other comprehensive income / (losses), net of tax	-	-	(160.28)	-	-	-	-	264.28	-	833.29	937.29
Total comprehensive income for the year	-	-	14,148.61	-	-	-	-	264.28	-	833.29	15,246.18
Transactions with owners of the Company											
Dividends	-	-	(12,175.40)	-	-	-	-	-	-	-	(12,175.40)
Issue of shares on exercise of stock options	559.21	0.30	-	-	-	-	(125.56)	-	-	-	433.95
Total contributions and distributions	559.21	0.30	(12,175.40)	-	-	-	(125.56)	-	-	-	(11,741.45)
Transferred to Special Economic Zone re-investment reserve	-	-	(650.66)	-	-	650.66	-	-	-	-	-
Transferred from Special Economic Zone re-investment reserve	-	-	933.87	-	-	(933.87)	-	-	-	-	-
Share based expenses	-	-	-	-	-	-	651.72	-	-	-	651.72
As at 31 March 2022	1,155.61	2,031.38	52,519.33	361.39	251.66	1,556.74	1,114.81	870.83	-	7,691.31	67,553.06

Gain / (loss) of ₹ 9.24 and ₹ (160.28) on re-measurement of defined employee benefit plans (net of tax) is recognised as part of retained earnings for the years ended 31 March 2023 and 31 March 2022, respectively.

Pursuant to the requirements of Division II to Schedule III, below is the nature and purpose of each reserve:

- a. **Securities premium** - Securities premium reserve is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.
- b. **General reserve** - General reserve represents appropriation of profits. This represents a free reserve and is available for dividend distributions. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the statement of profit and loss.
- c. **Retained earnings** - Retained earnings comprises of prior and current year's undistributed earnings after tax.
- d. **Capital reserve** - ₹ 265.16 million represents receipts during the year ended 31 October 2012, upon termination of Mphasis Employee Welfare Trust, in accordance with the Declaration of Trust made for administration of share-based payment plan in relation to erstwhile employees of Mphasis Corporation. The net assets of the Trust were transferred to the Company upon completion of its objectives in accordance with the provisions of the said Declaration of Trust. The same will be utilized for the purposes as permitted by the Companies Act, 2013. ₹ 94.00 million represents Capital reserve created on redemption of redeemable preference share during the year ended 31 March 2007.
- e. **Capital Redemption Reserve ('CRR')** - Capital Redemption Reserve is created to the extent of the nominal value of the share capital extinguished on buyback of Company's own shares in accordance with Section 69 of the Companies Act, 2013. The reserve will be utilized in accordance with the provisions of section 69 of the Companies Act, 2013.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

- f. **Special Economic Zone re-investment reserve** – The Special Economic Zone Re-Investment Reserve has been created out of the profits of eligible SEZ units in accordance with the provisions of section 10AA(1)(ii) of Income Tax Act, 1961. The reserve is required to be utilized by the Company for acquiring eligible plant and machinery for the purpose of its business.
- g. **Share based payments reserve** - Share based payments reserve is used to record the fair value of equity-settled share-based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees.
- h. **Cash flow hedging reserve** – Cumulative changes in the fair value of financial instruments designated and effective as a hedge are recognized in this reserve through OCI (net of taxes). Amounts recognized in the hedging reserve are reclassified to the statement of profit and loss when the underlying transaction occurs.
- i. **Foreign currency translation reserve ('FCTR')** - Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their respective functional currencies to the Company's functional and presentation currency are recognized directly in OCI and accumulated in the FCTR. When a foreign operation is disposed off, the relevant amount recognized in FCTR is transferred to the statement of profit or loss as part of the profit or loss on disposal.
- j. **Investments in debt instruments** - This reserve represents the cumulative gains and losses arising on the revaluation of debt instruments (excluding interest income recognised in the consolidated statement of profit and loss) on the balance sheet date measured at fair value through OCI (net of taxes). The reserves accumulated will be reclassified to profit and loss when such instruments are disposed.

Summary of significant accounting policies. (Note 2)

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number:
101248W/W-100022

Amit Somani
Partner
Membership No. 060154

Bengaluru
27 April 2023

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer & Managing Director
New York

Manish Dugar
Chief Financial Officer

Bengaluru
27 April 2023

Narayanan Kumar
Director
Chennai

Subramanian Narayan
Senior Vice President &
Company Secretary
Bengaluru

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS

(₹ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Operating activities		
Profit before tax	21,730.57	19,129.00
Adjustments to reconcile profit before tax to net cash provided by operating activities:		
Depreciation and amortization expense	3,252.42	2,907.52
Profit on sale of property, plant and equipment and intangible assets	(18.14)	(4.97)
Net gain on investments carried at fair value through profit and loss	(734.61)	(754.84)
Share based payment expenses	1,289.22	651.72
Provision for expected credit loss	262.97	106.89
Finance costs	972.58	744.03
Interest income	(350.35)	(352.46)
Gain on lease modifications	(16.66)	-
Unrealized exchange (gain) / loss, net	(65.24)	(82.64)
Operating profit before changes in operating assets and liabilities	26,322.76	22,344.25
Changes in operating assets and liabilities		
Trade receivables	(3,712.80)	(3,118.00)
Loans	40.14	(155.26)
Other financial assets	45.26	271.58
Other assets	(861.00)	(3,603.20)
Trade payables	(327.43)	2,401.76
Other financial liabilities	463.40	2,220.15
Other liabilities	(660.68)	(516.54)
Provisions and employee benefit obligations	(765.75)	998.41
Total changes in operating assets and liabilities	(5,778.86)	(1,501.10)
Income tax paid (net of refunds)	(5,926.25)	(3,685.83)
Net cash flows generated from operating activities (A)	14,617.65	17,157.32

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(₹ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Investing activities		
Purchase of property, plant and equipment and intangible assets	(1,131.45)	(1,200.25)
Proceeds from sale of property, plant and equipment and intangible assets	19.93	8.45
Purchase of investments	(80,446.43)	(58,146.48)
Sale of investments	81,800.68	59,231.38
Interest received	286.02	320.67
Payment for business acquisition, net of cash acquired (refer note 6)	-	(5,218.80)
Investments in bank deposits	(15.72)	(486.61)
Redemption / maturity of bank deposits	1,311.80	2,671.29
Net cash flows generated from / (used in) investing activities (B)	1,824.83	(2,820.35)
Financing activities		
Proceeds from issue of shares	270.73	441.71
Repayment of borrowings	(13,787.39)	(16,605.85)
Availment of borrowings	10,230.34	16,638.15
Interest paid	(491.80)	(276.13)
Repayment of lease liabilities	(1,493.35)	(1,443.32)
Interest on repayment of lease liabilities	(478.03)	(464.61)
Dividends paid	(8,652.32)	(12,176.78)
Net cash flows used in financing activities (C)	(14,401.82)	(13,886.83)
Net increase in cash and cash equivalents (A+B+C)	2,040.66	450.14
Effect of exchange rate changes	132.00	106.89
Cash and cash equivalents at the beginning of the year	8,268.47	7,711.44
Cash and cash equivalents at the end of the year (refer note 14)	10,441.13	8,268.47

Refer note 21 for supplementary information on cash flow movements

Summary of significant accounting policies. (Note 2)

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number:
101248W/W-100022

Amit Somani
Partner
Membership No. 060154

Bengaluru
27 April 2023

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer & Managing Director
New York

Manish Dugar
Chief Financial Officer

Bengaluru
27 April 2023

Narayanan Kumar
Director
Chennai

Subramanian Narayan
Senior Vice President &
Company Secretary
Bengaluru

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of Mphasis Limited ('the Company') and its subsidiaries, collectively referred to as 'the Mphasis Group' or 'the Group'. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The shares of the Company are listed on two recognised stock exchanges in India. The registered office of the Company is in Bengaluru, India.

Mphasis Group, a global Information Technology (IT) solutions provider specializing in providing cloud and cognitive services, applies next-generation technology to help enterprises transform businesses globally. Customer centricity is foundational to Mphasis and is reflected in the Mphasis' Front2Back™ Transformation approach. Front2Back™ uses the exponential power of cloud and cognitive to provide hyper-personalized digital experience to clients and their end customers.

The principal activities of the below subsidiaries include providing Information Technology and Information Technology Enabled Services, except for Digital Risk group which renders risk, compliance and technology related services to customers in the mortgage industry.

The consolidated financial statements for the year ended 31 March 2023 have been approved by the Company's Board of Directors on 27 April 2023.

List of subsidiaries with percentage holding

% of holding

Subsidiaries	Country of incorporation	Parent	31 March 2023	31 March 2022
Mphasis Corporation	USA	Mphasis Limited	100	100
Mphasis Deutschland GmbH	Germany	Mphasis Limited	91	91
Mphasis Australia Pty Limited	Australia	Mphasis Limited	100	100
Mphasis (Shanghai) Software & Services Company Limited	China	Mphasis Limited	100	100
Mphasis Consulting Limited	United Kingdom	Mphasis Limited	100	100
Mphasis Ireland Limited	Ireland	Mphasis Limited	100	100
Mphasis Belgium BV (formerly Mphasis Belgium BVBA)	Belgium	Mphasis Limited	100	100
Mphasis Lanka (Private) Limited [refer note 1a]	Sri Lanka	Mphasis Limited	100	100
Mphasis Poland s.p.z.o.o.	Poland	Mphasis Limited	100	100
PT. Mphasis Indonesia [refer note 1 c]	Indonesia	Mphasis Limited	100	100
Mphasis Europe BV	The Netherlands	Mphasis Corporation	59.62	59.62
		Mphasis Limited	40.38	40.38
Mphasis Infrastructure Services Inc. [refer note 1g]	USA	Mphasis Corporation	100	100
Mphasis Pte Limited	Singapore	Mphasis Europe BV	100	100
Mphasis UK Limited	United Kingdom	Mphasis Europe BV	100	100
Mphasis Software and Services (India) Private Limited	India	Mphasis Europe BV	100	100
Msource Mauritius Inc.	Mauritius	Mphasis Europe BV	100	100
Mphasis Wyde Inc.	USA	Mphasis UK Limited	100	100
Mphasis Philippines Inc.	Philippines	Mphasis Pte Limited	100	100
Msource (India) Private Limited	India	Msource Mauritius Inc.	100	100
Wyde Corporation	USA	Mphasis Wyde Inc.	100	100
Mphasis Wyde SASU	France	Wyde Corporation Inc.	100	100
Wyde Solutions Canada Inc.	Canada	Wyde Corporation Inc.	100	100
Digital Risk, LLC. *	USA	Mphasis Wyde Inc.	100	100
Digital Risk Mortgage Services, LLC. *	USA	Digital Risk, LLC.	100	100
Investor Services, LLC. *	USA	Digital Risk, LLC.	100	100
Digital Risk Valuation Services, LLC. *	USA	Digital Risk, LLC.	100	100
Digital Risk Europe, OOD. [refer note 1 (b)] *	Bulgaria	Digital Risk, LLC.	100	100
Stelligent Systems LLC	USA	Mphasis Corporation	100	100
Datalytx Limited	United Kingdom	Mphasis Consulting Limited	100	100
Datalytx MSS Limited	United Kingdom	Datalytx Limited	100	100

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List of subsidiaries with percentage holding (continued)

% of holding

Subsidiaries	Country of incorporation	Parent	31 March 2023	31 March 2022
Dynamyx Limited	United Kingdom	Datalytx Limited	100	100
Mphasis Digi Information Technology Services (Shanghai) Limited [refer note 1 (d)]	China	Mphasis (Shanghai) Software & Services Company Limited	100	100
Blink Interactive, Inc **	USA	Mphasis Corporation	100	100
Redshift Digital Inc ** (refer note 1h)	USA	Blink Interactive, Inc	-	100
Mrald Limited (refer note 1e)	United Kingdom	Mphasis Consulting Limited	51	51
Mrald Services Limited (refer note 1e)	United Kingdom	Mrald Limited	100	100
Mphasis Solutions Services Corporation (refer note 1f)	USA	Mphasis Corporation	100	100
Mrald Services Private Limited (refer note 1i)	India	Mrald Limited	100	-

* Forms part of Digital Risk group.

** Acquired with effect from 21 September 2021 (refer note 6).

List of Trusts that are consolidated.

- Mphasis Employees Benefit Trust.
- Mphasis Employees Equity Reward Trust.
- a) On 22 July 2013, the Board of Directors of Mphasis Lanka (Private) Limited, a wholly owned subsidiary of Mphasis Limited, resolved to close its operations.
- b) On 31 March 2017, the management of Digital Risk LLC resolved to close the operations of Digital Risk Europe, OOD.
- c) On 16 April 2018, the shareholders of PT. Mphasis Indonesia resolved to dissolve and liquidate the entity.
- d) On 26 May 2021, Mphasis Digi Information Technology Services (Shanghai) Limited was incorporated as a wholly owned subsidiary under Mphasis (Shanghai) Software & Services Company Limited.
- e) On 23 December 2021, the Company through its wholly owned subsidiary, Mphasis Consulting Limited, entered into a business venture agreement with Ardonagh Services Limited ("Ardonagh"). Pursuant to this agreement, the Group owns 51% voting interest in Mrald Limited and the remaining voting interest is owned by Ardonagh. However, the Group is entitled to 100% economic benefits in Mrald Limited.
- f) On 28 December 2021, Mphasis Solutions Services Corporation was incorporated as a wholly owned subsidiary under Mphasis Corporation.
- g) On 23 February 2023, the Board of Directors of Mphasis Infrastructure Services Inc, resolved to prepare a plan of liquidation of the company and place the same before the Board and shareholders for approval. The plan of liquidation is under preparation.
- h) During the year Redshift Digital Inc, a wholly owned subsidiary of Blink Interactive, Inc was dissolved effective 19 September 2022.
- i) On 12 March 2023, Mrald Services Private Limited was incorporated as a wholly owned subsidiary of Mrald Limited.

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements have been prepared on a historical cost convention and on an accrual basis of accounting, except for the following assets and liabilities which have been measured at fair value.

- Derivative financial instruments.
- Investments classified as Fair Value Through Profit or Loss ('FVTPL') /Fair Value Through Other Comprehensive Income ('FVTOCI').
- Fair value of plan assets less present value of defined benefit obligations.
- Contingent consideration pertaining to business combination.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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 measurement date.

CONSOLIDATED FINANCIAL STATEMENTS

All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle of 12 months. Current assets do not include assets which are not expected to be realised within 12 months and current liabilities include only items where the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The Group's consolidated financial statements are presented in Indian Rupee ('₹'). The functional currency of the Company and its Indian subsidiaries is Indian Rupee ('₹'). The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates. All the values are rounded off to the nearest million (INR 000,000) except when otherwise indicated.

The statement of cash flows have been prepared under the indirect method.

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

Basis of consolidation

The Group determines the basis of control in line with the requirements of Ind AS 110 - Consolidated Financial Statements. The consolidated financial statements comprise the financial statements of the Company, its controlled trusts and its subsidiaries as disclosed in Note 1. Control exists when the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Entities are consolidated from the date control commences until the date control ceases. The Group re-assesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

For the purposes of preparing the consolidated financial statements of the Group, the financial statements of the Company and entities controlled by the Group have been combined on a line-by-line basis and intra group balances and transactions including unrealised gain / loss from such transactions have been eliminated upon consolidation. Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

Consolidated financial statements are prepared using uniform accounting policies across the Group. The financial statements of all entities used for consolidation are drawn up to the same reporting date.

Business combinations and goodwill

The Group accounts for business combinations using the acquisition method of accounting when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. A business consists of an integrated set of inputs and processes applied to those inputs that have the ability to contribute to the creation of outputs. In determining whether a particular set of activities and assets is a business, the Group assesses if the acquisition includes, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are recognized in the consolidated statement of profit and loss as incurred. The acquiree's identifiable assets and liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognized as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, the Group re-assesses whether it has appropriately identified and measured all assets acquired and liabilities assumed, including contingent liabilities. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, the bargain purchase gain is recognized as capital reserve.

Goodwill is initially measured at cost and subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ('CGU') that are expected to benefit from the synergies arising from the business combination.

Contingent consideration forming part of any business combination and eligible to be considered as purchase consideration is measured and recognized as a liability at fair value at the date of acquisition; subsequent changes to fair value of the liability is recognized in the consolidated statement of profit and loss.

Use of estimates, assumptions, and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the consolidated financial statements and the reported amounts of revenues and expenses for the year. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as management become aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised in the year in which the estimates are revised.

CONSOLIDATED FINANCIAL STATEMENTS

Application of accounting policies that require critical accounting estimates involving judgements and the use of assumptions in the consolidated financial statements have been disclosed below:

- **Business combinations and intangible assets**

In accounting for business combinations, judgement is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Estimating the acquisition date fair value of the identifiable assets acquired and useful life thereof involves management judgement. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgements, estimates and assumptions can materially affect the results of operations.

- **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit ('CGU') exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a discounted cash flow ('DCF') model. The cash flows are derived from the internal forecasts for future years. These do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance or the CGU being tested for impairment. The recoverable amount is sensitive to the discount rate used for the DCF model, revenue growth rates, operating margins and the terminal growth rates. These estimates are most relevant to impairment testing of goodwill recognized by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, are disclosed and further explained in note 5.

- **Taxes**

The Group's two major tax jurisdictions are India, and the U.S. Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income of the Group's operations in India. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates and reflects the uncertainty related to income taxes, if any. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective group company's domicile. A tax assessment could involve complex issues, which can only be resolved over extended time periods.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

- **Defined benefit plans**

The cost of the defined benefit gratuity plan, compensated absences and the present value of the defined benefit obligation are determined based on an actuarial valuation carried out by an independent actuary using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, future attrition rates and mortality rates. Due to the complexities involved in the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of Government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. These mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates.

- **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, the fair value is measured using appropriate valuation techniques. The inputs to these models are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- **Useful lives of property, plant, and equipment**

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

- **Revenue recognition**

Use of the percentage-of completion method in accounting for revenue from fixed-price contracts requires the Group to exercise judgment in estimating the balance-to-go efforts or costs. Efforts or costs expended to date as a proportion of the total efforts or costs to be expended is used as a measure to determine the percentage-of completion. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

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- **Expected credit loss ("ECL") on trade receivables**

The impairment provisions are based on an evaluation of the risk of default over the expected life of the receivables and expected timing of collection. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history of collections, customer's credit-worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

- **Provisions and contingent liabilities.**

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Judgements include estimating the probability of the cash outflows for the present obligations and accordingly provisions are determined and reviewed at the end of each reporting period and are adjusted to reflect current best estimates.

The Group uses significant judgement to identify and measure contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities in relation to assessment/litigations can involve complex issues, which can only be resolved over extended time periods.

- **Leases**

The Group evaluates if an arrangement qualifies to be a lease based on the requirements of the relevant standard. Identification of a lease requires significant management judgement. Computation of the lease liabilities and right-to-use assets requires management to estimate the lease term (including anticipated renewals), and the applicable discount rate. Management estimates the lease term based on the non-cancellable lease-term, options for future renewals if the Group is reasonably certain to exercise and options to terminate the lease if the Group is reasonably certain not to exercise. In performing this assessment, the discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Revenue recognition

Revenue is recognized upon transfer of control of promised goods or services to customers in an amount that reflects the transaction price (net of variable consideration) allocated to a particular performance obligation.

The Group derives its revenues primarily from rendering application development and maintenance services, infrastructure outsourcing services, call centre and business & knowledge process outsourcing operations and licensing arrangements.

- Revenue from rendering application development and maintenance services comprise income from time-and-material, fixed monthly billings and milestone-based fixed price contracts. Revenues from call center, business & knowledge process outsourcing operations and infrastructure outsourcing services arise from time-based, unit-priced, fixed monthly billings and milestone-based fixed priced contracts.
- Revenue from time and material, unit-priced contracts is recognized on an output basis, measured by units delivered, efforts expended etc.
- Revenue from fixed price contracts is recognized using the percentage-of-completion method, calculated as the proportion of the cost of efforts incurred up to the reporting date to estimated cost of total efforts.
- Fixed Bid monthly milestone-based recognition – The practical expedient of revenue equals invoicing is applied as the amounts invoiced directly correspond with the value transferred to the customer.
- Revenue from fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognized based on time elapsed mode and revenue is straight-lined over the period of performance.
- Revenue from license transactions where customers are given a right to use the intellectual property are recognised upfront at the point in time when the license is delivered to the customer, simultaneously with the transfer of control.
- Revenue from bundled contracts is recognized separately for each performance obligation based on their allocated transaction price (net of variable consideration).
- In cases where implementation and / or customisation services rendered significantly modifies or customises the license, these services and license are accounted for as a single performance obligation and revenue is recognised over time using the percentage-of-completion method, calculated as the proportion of the cost of efforts incurred up to the reporting date to estimated cost of total effort.
- Revenue from the sale of distinct third-party hardware is recognised at the point in time when control is transferred to the customer.

The solutions offered by the Group may include supply of third-party equipment or software. In such cases, revenue for supply of such third-party goods are recorded at gross or net basis depending on whether the Group obtains control of the specified goods or services before it is transferred to the customer.

Revenue from sale of services is measured based on the transaction price, which is the consideration, adjusted for discounts and pricing incentives, if any, as specified in the contract with the customer. Sales tax / Value Added Tax (VAT) / Goods and Services Tax ("GST") is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity / service rendered by the seller on behalf of the Government. Accordingly, it is excluded from revenues.

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The Group recognises an onerous contract provision when it is probable that the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract exceed the economic benefits to be received.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue ("contract liability") is recognised when there are billings in excess of revenues. The billing schedules agreed with customers could include periodic performance-based payments and/or milestone-based progress payments. Invoices are payable within contractually agreed credit period. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

Contract modifications: Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Use of significant judgements in revenue recognition.

- The Group's contracts with customers could include promises to transfer multiple goods and services to a customer. The Group assesses the goods / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration from the customer or variable consideration with elements such as volume discounts, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. The Group has applied the practical expedient provided by Ind AS 115, whereby the Group does not adjust the transaction price for the effects of the time value of money where the period between when the control on goods and services transferred to the customer and when payment thereof is due, is one year or less. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct good or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct good or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost-plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how a customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such good or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Use of the percentage-of completion method in accounting for revenue from fixed-price contracts requires the Group to exercise judgment in estimating the balance-to-go efforts or costs. Efforts or costs expended to date as a proportion of the total efforts or costs to be expended is used as a measure to determine the percentage-of completion. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.
- Contract fulfilment costs are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.
- Contract acquisition costs are generally expensed as incurred except for certain costs which meet the criteria for capitalization, in particular if such costs are expected to be recovered. Contract acquisition costs are amortized over the contract term, consistent with the pattern of transfer of goods or services to which the asset relates.

Interest income is recognized as it accrues in the consolidated statement of profit and loss using effective interest rate method.

Dividend income is recognized when the right to receive the dividend is established.

The Group disaggregates revenue from contracts with customers by segment, geography, services rendered, delivery location and project type.

Property, plant and equipment and intangible assets

Property, plant and equipment are stated at the cost of acquisition or construction less accumulated depreciation and write down for, impairment if any. Direct costs are capitalised until the assets are ready to be put to use. Cost includes expenditure directly attributable to the acquisition. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are recognised in the consolidated statement of profit and loss as incurred. Property, plant and equipment purchased in foreign currency are recorded at cost, based on the exchange rate on the date of purchase.

CONSOLIDATED FINANCIAL STATEMENTS

The Group identifies and determines cost of each component / part of property, plant and equipment separately, if the component/ part has a cost which is significant to the total cost of the property, plant and equipment and has useful life that is materially different from that of the remaining asset.

Intangible assets purchased or acquired in business combination, are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any. The amortization period and the amortization method are reviewed at least at each financial year end.

For internally generated intangible assets, expenses incurred during the research phase are expensed as incurred. Development and product enhancements are capitalized as an intangible asset when the following criteria are met:

- Technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Intention to complete and its ability and intention to use or sell the asset
- Ability to generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the assets. Freehold land is not depreciated.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed under 'other assets'. The cost of property, plant and equipment not ready to use before the balance sheet date is disclosed under 'Capital work in progress'.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of property, plant and equipment and intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment and are recognized in the consolidated statement of profit and loss when the property, plant and equipment is derecognized.

Depreciation and amortization

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by management. Intangible assets are amortised on a straight-line basis over the estimated useful economic life. Depreciation / amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate. The useful lives estimated by management are given below:

(In years)

Asset	Useful life as per Companies Act, 2013	Useful life estimated by management
Computer equipment	3	3
Furniture and fixtures	10	5
Buildings	20	20 or remaining lease term, whichever is less
Leasehold improvements	Not applicable	10 or remaining lease term, whichever is less
Office equipment	5	5
Plant and equipment	15	4 to 7
Server and networks	6	6
Vehicles	8	5
Customer contracts / Non-compete agreement / Business alliance	As per Ind AS 38	2 to 7
Computer software	As per Ind AS 38	3 to 7

In respect of plant and equipment, furniture and fixtures and vehicles, management, basis internal assessment of usage pattern believes that the useful lives as mentioned above best represent the period over which management expects to use these assets. Hence, the useful lives in respect of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Project specific assets are depreciated over the period of contract or useful life of the asset, whichever is lower.

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Leases

Group as a lessee

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Group, for the nature of asset taken on lease. Generally, the Group uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the Group, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in the consolidated statement of profit and loss.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor at the inception, it determines whether each lease is a finance lease or an operating lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains a lease and non-lease components, the Group applies Ind AS 115-Revenue to allocate the consideration in the contract.

Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur.

CONSOLIDATED FINANCIAL STATEMENTS

Impairment

a. Financial assets (other than at fair value)

For financial assets measured at amortised cost, the Group assesses at each balance sheet date whether the asset is impaired. Ind AS 109 ('Financial instruments') requires expected credit losses to be measured through a loss allowance. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted using the effective interest rate. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Group provides for impairment upon the occurrence of the triggering event.

b. Non-financial assets

- **Tangible and intangible assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit ('CGU') to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the consolidated statement of profit and loss.

- **Goodwill**

Goodwill is tested for impairment on an annual basis and more often, if there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. The Group estimates the value in use of CGU's based on the future cash flows after considering current economic conditions and trends, estimated future operating margins, revenue growth rate, terminal growth rate, discount rate and estimated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rates used for the CGU's represents the weighted average cost of capital based on the historical market return of comparable companies in similar economic conditions.

If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss on goodwill is recognized in the consolidated statement of profit or loss. Impairment losses relating to goodwill are not reversed in future periods.

Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments consist of the following:

- financial assets, which include cash and cash equivalents, deposits with banks, trade receivables, investments in equity and debt securities and eligible current and non-current assets;
- financial liabilities, which include loans and borrowings, finance lease liabilities, trade payables, contingent consideration and eligible current and non-current liabilities.

Non-derivative financial instruments are recognised when the Group becomes a party to the contract that gives rise to financial assets and liabilities. Financial assets (excluding trade receivables) and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

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a. Cash and cash equivalents

The Group's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks with an original maturity of less than or up to three months. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding overdrafts that are repayable on demand and are considered part of the Group's cash management system.

b. Financial assets at amortised cost

Financial assets (except for debt instruments that are designated at fair value through Profit or Loss (FVTPL) on initial recognition) are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets at fair value through other comprehensive income

Financial assets (except for debt instruments that are designated at fair value through Profit or Loss (FVTPL) on initial recognition) are measured at fair value through other comprehensive income ('FVTOCI') if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is recognized in the consolidated statement of profit or loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognized in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in reserves is transferred to the consolidated statement of profit and loss.

d. Financial assets at fair value through profit or loss

Financial assets are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in consolidated statement of profit and loss. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in the consolidated statement of profit and loss. The gain or loss on disposal is recognized in the consolidated statement of profit and loss.

Interest income is recognized in the consolidated statement of profit and loss for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognized when the Group's right to receive dividend is established.

e. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derivative financial instruments

The Group is exposed to foreign currency fluctuations on foreign currency assets and liabilities. The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in consolidated statement of profit and loss as expenses.

Subsequent to initial recognition, derivative financial instruments are measured as described below.

a. Cash flow hedges

The Group designates certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable cashflow forecast transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the consolidated statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the consolidated statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to the consolidated statement of profit and loss.

CONSOLIDATED FINANCIAL STATEMENTS

b. Others

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges are recognized in the consolidated statement of profit and loss and reported within foreign exchange gains, net.

Changes in fair value and gains/(losses) on settlement of foreign currency derivative instruments relating to borrowings, which have not been designated as hedges are recorded as foreign exchange gains/ (losses).

c. De-recognition of financial instruments

Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Group has not retained control over the financial asset. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires. Trade receivables which are subject to non-recourse factoring arrangements are de-recognized in accordance with Ind AS 109 and are offset in accordance with Ind AS 32.

d. Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amounts are presented in the consolidated balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

e. Fair value of financial instruments

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 measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When a quote is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

In determining the fair value of its financial instruments, the Group uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

f. Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Employee benefits

a. Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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b. Compensated absences

The Group has a policy on compensated absences that is both accumulating and non-accumulating in nature. Non-accumulating compensated absences are measured on an undiscounted basis and are recognized in the period in which absences occur. The cost of short-term compensated absences are provided for based on estimates. The expected cost of accumulating compensated absences is determined by actuarial valuation at each balance sheet date measured based on the amounts expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefits for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss. The Group presents the entire obligation for compensated absences as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond 12 months from the reporting date.

c. Defined contribution plans

Employee benefits are accrued in the period in which the associated services are rendered by employees of the Group. Contributions to defined contribution schemes such as Provident Fund, Employee State Insurance Scheme, 401(k) and other social security schemes are charged to the consolidated statement of profit and loss on an accrual basis.

d. Provident fund

Mphasis Limited has established a Provident Fund Trust to which contributions towards provident fund are made on a monthly basis. The Provident Fund Trust, based on the Government specified minimum rates of return guarantees a specified rate of return on such contributions on a periodical basis. The contributions to the trust managed by the Company is accounted for as a defined benefit plan as the Company is liable for any shortfall in the fund assets based on the Government specified minimum rates of return.

e. Gratuity

For its Indian entities, the Group has a defined benefit gratuity plan that provides a lump-sum payment to vested employees at retirement, death, incapacitation, or termination of employment in accordance with "The Payment of Gratuity Act, 1972". The amount is based on the respective employee's last drawn salary and the tenure of employment with the Group.

Gratuity, which is a defined benefit plan, is determined based on an independent actuarial valuation, which is carried out based on the projected unit credit method. The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognised in OCI are not to be subsequently reclassified to consolidated statement of profit and loss. As required under Ind AS read with Schedule III to Companies Act, 2013, the Group transfers it immediately to retained earnings. The discount rate is based on the yield of securities issued by the Government of India.

Share based payments

The Group measures compensation cost relating to share-based payments using the fair valuation method in accordance with Ind AS 102, Share-Based Payment. Compensation expense is amortized over the vesting period of the option on a graded basis. The units generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black-Scholes valuation model. The expected term of an option is estimated based on the vesting term and contractual life of the option. Expected volatility during the expected term of the option is based on the historical volatility of share price of the Company. Risk free interest rates are based on the government securities yield in effect at the time of the grant.

The cost of equity settled transactions is recognised, together with a corresponding increase in share-based payment reserve in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. Debit or credit in consolidated statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

The dilutive effect of outstanding options is reflected in the computation of diluted earnings per share.

Foreign Currencies

a. Functional currency

The Group's consolidated financial statements are presented in INR, which is also the Company's functional currency. For all other entities, the Group determines the functional currency based on the primary economic environment in which the entity operates, and items included in the financial statements of each entity are measured using that functional currency.

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b. Transactions and balances

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date.

Gains and losses arising on restatement of foreign currency denominated monetary assets and liabilities are included in the consolidated statement of profit and loss. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at an exchange rate that approximates the rate prevalent on the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

c. Translations

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations that have a functional currency other than INR are translated into INR using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and held in foreign currency translation reserve ('FCTR'), a component of equity, except to the extent that the translation difference is allocated to non-controlling interest. When a foreign operation is disposed off, the relevant amount recognized in FCTR is transferred to the consolidated statement of profit or loss as part of the profit or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in consolidated statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

• Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period and reflects the uncertainty related to income taxes if any. The tax rates and tax laws used to compute the amount are those that are enacted by the balance sheet date. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

• Deferred income tax

Deferred income tax assets and liabilities are recognised using the balance sheet approach. Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in the future to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as an income or expense in the period that includes the enactment or substantive enactment date.

Deferred income taxes are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

For operations carried out in SEZ facilities, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that do not reverse during the tax holiday period(s).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity/ group of entities.

Provisions and contingent liabilities

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event, and it is probable that an outflow embodying economic benefits of resources will be required to settle the obligation. Provisions are determined based on best estimates required to settle each obligation at the balance sheet date. If the effect of the time value of money is material, provisions are

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discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements.

Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the Company's owners for the year by the weighted average number of equity shares outstanding during the year adjusted for treasury shares held.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless they have been issued at a later date.

Cash dividend to the equity holders of the Company

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. Final dividends on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

Government grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. When the grant relates to a capital asset, it is presented by deducting the grant in arriving at the carrying amount of the asset. Government grants related to revenue are recognized on a systematic basis in net profit in the consolidated statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April 2023, as below.

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its consolidated financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

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3. PROPERTY, PLANT AND EQUIPMENT

(₹ million)

	Plant and equipment	Computer equipment	Servers and networks	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvements	Total
Cost								
At 1 April 2021	191.87	1,984.35	1,171.62	322.54	311.73	53.88	785.54	4,821.53
Additions	19.54	903.34	153.98	34.52	5.93	-	5.27	1,122.58
Acquired through business combination (refer note 6)	-	14.37	1.00	0.63	14.76	-	39.35	70.11
Disposals / written off	(5.87)	(16.40)	(5.59)	(5.50)	(14.13)	(11.93)	(3.57)	(62.99)
Translation exchange differences from foreign operations	0.59	16.44	11.12	2.44	6.64	1.10	2.76	41.09
At 31 March 2022	206.13	2,902.10	1,332.13	354.63	324.93	43.05	829.35	5,992.32
Additions	30.24	322.35	119.97	116.89	33.00	-	185.71	808.16
Disposals / written off	(14.21)	(331.89)	(24.51)	(23.66)	(5.25)	(0.11)	-	(399.63)
Translation exchange differences from foreign operations	2.41	55.52	33.58	9.57	18.11	2.63	12.86	134.68
At 31 March 2023	224.57	2,948.08	1,461.17	457.43	370.79	45.57	1,027.92	6,535.53
Depreciation								
At 1 April 2021	120.33	1,211.40	646.50	191.05	218.05	33.11	283.27	2,703.71
Charge for the year	19.88	514.03	159.79	48.12	34.84	8.45	78.69	863.80
Disposals / written off	(5.77)	(13.87)	(4.97)	(5.47)	(13.93)	(11.93)	(3.57)	(59.51)
Translation exchange differences from foreign operations	0.62	10.70	6.11	2.12	5.90	0.54	1.79	27.78
At 31 March 2022	135.06	1,722.26	807.43	235.82	244.86	30.17	360.18	3,535.78
Charge for the year	21.70	687.14	157.10	60.80	39.32	6.64	87.47	1,060.17
Disposals / written off	(13.70)	(331.65)	(24.37)	(23.60)	(4.41)	(0.11)	-	(397.84)
Translation exchange differences from foreign operations	1.93	37.07	19.22	6.11	15.78	1.68	6.51	88.30
At 31 March 2023	144.99	2,114.82	959.38	279.13	295.55	38.38	454.16	4,286.41
Net block								
At 31 March 2022	71.07	1,179.84	524.70	118.81	80.07	12.88	469.17	2,456.54
At 31 March 2023	79.58	833.26	501.79	178.30	75.24	7.19	573.76	2,249.12
Capital work-in-progress*								
As at 31 March 2023								54.60
As at 31 March 2022								109.84

* ₹ 109.84 (31 March 2022: ₹ 31.27) has been capitalised and transferred to Property, Plant and Equipment.

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4. LEASES

RIGHT-OF-USE ASSETS

(₹ million)

	Buildings	Plant and equipment	Servers and networks	Furniture and fixtures	Vehicles	Total
Cost						
At 1 April 2021	7,642.55	225.48	1.31	12.99	26.68	7,909.01
Additions	1,991.44	-	-	-	19.53	2,010.97
Modifications / terminations	(27.44)	-	-	-	-	(27.44)
Retirement on completion of lease term	(137.26)	(207.88)	(0.36)	-	(8.65)	(354.15)
Translation exchange differences from foreign operations	70.88	-	-	-	0.14	71.02
At 31 March 2022	9,540.17	17.60	0.95	12.99	37.70	9,609.41
Additions	2,762.85	-	-	-	54.86	2,817.71
Modifications / terminations	(110.40)	-	-	-	(0.69)	(111.09)
Retirement on completion of lease term	(1,310.71)	(15.28)	(0.83)	(12.22)	(6.59)	(1,345.63)
Translation exchange differences from foreign operations	235.63	-	-	-	0.62	236.25
At 31 March 2023	11,117.54	2.32	0.12	0.77	85.90	11,206.65
Depreciation						
At 1 April 2021	2,009.28	200.67	1.12	7.60	13.19	2,231.86
Charge for the year	1,432.52	22.37	0.19	3.10	9.67	1,467.85
Retirement on completion of lease term	(137.26)	(207.88)	(0.36)	-	(8.65)	(354.15)
Translation exchange differences from foreign operations	27.52	-	-	-	0.02	27.54
At 31 March 2022	3,332.06	15.16	0.95	10.70	14.23	3,373.10
Charge for the year	1,626.04	2.39	-	2.29	15.97	1,646.69
Modifications / terminations	(31.96)	-	-	-	-	(31.96)
Retirement on completion of lease term	(1,310.71)	(15.28)	(0.83)	(12.22)	(6.59)	(1,345.63)
Translation exchange differences from foreign operations	95.32	-	-	-	0.13	95.45
At 31 March 2023	3,710.75	2.27	0.12	0.77	23.74	3,737.65
Net block						
At 31 March 2022	6,208.11	2.44	-	2.29	23.47	6,236.31
At 31 March 2023	7,406.79	0.05	-	-	62.16	7,469.00

During the year ended 31 March 2023, the Group incurred expenses amounting to ₹ 340.45 million (31 March 2022: ₹ 287.88 million) towards short-term leases and leases of low-value assets. For the year ended 31 March 2023, the total cash outflows for leases, including short-term leases and low-value assets amounted to ₹ 2,311.83 million (31 March 2022: ₹ 2,195.82 million).

There are leases not yet commenced as at 31 March 2023, to which the Group is committed as a lessee. The present value of future cash outflows for such committed leases is ₹ nil as at 31 March 2023 (31 March 2022: ₹ 154.53 million).

Lease contracts entered into by the Group primarily pertains to buildings taken on lease to conduct its business in the ordinary course.

The following table presents the various components of lease costs:

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation	1,646.69	1,467.85
Interest on lease liabilities	478.03	464.61
	2,124.72	1,932.46

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5. GOODWILL

(₹ million)

	As at 31 March 2023	As at 31 March 2022
Balance as per previous financial statements	27,348.06	21,325.67
Acquisition through business combination (refer note 6)	-	5,183.36
Translation exchange differences	2,237.83	839.03
	29,585.89	27,348.06

For the purposes of impairment testing, goodwill recognised on business combinations is allocated to the Cash Generating Units ('CGU') which represents the lowest level within the Group at which goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments.

Below is the CGU wise break-up of goodwill	As at 31 March 2023	As at 31 March 2022
Digital Risk	9,995.76	9,219.96
Blink	5,737.76	5,292.43
Wyde	4,606.38	4,248.86
Business process outsourcing	2,596.10	2,391.49
Infrastructure Services	2,301.43	2,122.81
Stelligent	1,796.19	1,656.78
Eldorado	1,452.33	1,339.50
Datalytx	599.15	586.23
Consulting	500.79	490.00
	29,585.89	27,348.06

Goodwill impairment testing

Goodwill is tested for impairment on an annual basis. The recoverable amount of a CGU is the higher of its fair value less cost of disposal and its value-in-use. The recoverable amount of all CGUs are based on its value-in-use. The value-in-use is determined based on cash flow projections over a period of five years and terminal growth rate thereafter. An average of the range of each assumption used is mentioned below.

	As at 31 March 2023	As at 31 March 2022
Revenue growth rate	5% to 31%	1% to 17%
Terminal growth rate	2% to 2.75%	1% to 3%
Operating margins	13% to 31%	12% to 31%
Post tax discount rate	14% to 19%	12% to 17%

The discount rate is based on the Weighted Average Cost of Capital ('WACC') which represents the weighted average return attributable to all the assets of the CGU.

The cash flow projections included estimates for five years and a terminal growth rate thereafter. Revenue and operating margin growth rates are based on management's assessment of future trends in the relevant businesses and are also based on historical data from both internal and external sources. Terminal growth rates (beyond 5 years) for goodwill impairment purposes have been estimated based on macroeconomic conditions and business factors prevalent.

These estimates may differ from future actual results of operations and cash flows. Management believes that any reasonable possible change in the key assumptions mentioned above would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

Recoverable amount of all CGU's exceeded their carrying amounts, and hence no impairment losses were recognized during the year (31 March 2022: ₹ nil).

6. BUSINESS COMBINATION

a. Blink Interactive, Inc.

On 21 September 2021, the Company through its wholly owned subsidiary, Mphasis Corporation, obtained control of Blink Interactive, Inc and its subsidiaries ('Blink') by acquiring 100% of its shares in cash. Blink is a user experience research, strategy, and design firm that works with some of the leading enterprises to create transformative digital products, brands, and experiences for clients. The acquisition seeks to boost Mphasis' Experience competencies with end-to-end capabilities in User Experience Research, Strategy, Design, and Implementation.

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The acquisition was executed through a merger agreement for a consideration of USD 93.37 million (₹ 6,930.99 million) including the fair value of earnout consideration payable amounting to USD 18.58 million (₹ 1,378.99 million). The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The following table shows the final allocation of purchase price:

Description	Useful life	Pre-acquisition carrying amount	Fair value adjustments	Purchase price allocated
Net assets		627.83	-	627.83
Customer contracts and relationships	0.5-5 years	-	397.95	397.95
Non-compete	1-5 years	-	384.42	384.42
Brand	5 years	-	337.43	337.43
Total		627.83	1,119.80	1,747.63
Goodwill				5,183.36
Total purchase price				6,930.99

Net assets acquired include ₹ 200.39 million of cash and cash equivalents and trade and other receivables valued at ₹ 589.86 million.

Goodwill of ₹ 5,183.36 million comprises value of acquired workforce and expected synergies arising from the acquisition. The goodwill is tax-deductible and has been allocated to the Blink Cash Generating Unit ('CGU').

The fair value of contingent consideration linked to continuing employment is being accounted for as a post combination expense in the consolidated statement of profit and loss.

7. OTHER INTANGIBLE ASSETS

	Computer software	Customer contracts	Non compete agreement	Business alliance partnership	Brands	Others	Total
Cost							
At 1 April 2021	2,130.57	707.14	152.21	176.98	40.30	177.06	3,384.26
Additions	45.27	-	-	-	-	-	45.27
Acquired through business combination (refer note 6)	2.96	397.95	384.42	-	337.43	-	1,122.76
Disposals	(0.19)	-	-	-	-	-	(0.19)
Translation exchange differences from foreign operations	45.58	27.33	13.68	0.50	6.58	6.51	100.18
At 31 March 2022	2,224.19	1,132.42	550.31	177.48	384.31	183.57	4,652.28
Additions	37.39	-	-	-	-	-	37.39
Disposals	(67.58)	-	-	-	-	-	(67.58)
Translation exchange differences from foreign operations	137.33	86.64	46.31	7.52	29.87	15.44	323.11
At 31 March 2023	2,331.33	1,219.06	596.62	185.00	414.18	199.01	4,945.20
Amortization							
At 1 April 2021	1,364.70	564.92	147.67	52.50	2.93	177.06	2,309.78
Charge for the year	250.03	172.28	78.13	31.33	44.10	-	575.87
Disposals	(0.19)	-	-	-	-	-	(0.19)
Translation exchange differences from foreign operations	35.90	21.12	6.29	1.42	0.19	6.51	71.43
At 31 March 2022	1,650.44	758.32	232.09	85.25	47.22	183.57	2,956.89
Charge for the year	244.14	92.96	108.02	19.42	81.02	-	545.56
Disposals	(67.58)	-	-	-	-	-	(67.58)
Translation exchange differences from foreign operations	103.03	63.72	22.68	6.39	5.12	15.44	216.38
At 31 March 2023	1,930.03	915.00	362.79	111.06	133.36	199.01	3,651.25
Net block							
At 31 March 2022	573.75	374.10	318.22	92.23	337.09	-	1,695.39
At 31 March 2023	401.30	304.06	233.83	73.94	280.82	-	1,293.95

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7a. INTANGIBLE ASSETS UNDER DEVELOPMENT

Ageing schedule

(₹ million)

Particulars (31 March 2023)	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	269.24	-	-	-	269.24
	269.24	-	-	-	269.24
Particulars (31 March 2022)	-	-	-	-	-
Projects in progress	-	-	-	-	-
	-	-	-	-	-

There are no intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2023 and 31 March 2022.

8. NON-CURRENT INVESTMENTS

	As at 31 March 2023			As at 31 March 2022		
	Units	NAV (₹)	₹ million	Units	NAV (₹)	₹ million
Investments measured at FVTPL						
Quoted Target maturity date ETF						
Bharat Bond ETF – April 2025	1,120,130	1,147.01	1,284.80	1,120,130	1,084.16	1,214.39
Bharat Bond FOF Apr 2025	79,637,328	11.41	908.91	79,637,328	10.82	861.92
Quoted debentures						
Kotak Mahindra Investment Limited	5,000	101,140.00	505.70	-	-	-
Kotak Mahindra Prime Limited	-	-	-	400	1,007,500.00	403.00
HDB Financial Services Limited	-	-	-	1,000	1,023,700.00	1,023.70
Rural Electricity Corporation Limited	-	-	-	250	1,100,000.00	275.00
Investments measured at FVTOCI						
Quoted State Development Loans						
7.19% GUJ 25JAN27	219	996,861.00	217.96	-	-	-
8.05% GUJ 31JAN28	100	1,023,758.00	102.38	-	-	-
7.21% GUJ 09AUG27	150	995,670.00	149.35	-	-	-
7.16% MH 28SEP26	83	996,199.00	82.31	-	-	-
7.62% GJ 01NOV27	150	1,011,235.00	151.69	-	-	-
6.24% MH 11AUG26	200	967,347.00	193.47	-	-	-
7.69% GJ 20DEC27	100	1,013,501.00	101.35	-	-	-
7.05% GJ 14DEC26	50	990,922.00	49.55	-	-	-
7.37% MH14SEP2026	100	1,001,437.00	100.14	-	-	-
		3,847.61				3,778.01
Aggregate value of quoted non-current investments		3,847.61				3,778.01
Market value of quoted non-current investments		3,847.61				3,778.01

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9. LOANS

(₹ million)

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Unsecured - considered good				
Employee advances	-	-	287.54	318.21
	-	-	287.54	318.21
Less: Loss allowance	-	-	-	-
	-	-	287.54	318.21

10. OTHER FINANCIAL ASSETS

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Unsecured - considered good				
Bank deposits (refer note 15)*	2.24	161.18	21.76	26.31
Accrued interest	-	-	16.25	69.36
Foreign exchange derivative assets	23.25	344.44	159.88	1,092.40
Deposits	692.12	492.84	1,234.73	1,412.96
Others	-	-	2.73	43.53
	717.61	998.46	1,435.35	2,644.56

* Includes restricted deposits of ₹ 23.87 (31 March 2022: ₹ 38.97) placed as a lien against bank guarantees/statutory registration purposes/claims.

11. OTHER ASSETS

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Unsecured - considered good				
Contract assets	951.76	325.78	947.40	1,359.72
Contract fulfilment cost	2.07	12.21	10.83	10.24
Contract acquisition cost	279.40	243.25	769.96	468.42
	1,233.23	581.24	1,728.19	1,838.38
Less: Loss allowance	-	-	-	-
	1,233.23	581.24	1,728.19	1,838.38
Unsecured - considered good				
Travel advances	-	-	13.39	8.54
Capital advances	0.46	-	-	-
Prepaid expenses	54.36	52.69	1,124.46	942.12
Advances to suppliers	-	-	382.02	462.53
Indirect tax recoverable	215.78	215.73	5,139.73	4,833.54
	270.60	268.42	6,659.60	6,246.73
	1,503.83	849.66	8,387.79	8,085.11

CONSOLIDATED FINANCIAL STATEMENTS

12. CURRENT INVESTMENTS

	As at 31 March 2023			As at 31 March 2022		
	Units	NAV (₹)	₹ million	Units	NAV (₹)	₹ million
Investments measured at FVTPL						
Quoted mutual funds						
Kotak Equity Arbitrage Fund Direct growth	53,046,355	33.55	1,779.62	70,777,659	31.67	2,241.46
HDFC Overnight Fund	91,317	3,328.44	303.94	509,890	3,157.45	1,609.96
Nippon India Money Market - Direct Plan - growth	76,169	3,547.52	270.21	298,442	3,350.56	999.95
Nippon India Arbitrage Advantage Fund-Direct Plan	111,863,256	24.14	2,700.24	126,865,721	22.83	2,896.09
Kotak Money Market Fund - Direct Plan - Growth	321,777	3,828.34	1,231.87	168,663	3,620.71	610.68
HDFC Ultra Short Term Fund - Direct Plan - Growth	47,989,692	13.11	628.95	-	-	-
IDFC Cash Fund - Direct Plan - Growth	858,462	2,718.58	2,333.80	-	-	-
IDFC Low Duration Fund - Direct Plan - Growth	19,412,735	33.48	649.97	-	-	-
Invesco India Money Market Fund - Direct Plan - Growth	243,507	2,669.19	649.97	-	-	-
SBI Magnum Ultra Short term Fund - Direct Plan - Growth	60,544	5,158.42	312.31	-	-	-
Nippon India Liquid Fund - Direct Plan Growth Plan	1,604	5,506.92	8.84	-	-	-
IDFC Arbitrage Fund	-	-	-	19,457,628	27.91	543.13
Kotak Savings Fund - Direct Plan - growth	-	-	-	27,753,107	36.03	999.95
UTI Money Market Fund - Direct growth Plan	-	-	-	564,528	2,490.77	1,406.11
HDFC Money Market - Direct Growth Plan	-	-	-	100,830	4,654.80	469.34
Quoted debentures *						
Rural Electricity Corporation Limited	250	1,143,600.00	285.90	-	-	-
HDB Financial Services Limited	1,000	1,072,100.00	1,072.10	-	-	-
Kotak Mahindra Prime Limited	400	1,028,249.00	411.30	-	-	-
ICICI Home Finance Company Limited - 2024	500	1,039,700.00	519.85	-	-	-
ICICI Home Finance Company Limited - 2022	-	-	-	700	542,050.00	379.44
Kotak Non-Convertible Debentures - 2022	-	-	-	500	1,193,000.00	596.50
Investments measured at amortized cost						
Quoted debentures						
5.4% HDFC Limited	250	1,030,031.01	257.51	-	-	-
7.2871% HDB financial services	250	1,049,704.82	262.43	-	-	-
Quoted bonds						
7.19% India Infrastructure Finance Company Limited	-	-	-	599,500	1,000.00	599.50
Unquoted inter corporate deposit						
HDFC Limited **	-	-	-	-	-	1,000.00
			13,678.81			14,352.11
Aggregate value of quoted current investments			13,678.81			13,352.11
Aggregate value of unquoted current investments			-			1,000.00
Market value of quoted current investments			13,676.80			13,375.51

* These instruments are market linked debentures and earn returns based on an underlying index.

** These deposits earn a fixed rate of interest.

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13. TRADE RECEIVABLES

(₹ million)

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Unsecured - considered good				
Trade receivables	-	-	11,516.94	9,867.82
Allowances for doubtful receivables	-	-	(261.71)	(186.34)
	-	-	11,255.23	9,681.48
Credit impaired				
Trade receivables	-	-	585.32	706.19
Allowances for doubtful receivables	-	-	(585.32)	(706.19)
	-	-	11,255.23	9,681.48
Unbilled receivables	1,333.66	-	13,951.09	12,587.88
	1,333.66	-	25,206.32	22,269.36

Information about the Group's exposure to credit and market risks, and impairment losses for trade receivables is included in note 40.

Trade receivables ageing schedule

Particulars (31 March 2023)	Outstanding for following periods from due date of payment						Unbilled Receivables	Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years		
Undisputed Trade receivables – considered good	6,362.95	4,479.53	352.13	184.54	86.61	51.11	13,951.09	25,467.96
Undisputed Trade receivables – credit impaired	-	-	-	-	3.18	214.43	-	217.61
Disputed Trade receivables – considered good	-	-	-	-	-	0.07	-	0.07
Disputed Trade receivables – credit impaired	-	-	-	-	5.66	362.05	-	367.71
	6,362.95	4,479.53	352.13	184.54	95.45	627.66	13,951.09	26,053.35
Expected credit loss								(847.03)
	6,362.95	4,479.53	352.13	184.54	95.45	627.66	13,951.09	25,206.32

Particulars (31 March 2022)	Outstanding for following periods from due date of payment						Unbilled Receivables	Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years		
Undisputed Trade receivables – considered good	5,685.37	3,799.72	157.51	123.11	55.73	42.61	12,587.88	22,451.93
Undisputed Trade receivables – credit impaired	-	-	-	3.12	3.84	201.57	-	208.53
Disputed Trade receivables – considered good	0.50	3.27	-	-	-	-	-	3.77
Disputed Trade receivables – credit impaired	-	-	-	94.27	19.63	383.76	-	497.66
	5,685.87	3,802.99	157.51	220.50	79.20	627.94	12,587.88	23,161.89
Expected credit loss								(892.53)
	5,685.87	3,802.99	157.51	220.50	79.20	627.94	12,587.88	22,269.36

Non-current trade receivables represent unbilled portion of trade receivables amounting to ₹ 1,333.66 (31 March 2022: ₹ nil) hence no ageing has been separately disclosed.

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Relationship with struck off companies

(₹ million)

Name of struck off company (31 March 2023)	Nature of transactions	Transactions during the year	Balance outstanding	Company	Relationship
Metadata Technologies Private Limited*	Receivables	-	25.28	Mphasis Limited	Customer
Name of struck off company (31 March 2022)					
Metadata Technologies Private Limited*	Receivables	-	25.28	Mphasis Limited	Customer

* The above amounts have been fully provided for.

14. CASH AND CASH EQUIVALENTS

	As at 31 March 2023	As at 31 March 2022
In current accounts	10,014.10	7,475.29
Deposits with original maturity of less than 3 months	427.00	793.00
Cash on hand	0.03	0.18
	10,441.13	8,268.47

15. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Deposits with remaining maturity of more than 12 months	2.24	161.18	-	-
Deposits with remaining maturity of more than 3 months and less than 12 months	-	-	92.54	1,229.71
Unclaimed dividend	-	-	22.53	22.50
	2.24	161.18	115.07	1,252.21
Disclosed under other financial assets (refer note 10)	(2.24)	(161.18)	(21.76)	(26.31)
	-	-	93.31	1,225.90

16. EQUITY SHARE CAPITAL

	As at 31 March 2023	As at 31 March 2022
Authorised share capital		
245,000,000 (31 March 2022: 245,000,000) equity shares of ₹ 10 each	2,450.00	2,450.00
Issued, subscribed and fully paid-up shares		
188,400,043 (31 March 2022: 187,817,716) equity shares of ₹ 10 each fully paid-up	1,884.00	1,878.18
Add: Amount originally paid-up on forfeited shares	0.07	0.07
Total issued, subscribed and fully paid-up share capital	1,884.07	1,878.25

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	₹ million	Number of shares	₹ million
At the beginning of the year	187,817,716	1,878.18	187,042,033	1,870.42
Issue of shares upon exercise of stock options (refer note 17)	582,327	5.82	775,683	7.76
Outstanding at the end of the year	188,400,043	1,884.00	187,817,716	1,878.18

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16. EQUITY SHARE CAPITAL (Continued)

(b) Terms/rights and restrictions attached to equity shares.

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates (₹ million)

	As at 31 March 2023	As at 31 March 2022
BCP Topco IX Pte. Ltd (subsidiary of the ultimate holding company) *		
104,799,642 (31 March 2022: 104,799,642) equity shares of ₹ 10 each fully paid	1,048.00	1,048.00

* The ultimate holding company is BCP Asia (SG) Mirror Holding Pte Ltd

Shares held by promoters at the beginning of the year			
Promoter name	No. of shares	% of total shares	
BCP Topco IX Pte. Ltd	104,799,642	55.80	
Shares held by promoters at the end of the year			% of change during the year
Promoter name	No. of shares	% of total shares	
BCP Topco IX Pte. Ltd	104,799,642	55.63	0.17%

(d) Equity shares movement during five years immediately preceding 31 March 2023.

(i) Aggregate number of bonus shares and shares issued for consideration other than cash:

	As at 31 March 2023	As at 31 March 2022
Equity shares allotted as fully paid bonus shares by capitalization of retained earnings	1,400	1,400

(ii) Equity shares extinguished / cancelled on buy back

a. On 2 June 2017, the Company completed the buyback of 17,370,078 fully paid-up equity shares of face value of ₹ 10 each ("equity shares"), representing 8.26% of the total paid-up equity share capital of the Company, at a price of ₹ 635 per equity share for an aggregate consideration of ₹ 11,030.00 million. The shares accepted by the Company under the buyback scheme were extinguished on 7 June 2017 and the paid-up equity share capital of the Company has been reduced to that extent. Subsequent to completion of buyback, the Company has transferred ₹ 173.70 million to Capital Redemption Reserve representing face value of equity shares bought back.

b. On 28 December 2018, the Company completed the buyback of 7,320,555 fully paid-up equity shares of face value ₹ 10 each ("equity shares"), representing 3.79% of the total paid-up equity share capital of the Company, at a price of ₹ 1,350 per equity share for an aggregate consideration of ₹ 9,882.75 million. In line with the requirements of the Companies Act, 2013, an amount of ₹ 176.59 million, ₹ 743.89 million and ₹ 8,962.27 million has been utilized from securities premium, general reserve and retained earnings respectively. The shares accepted under the buyback have been extinguished on 28 December 2018 and the paid-up equity share capital of the Company has been reduced to that extent. Subsequent to completion of the buyback, the Company has transferred ₹ 73.21 million to the Capital Redemption Reserve representing face value of equity shares bought back.

(iii) Number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash: 31 March 2023: nil (31 March 2022: nil).

(e) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% of holding	Number of shares	% of holding
BCP Topco IX Pte. Ltd	104,799,642	55.63	104,799,642	55.80

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(f) Shares reserved for issue under options

For details of shares reserved for issue under the ESOP and RSU plans of the Company, refer note 17.

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17. OTHER EQUITY

(₹ million)

	As at 31 March 2023	As at 31 March 2022
Securities premium		
Balance as per previous financial statements	1,155.61	596.40
Premium received on issue of shares on exercise of options	264.91	433.95
Transferred from share based payment reserve, on exercise of options	352.67	125.26
Closing balance	1,773.19	1,155.61
General reserve		
Balance as per previous financial statements	2,031.38	2,031.08
Transfer from share based payments reserve	13.72	0.30
Closing balance	2,045.10	2,031.38
Retained earnings		
Balance as per previous financial statements	52,519.33	50,262.91
Re-measurement gains / (losses) on defined benefit plans	9.24	(160.28)
Profit for the year	16,379.22	14,308.89
Transferred to Special Economic Zone re-investment reserve	(960.13)	(650.66)
Transferred from Special Economic Zone re-investment reserve	304.90	933.87
Less: Appropriations		
Dividends	8,652.35	12,175.40
Total appropriations	8,652.35	12,175.40
Closing balance	59,600.21	52,519.33
Capital reserve		
Balance as per previous financial statements	361.39	361.39
Closing balance	361.39	361.39
Capital redemption reserve		
Balance as per previous financial statements	251.66	251.66
Closing balance	251.66	251.66
Share based payments reserve		
Balance as per previous financial statements	1,114.81	588.65
Expense for the year	1,289.22	651.72
Transferred to securities premium on exercise of options	(352.67)	(125.26)
Transfer to general reserve	(13.72)	(0.30)
Closing balance	2,037.64	1,114.81
Special Economic Zone re-investment reserve		
Balance as per previous financial statements	1,556.74	1,839.95
Transferred from retained earnings	960.13	650.66
Utilization during the year	(304.90)	(933.87)
Closing balance	2,211.97	1,556.74
Cash flow hedging reserve		
Balance as per previous financial statements	870.83	606.55
Changes in fair value during the year, (net)	(2,240.28)	405.34
Income tax effect on the above	780.68	(141.06)
Closing balance	(588.77)	870.83
Debt instruments through OCI		
Balance as per previous financial statements	-	-
Transactions during the year	(4.66)	-
Income tax effect on the above	1.44	-
Closing balance	(3.22)	-
Foreign currency translation reserve		
Balance as per previous financial statements	7,691.31	6,858.02
Transactions during the year	2,083.84	833.29
Closing balance	9,775.15	7,691.31
Total other equity	77,464.32	67,553.06

Dividend on equity shares paid during the year ended 31 March 2023

The Board of Directors, at its meeting on 28 April 2022 had proposed the final dividend of ₹ 46 per share for the year ended 31 March 2022 which was approved by the shareholders at the Annual General meeting held on 21 July 2022. This resulted in a cash outflow of ₹ 8,652.35 million.

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17. OTHER EQUITY (Continued)

Dividend on equity shares paid during the year ended 31 March 2022

The Board of Directors, at its meeting held on 13 May 2021 had proposed the final dividend of ₹ 65 per share for the year ended 31 March 2021. The dividend proposed by the Board of Directors was approved by the shareholders in the Annual General meeting held on 29 September 2021. This resulted in a cash outflow of ₹ 12,175.40 million.

Employee Stock Option Plans - Equity settled.

Employees Stock Option Plan 1998 (the 1998 Plan)

The Company instituted the 1998 Plan for all eligible employees in pursuance of the special resolution approved by the shareholders in the Annual General Meeting held on 31 July 1998. The 1998 Plan provides for the issuance of 3,720,000 options to eligible employees as recommended by the ESOP Committee constituted for this purpose. In accordance with the 1998 Plan, the Committee has formulated 1998 Plan - (Version I) and 1998 Plan - (Version II) during the years 1998 - 1999 and 1999 - 2000 respectively.

1998 Plan – (Version I): Each option, granted under the 1998 Plan - (Version I), entitles the holder thereof with an option to apply for and be issued one equity share of the Company at an exercise price of ₹ 34.38 per share. The equity shares covered under these options vest at various dates over a period ranging from six to sixty-six months from the date of grant based on the length of service completed by the employee to the date of grant. The options are exercisable any time after their vesting period irrespective of continued employment with the Group.

The movements in the options granted under the 1998 Plan - (Version I) are set out below:

1998 Plan (Version I)	Year ended 31 March 2023		Year ended 31 March 2022	
	No. of options	Weighted Average Exercise Price (₹)	No. of options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning	47,000	34.38	47,000	34.38
Exercised	496	34.38	-	-
Options outstanding at the end	46,504	34.38	47,000	34.38
Exercisable at the end	46,504	34.38	47,000	34.38

The weighted average share price as at the date of exercise of stock option was ₹ 2,165.44. The options outstanding as at 31 March 2023 have an exercise price of ₹ 34.38 (31 March 2022: ₹ 34.38).

Employees Stock Option Plan - 2016 (the 2016 Plan)

Effective 4 November 2016, the Company instituted the 2016 Plan. The Board of Directors of the Company and the shareholders approved the 2016 Plan at its meeting held on 27 September 2016 and 4 November 2016 respectively. The 2016 plan provides for the issue of options to certain employees of the Company and its subsidiaries.

The 2016 Plan is administered by the Mphasis Employees Equity Reward Trust. As per the ESOP 2016 Plan, the stock options are granted at the market price subject to a discount up to twenty per cent (20%) as may be determined by the Compensation Committee at the time of Grant. The equity shares covered under these options vest over 60 months from the date of grant. The exercise period is sixty months from the respective date of vesting or within six months from the resignation of the employee whichever is earlier.

The movements in the options under the 2016 plan are set out below:

2016 Plan	Year ended 31 March 2023		Year ended 31 March 2022	
	No. of options	Weighted Average Exercise Price (₹)	No. of options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning	3,790,300	1,203.55	3,803,951	591.76
Granted	188,550	2,221.81	853,275	3,397.00
Forfeited	93,393	2,313.92	89,303	1,624.73
Lapsed	105,096	514.41	1,940	523.20
Exercised	494,142	546.08	775,683	569.43
Options outstanding at the end	3,286,219	1,351.31	3,790,300	1,203.55
Exercisable at the end	2,291,232	776.57	2,420,910	558.93

The weighted average share price as at the date of exercise of stock option was ₹ 2,327.74 (31 March 2022: ₹ 2,817.05). The options outstanding on 31 March 2023 have an exercise price ranging from ₹ 500.00 to ₹ 3,397.00 (31 March 2022: ₹ 500.00 to ₹ 3,397.00) and the weighted average remaining contractual life of 4.17 years (31 March 2022: 4.61 years).

CONSOLIDATED FINANCIAL STATEMENTS

17. OTHER EQUITY (Continued)

The weighted average fair value of stock options granted during the year was ₹ 956.96 (31 March 2022: ₹ 1,314.77). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Year ended 31 March 2023	Year ended 31 March 2022
Weighted average share price on the date of grant (₹)	2,190.61	3,306.18
Exercise Price (₹)	2,000.00 to 3,397.00	3,397.00
Expected Volatility	34.40% to 37.39%	34.47% to 35.97%
Life of the options granted in years	1-10 years	1-10 years
Average risk-free interest rate	7.17% to 7.48%	6.34% to 6.36%
Expected dividend rate	2.04% to 2.07%	2.07%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price. The expected term of the instruments has been based on historical experience and general option holder behaviour.

Total employee compensation cost pertaining to 2016 Plan during the year is ₹ 420.88 million (31 March 2022: ₹ 236.25 million.)

During the current year, the Company granted nil options (31 March 2022: 285,337) to the key management personnel under 2016 plan.

Restricted Stock Unit Plan-2021 ('RSU Plan-2021')

Effective 22 October 2021, the Company instituted the Restricted Stock Unit Plan-2021. The Board and the shareholders of the Company approved RSU Plan-2021 on 22 October 2021. The RSU Plan-2021 provides for the issue of restricted units to employees and directors of the Company and its subsidiaries.

The RSU Plan-2021 is administered by the Mphasis Employees Equity Reward Trust. Each unit, granted under the RSU Plan-2021, entitles the holder thereof with an option to apply for and be issued one equity share of the Company at an exercise price of ₹ 10.00 per share. The equity shares covered under this plan vest over a period ranging from twelve to sixty months from the date of grant. The exercise period is sixty months from the respective date of vesting or within six months from the resignation of the employee whichever is earlier.

Pursuant to the approvals obtained from the Board of Directors and the Shareholders of the Company, during the previous year, the Company has adopted a new Restricted Units Plan, 2021 ('RSU 2021') under which a total of 3,000,000 RSUs can be granted to the eligible employees of the Company and its subsidiaries.

During the current year, the Company granted nil units (31 March 2022: 359,189) to the key management personnel under 2021 plan.

The movements in the units under the RSU Plan-2021 are set out below:

RSU 2021 Plan	Year ended 31 March 2023		Year ended 31 March 2022	
	No. of options	Weighted Average Exercise Price (₹)	No. of options	Weighted Average Exercise Price (₹)
Units outstanding at the beginning	1,036,818	10.00	-	-
Granted	33,550	10.00	1,075,188	10.00
Forfeited	64,319	10.00	38,370	10.00
Exercised	87,689	10.00	-	-
Units outstanding at the end	918,360	10.00	1,036,818	10.00
Exercisable at the end	10,737	10.00	-	-

The weighted average share price as at the date of exercise of stock option was ₹ 2,037.37 (31 March 2022: ₹ nil). The options outstanding on 31 March 2023 have an exercise price of ₹ 10.00 (31 March 2022: ₹ 10.00) and the weighted average remaining contractual life of 7.47 years (31 March 2022: 8.19 years).

The weighted average fair value of stock options granted during the year was ₹ 1,746.74 (31 March 2022: ₹ 2,971.23). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Year ended 31 March 2023	Year ended 31 March 2022
Weighted average share price on the date of grant (₹)	2,085.58	3,306.24
Exercise Price (₹)	10.00	10.00
Expected Volatility	34.40% to 34.72%	34.47% to 35.97%
Life of the units granted in years	1-10 years	1-10 years
Average risk-free interest rate	7.17% to 7.48%	6.34% to 6.36%
Expected dividend rate	2.04% to 2.07%	2.07%

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Expected volatility has been based on an evaluation of the historical volatility of the Company's share price. The expected term of the instruments has been based on historical experience and general option holder behaviour.

Total employee compensation cost pertaining to RSU Plan-2021 during the year is ₹ 868.34 million (31 March 2022: ₹ 415.47 million.)

18. OTHER FINANCIAL LIABILITIES

(₹ million)

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Salary related costs	150.70	109.87	4,623.46	4,523.51
Capital creditors	-	-	34.05	127.45
Other payables	0.92	0.87	535.69	324.79
Contingent consideration payable	-	936.56	2,366.07	1,063.25
Unclaimed dividend *	-	-	22.53	22.50
Foreign exchange derivative liabilities	177.41	12.22	981.08	69.86
	329.03	1,059.52	8,562.88	6,131.36

* Unclaimed dividends when due, shall be credited to Investor Protection and Education fund.

19. EMPLOYEE BENEFIT OBLIGATIONS

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Provision for gratuity [refer note 38 (a)]	375.83	1,183.82	-	-
Provision for employee compensated absences	-	-	1,310.50	1,188.23
	375.83	1,183.82	1,310.50	1,188.23

20. OTHER LIABILITIES

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Unearned revenue	-	-	1,093.10	1,158.83
Statutory dues	-	-	1,338.75	1,802.86
	-	-	2,431.85	2,961.69

21. BORROWINGS

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Pre-shipment loan from bank (unsecured) *	-	-	-	2,530.00
Loan from Citibank (unsecured) **	-	-	1,984.76	2,742.42
	-	-	1,984.76	5,272.42
			As at 31 March 2023	As at 31 March 2022
Balance as per previous financial statements			5,272.42	5,134.50
Cash flow movement			(3,557.05)	32.30
Non-cash changes including foreign exchange movements			269.39	105.62
Closing balance			1,984.76	5,272.42

* Pre-shipment loans of ₹ nil (31 March 2022: ₹ 2,530.00 million) carried interest ranging from 4.00% to 5.76% (31 March 2022: 4.00% to 4.15%). The loans were repaid over the period of 22 April 2022 to 27 October 2022.

** Loans from Citibank carries interest @ SOFR plus a spread ranging from 0.70% to 0.85% (31 March 2022: LIBOR plus a spread ranging from 0.94% to 1.60%) p.a. The loans are repayable over the period from 24 April 2023 to 1 May 2023. The loan is availed by a wholly owned subsidiary and the Company has issued a corporate guarantee towards the same.

Refer note 40 for the Group's exposure to interest rate, foreign currency, and liquidity risks.

CONSOLIDATED FINANCIAL STATEMENTS

22. TRADE PAYABLES

(₹ million)

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Outstanding dues to micro and small enterprises ('MSME')*	-	-	13.84	18.41
Outstanding dues to creditors other than MSME	-	-	8,626.31	8,477.51
	-	-	8,640.15	8,495.92

* MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

Trade payables ageing schedule

Particulars	Outstanding for following periods from due date of payment					Accrued expenses	Total
	Not due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years		
31 March 2023							
MSME	7.79	0.97	0.62	-	4.46	-	13.84
Others	1,617.07	301.46	14.69	5.07	62.69	6,605.47	8,606.45
Disputed dues others	-	2.83	-	0.64	16.39	-	19.86
	1,624.86	305.26	15.31	5.71	83.54	6,605.47	8,640.15
31 March 2022							
MSME	13.18	0.43	-	-	4.47	-	18.08
Others	1,727.64	627.96	8.70	8.40	54.52	6,033.26	8,460.48
Disputed dues MSME	-	-	-	-	0.33	-	0.33
Disputed dues others	-	-	0.64	13.95	2.44	-	17.03
	1,740.82	628.39	9.34	22.35	61.76	6,033.26	8,495.92

Relationship with struck off companies

Name of struck off company	Nature of transactions	Transactions during the year	Balance outstanding	Company	Relationship
31 March 2023					
Human Interface Consulting India Pvt Ltd	Payables	-	0.56	Mphasis Limited	Vendor
Webaxyz It Consulting (Opc) Pvt Ltd	Payables	-	0.01	Msource (India) Private Limited	Vendor
Pan Cyber Infotech Pvt Ltd	Payables	0.37	-	Mphasis Limited	Vendor
31 March 2022					
Human Interface Consulting India Pvt Ltd	Payables	-	0.56	Mphasis Limited	Vendor
Webaxyz It Consulting (Opc) Pvt Ltd	Payables	-	0.01	Msource (India) Private Limited	Vendor

23. PROVISIONS

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Provisions	-	-	1,110.22	1,083.77
	-	-	1,110.22	1,083.77
			As at 31 March 2023	As at 31 March 2022
Balance as per previous financial statements			1,083.77	458.56
Additions			65.89	645.05
Utilised / paid			(39.44)	(19.84)
Closing balance			1,110.22	1,083.77
Current			1,110.22	1,083.77

CONSOLIDATED FINANCIAL STATEMENTS

24. TAXES

Income tax expenses in the statement of profit and loss consist of the following:

(₹ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Taxes		
Current taxes	5,078.68	4,859.65
Deferred taxes	272.67	(39.54)
Total taxes	5,351.35	4,820.11

Under the Indian Income Tax Act, 1961, the Company is liable to pay Minimum Alternate Tax ('MAT') in the tax holiday period if the tax payable under normal provisions is less than tax payable under MAT. However, MAT is not payable for Indian subsidiaries within the Group that have opted for the New Tax Regime Excess tax paid under MAT over tax under normal provision paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities.

The Company has units at Bengaluru, Hyderabad, Chennai and Pune registered as Special Economic Zone ('SEZ') units which are entitled to a tax holiday under Section 10AA of the Income Tax Act, 1961. The Group also has STPI units at Bengaluru, Pune and other locations which are registered as a 100 percent Export Oriented Unit, which were earlier entitled to a tax holiday under Section 10B / 10A of the Income Tax Act, 1961.

A portion of the profits of the Company's India operations are exempt from Indian income taxes being profits attributable to export operations from undertakings situated in an SEZ. Under the Special Economic Zone Act, 2005, units in designated special economic zones providing service on or after 1 April 2005 will be eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50 percent of such profits and gains for a further five years. The tax benefits are also available for a further five years post initial ten years subject to the creation of SEZ Reinvestment Reserve which is required to be spent within 3 financial years in accordance with the requirements of the tax regulations in India.

The interest / dividend income from certain category of investments is exempt from tax. The difference between the reported income tax expense and income tax computed at statutory tax rate is primarily attributable to income exempt from tax, reversal of tax expense pertaining to previous years (net), tax effect on allowances / disallowances (net), tax differentials on income from capital gains and difference in tax rates between India and the other geographies where the Group operates.

The Group is also subject to tax on income attributable to its permanent establishment in certain foreign jurisdictions due to operation of its foreign branches and subsidiaries.

Mphasis Limited and certain entities in the Group have entered into international and specified domestic transactions with its associated enterprises within the meaning of section 92B and section 92BA respectively of the Income Tax Act, 1961. The Group is of the view that all the aforesaid transactions have been made at arms' length terms.

Deferred tax for the year ended 31 March 2023 and 31 March 2022 relates to origination and reversal of temporary differences.

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

	Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax	21,730.57	19,129.00
Applicable tax rates in India	34.944%	34.944%
Computed tax charge (A)	7,593.53	6,684.44
Tax effect on exempt operating income	(1,787.15)	(1,738.42)
Tax effect on exempt non - operating income	(11.10)	(15.06)
Tax effect on non - deductible expenses	265.16	122.02
Tax effect on differential domestic/overseas tax rate and other disallowances	(126.42)	219.12
Reversal of tax expenses pertaining to prior period *	(294.49)	(351.02)
Others, net	(288.18)	(100.97)
Total adjustments (B)	(2,242.18)	(1,864.33)
Total tax expenses (A+B)	5,351.35	4,820.11

* Income tax expense for the years ended 31 March 2023 and 31 March 2022 includes reversal (net of provisions) of ₹ 294.49 million and ₹ 351.02 million, respectively.

CONSOLIDATED FINANCIAL STATEMENTS

24. TAXES (Continued)

(₹ million)

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Income tax assets (net)				
Advance income-tax (net of provision for taxation)	5,817.43	5,309.34	-	-
	5,817.43	5,309.34	-	-
Income tax liabilities (net)				
Provision for taxation	217.55	227.89	2,210.92	2,560.39
	217.55	227.89	2,210.92	2,560.39
Net income tax asset			3,388.96	2,521.06

Deferred tax asset amounting to ₹ 895.15 million and ₹ 740.26 million in relation to carry forward losses in various subsidiaries has not been recorded during the years ended 31 March 2023 and 31 March 2022 respectively. The underlying losses carried forward do have a scheduled expiry date including jurisdictions that allow indefinite carry forward.

Deferred tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Accordingly, deferred tax liabilities on cumulative earnings of subsidiaries and branches amounting to ₹ 19,372.59 million and ₹ 17,132.71 million as of 31 March 2023 and 31 March 2022, respectively have not been recognized. Further, it is not practicable to estimate the amount of the unrecognized deferred tax liabilities for these undistributed earnings.

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities are as follows:

	As at 31 March 2023	As at 31 March 2022
Deferred tax asset (net)		
Property, plant and equipment and other intangible assets	262.85	369.45
Provision for doubtful debts and advances	455.50	370.47
Provision for employee benefits	666.26	753.98
On carried forward long term capital loss	1.41	11.70
Derivative (assets) / liabilities	314.51	(465.53)
Others	721.87	576.04
	2,422.40	1,616.11
Deferred tax liabilities (net)		
Property, plant and equipment, goodwill and other intangible assets	1,096.40	796.00
On net operating losses	(103.89)	(83.29)
Others	37.10	5.51
	1,029.61	718.22
Net Deferred tax asset	1,392.79	897.89

Significant components of net deferred tax assets and liabilities are as follows:

	As at 1 April 2022	Statement of Profit and loss	OCI	Others	As at 31 March 2023
Deferred tax asset (net)					
Property, plant and equipment and other intangible assets	369.45	(106.60)	-	-	262.85
Provision for doubtful debts and advances	370.47	85.03	-	-	455.50
Provision for employee benefits	753.98	(82.28)	(5.44)	-	666.26
On carried forward long term capital loss	11.70	(10.29)	-	-	1.41
Derivative (assets) / liabilities	(465.53)	-	780.04	-	314.51
Others	576.04	145.83	-	-	721.87
	1,616.11	31.69	774.60	-	2,422.40
Deferred tax liabilities (net)					
Property, plant and equipment, goodwill and other intangible assets	796.00	300.40	-	-	1,096.40
On net operating losses	(83.29)	(20.60)	-	-	(103.89)
Others	5.51	24.56	(2.08)	9.11	37.10
	718.22	304.36	(2.08)	9.11	1,029.61
Total	897.89	(272.67)	776.68	9.11	1,392.79

CONSOLIDATED FINANCIAL STATEMENTS

24. TAXES (Continued)

(₹ million)

	As at 1 April 2021	Statement of Profit and loss	OCI	Others	As at 31 March 2022
Deferred Tax Asset (net)					
Property, plant and equipment and other intangible assets	279.56	89.89	-	-	369.45
Provision for doubtful debts and advances	318.48	51.99	-	-	370.47
Provision for employee benefits	526.42	141.93	85.63	-	753.98
On carried forward long term capital loss	40.82	(29.12)	-	-	11.70
Derivative (assets) / liabilities	(324.46)	(0.01)	(141.06)	-	(465.53)
Others	419.90	156.14	-	-	576.04
	1,260.72	410.82	(55.43)	-	1,616.11
Deferred Tax Liabilities (net)					
Property, plant and equipment, goodwill and other intangible assets	582.79	213.21	-	-	796.00
Provision for doubtful debts and advances	(11.26)	11.26	-	-	-
On net operating losses	(319.11)	235.82	-	-	(83.29)
Others	90.44	(89.01)	-	4.08	5.51
	342.86	371.28	-	4.08	718.22
Total	917.86	39.54	(55.43)	(4.08)	897.89

25. REVENUE FROM OPERATIONS

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of services	138,429.83	118,611.20
Profit / (loss) on cash flow hedges reclassified to revenue	(444.86)	1,003.24
	137,984.97	119,614.44

Information in relation to revenue disaggregation is disclosed in note 35 and 36.

Reconciliation of revenue recognised with contracted price is as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Contracted price	140,072.51	120,150.17
Reductions towards variable consideration components *	(1,642.68)	(1,538.97)
Revenue as per statement of profit and loss	138,429.83	118,611.20

* The reduction towards variable consideration comprises of discounts, penalties and amortization of contract acquisition cost.

A. Contract balances

The following table discloses the movement in contract assets:

	Year ended 31 March 2023	Year ended 31 March 2022
Balance as per previous financial statements	1,685.50	603.87
Revenue recognized during the year	1,040.96	1,467.37
Invoiced during the year	(1,018.49)	(391.27)
Exchange gain / (loss)	191.19	5.53
Closing balance	1,899.16	1,685.50

The following table discloses the movement in unearned revenue balances:

	Year ended 31 March 2023	Year ended 31 March 2022
Balance as per previous financial statements	1,158.83	1,148.02
Revenue recognised that was included in the unearned revenue balance at the beginning of the year	(970.79)	(1,141.83)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	872.26	1,130.48
Exchange (gain) / loss	32.80	22.16
Closing balance	1,093.10	1,158.83

CONSOLIDATED FINANCIAL STATEMENTS

25. REVENUE FROM OPERATIONS (Continued)

B. Remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as revenue as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Unsatisfied or partially satisfied performance obligations are subject to variability due to several factors such as termination, changes in contract scope, re-validation of estimates and economic factors.

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value transferred to the customer, typically those contracts where invoicing is on time and material, unit price basis and fixed monthly billing.

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2023 is ₹ 16,498.00 million (31 March 2022: ₹ 17,260.00 million). Out of this, the Group expects to recognize revenue of around 39% (31 March 2022: 45%) within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

26. OTHER INCOME

(₹ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income on		
Bank deposits	112.72	147.52
Debentures and long term bonds	140.69	104.53
Others	96.94	100.41
Net gain on investments measured at FVTPL *	734.61	754.84
Foreign exchange gain, (net)	451.36	485.46
Profit on sale of fixed assets, (net)	18.14	4.97
Miscellaneous income	61.53	6.77
	1,615.99	1,604.50

* includes profit on sale of investments amounting to ₹ 664.46 million (31 March 2022: ₹ 1,099.60 million).

27. EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and bonus	73,168.45	64,016.21
Contribution to provident and other funds	5,705.08	5,122.09
Employee share based payments	1,289.22	651.72
Staff welfare expenses	595.05	554.99
	80,757.80	70,345.01

28. FINANCE COSTS

	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on borrowings	494.55	279.42
Interest expense on lease liabilities	478.03	464.61
	972.58	744.03

29. DEPRECIATION AND AMORTIZATION EXPENSE

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of property, plant and equipment (refer note 3)	1,060.17	863.80
Amortization of intangible assets (refer note 7)	545.56	575.87
Depreciation of right-of-use assets (refer note 4)	1,646.69	1,467.85
	3,252.42	2,907.52

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30. OTHER EXPENSES

(₹ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Subcontracting charges	20,570.46	17,169.50
Legal and professional charges	2,521.12	2,798.13
Software support and annual maintenance charges	3,458.28	2,687.23
Facility expenses	697.55	624.04
Travel	1,434.50	856.17
Communication expenses	747.95	656.86
Recruitment expenses	1,057.71	1,453.82
Power and fuel	265.01	248.84
Insurance	238.36	211.35
Rates and taxes	185.57	93.20
Repairs and maintenance - others	135.54	137.59
Provision for expected credit loss	262.97	106.89
Corporate Social Responsibility expense	343.10	294.59
Miscellaneous expenses	969.47	755.17
	32,887.59	28,093.38

31. EARNINGS PER SHARE ('EPS')

Reconciliation of basic and diluted shares used in computing earnings per share:

	Year ended 31 March 2023	Year ended 31 March 2022
Profit for the year (₹ in million)	16,379.22	14,308.89
Number of weighted average shares considered for calculation of basic earnings per share	188,164,920	187,349,367
Add: Dilutive effect of stock options	1,472,200	1,901,005
Number of weighted average shares considered for calculation of diluted earnings per share	189,637,120	189,250,372
Earnings per equity share (par value ₹ 10 per share)		
Basic	87.05	76.38
Diluted	86.37	75.61

32. CONTINGENT LIABILITIES AND COMMITMENTS

- a. The Group has disputes with income tax authorities in India and other jurisdictions where they operate. The ongoing disputes pertain to various assessment years from 2002-03 to 2021-22. The matters under dispute pertain to transfer pricing, tax treatment of certain expenses claimed as deductions, or allowances, characterization of fees for services paid and applicability of withholding taxes etc. Claims against the Group in relation to direct taxes and transfer pricing matters not acknowledged as debts amount to ₹ 12,553.91 million (31 March 2022: ₹13,466.15 million). Claims against the Group in relation to indirect tax matters not acknowledged as debts amount to ₹ 191.99 million (31 March 2022: ₹ 191.89 million).

In relation to other tax demands not included above, the Group has furnished bank guarantees amounting to ₹ 5,097.42 million (31 March 2022: ₹ 6,661.95 million). These demands are being contested by the Group based on management evaluation, advice of tax consultants and legal advice obtained. No provision has been made in the books of accounts. The Group has filed appeals against such orders with the appropriate authorities.

The Group has received notices and inquiries from select income tax authorities related to the Group's operations in the jurisdictions it operates in. The Group has evaluated these notices, responded appropriately and believes there are no financial statement implications as on date.

- b. Other outstanding bank guarantees as at 31 March 2023: ₹ 186.52 million (31 March 2022: ₹ 185.38 million) pertains to guarantees issued on behalf of the Group to regulatory authorities.
- c. In addition to the above matters, the Group has other claims not acknowledged as debts amounting to ₹ 733.77 million (31 March 2022: ₹ 489.82 million).
- d. Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided for as at 31 March 2023: ₹ 209.03 million (31 March 2022: ₹ 324.43 million).

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33. RELATED PARTY TRANSACTIONS

In accordance with the requirements of Indian Accounting Standard (Ind AS) -24 'Related Party Disclosures' the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year-end balances are given below.

Change in control

For the period upto 9 August 2021, the holding company and ultimate holding company were Marble II Pte Ltd. and Blackstone Capital Partners (Cayman II) VI L.P respectively. On 10 August 2021, Marble II Pte Ltd. sold the shares held in the Company to BCP Topco IX Pte. Ltd. This consequently led to a change of control. Accordingly, with effect from 10 August 2021, the holding company and ultimate holding company are BCP Topco IX Pte. Ltd and BCP Asia (SG) Mirror Holding Pte Ltd respectively.

Entities where control exists

BCP Asia (SG) Mirror Holding Pte Ltd	Ultimate holding company (from 10 August 2021)
BCP Topco IX Pte. Ltd	Holding company (from 10 August 2021)
Blackstone Capital Partners (Cayman II) VI L.P.	Ultimate holding company (upto 9 August 2021)
Blackstone Capital Partners (Singapore) VI Holding Co Pte Ltd	Intermediate holding company (upto 9 August 2021)
Marble I Pte Ltd.	Intermediate holding company (upto 9 August 2021)
Marble II Pte Ltd.	Holding company (upto 9 August 2021)

Post-employment benefit trusts of the Group

Mphasis Group Employees Provident Fund Trust
Mphasis Limited Employees Group Gratuity Fund Trust
Msource India Pvt Ltd Employees Group Gratuity Fund Trust
Digital Risk Mortgage Services LLC Employees Group Gratuity Scheme

Key management personnel

Davinder Singh Brar	Independent Director and Chairman of the Board
Narayanan Kumar	Independent Director
Jan Kathleen Hier	Independent Director
David Lawrence Johnson	Director
Marshall Jan Lux	Director
Amit Dixit	Director
Amit Dalmia	Director
Maureen Anne Erasmus	Independent Director – Appointed w.e.f. 20 December 2021
Kabir Mathur	Director – Appointed w.e.f. 20 December 2021
Pankaj Sood	Director – Appointed w.e.f. 20 December 2021
Courtney Della Cava	Director – Appointed w.e.f. 20 December 2021
Nitin Rakesh	Chief Executive Officer and Executive Director till 30 September 2021
	Chief Executive Officer and Managing Director w.e.f. 1 October 2021
Manish Dugar	Chief Financial Officer
Subramanian Narayan	Senior Vice President & Company Secretary

The following is the summary of transactions with related parties by the Group:

(₹ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Dividend paid (on cash basis)	4,343.67	6,131.00
BCP Topco IX Pte. Ltd [net of withholding taxes amounting to ₹ 482.02 (31 March 2022: ₹ 681.20)]	4,338.71	6,130.78
Others	4.96	0.22
Remuneration / Commission to key management personnel *	679.78	466.49
Nitin Rakesh	591.66	351.40
Others	88.12	115.09

* This does not include remuneration paid to certain directors by the ultimate holding company and its affiliates as they are not employees of the Group. Post-employment benefit comprising gratuity and compensated absences have not been disclosed as these are determined for the Group as a whole.

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33. RELATED PARTY TRANSACTIONS (Continued)

Marble II Pte Ltd. ('Marble') (being the erstwhile Promoter of the Company) has covered certain identified employees of the Group under an Exit Return Incentive Plan ('the ERI Plan') of Marble, under which Marble could make direct payments upon satisfaction of specified conditions therein, at Marble's discretion. The ERI Plan was approved by the Board of Directors of the Company on 25 May 2017 and the shareholders of the Company at the Annual General Meeting held on 26 July 2017, as required under Regulation 26(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. There is no financial impact / burden to the Group for the payments to be made pursuant to the ERI Plan by Marble. Marble has, since its exit as a shareholder of the Company, made payments of ₹ 183.20 million in aggregate during the year ended 31 March 2023 under the ERI Plan to the key management personnel of the Group.

Marble II Pte Ltd. ('Marble') (being the erstwhile Promoter of the Company) has covered certain identified employees of the Group under an Exit Return Incentive Plan ('the ERI Plan') of Marble, under which Marble could make direct payments upon satisfaction of specified conditions therein, at Marble's discretion. The ERI Plan was approved by the Board of Directors of the Company on 25 May 2017 and the shareholders of the Company at the Annual General Meeting held on 26 July 2017, as required under Regulation 26(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. There is no financial impact / burden to the Company for the payments to be made pursuant to the ERI Plan by Marble. During the previous year, Marble has, since its exit as a shareholder of the Company, made payments of ₹ 701.90 million in aggregate under the ERI Plan to the key management personnel of the Group.

BCP Topco IX Pte. Ltd. ('Topco') being the holding company and the promoter of the Company, through its related entities –BCP Asia (SG) Mirror Holding Pte Ltd and BCP Asia Mirror CYM Ltd ("Cayco"), has covered certain identified employees of the Group under the Exit Return Incentive Plan, 2021 ('ERI 2021'), under which direct payments will be made upon satisfaction of specified conditions therein, at their discretion. The ERI 2021 Plan was approved by the Board of Directors of the Company on 31 August 2021 and the shareholders of the Company at the Annual General Meeting held on 29 September 2021, as required under Regulation 26(6) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. There is no financial impact / burden to the Group for the payments to be made pursuant to ERI 2021.

Expenses incurred on behalf of related parties

Marble II Pte. Limited

₹ 242.40 million represents the amounts paid by Marble during the year ended 31 March 2023 under the ERI Plan that was payable to certain identified persons on the payroll of Mphasis Corporation and was routed through Mphasis Corporation (on behalf of Marble) on account of requirements under applicable US tax laws. Mphasis Corporation passed on the requisite payments to these identified persons (on behalf of Marble) net of applicable US taxes, and deposited the requisite taxes with the relevant US tax authorities. The payments under the ERI Plan do not form part of the remuneration payable by Mphasis Corporation to these persons, nor was there any financial burden on Mphasis Corporation on account of this arrangement.

₹ 835.00 million represents the amounts paid by Marble during the previous year under the ERI Plan that was payable to certain identified persons on the payroll of Mphasis Corporation and was routed through Mphasis Corporation (on behalf of Marble) on account of requirements under applicable US tax laws. Mphasis Corporation passed on the requisite payments to these identified persons (on behalf of Marble) net of applicable US taxes and deposited the requisite taxes with the relevant US tax authorities. The payments under the ERI Plan neither form part of the remuneration payable by the Group to these persons, nor was there any financial burden on the Group on account of this arrangement.

The balances payable to related parties are as follows:

(₹ million)

	As at 31 March 2023	As at 31 March 2022
Remuneration / Commission payable to key management personnel	10.42	41.55
Davinder Singh Brar	1.93	1.46
Narayanan Kumar	1.82	1.34
David Lawrence Johnson	1.65	1.18
Jan Kathleen Hier	1.72	1.24
Marshall Lux	1.65	35.23
Maureen Anne Erasmus	1.65	1.10

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34. Additional information pursuant to para 2 of general instructions for the preparation of the Consolidated Financial Statements for years ended 31 March 2023 and 31 March 2022.

31 March 2023	Consolidated net assets		Consolidated profit or loss		Consolidated OCI		Consolidated total Comprehensive income	
	Percentage	₹ million	Percentage	₹ million	Percentage	₹ million	Percentage	₹ million
Parent								
Mphasis Limited	44.53%	50,086.96	84.68%	14,138.65	85.59%	(1,435.80)	84.58%	12,702.85
Indian subsidiaries								
Msource (India) Private Limited	9.28%	10,433.79	3.31%	552.69	1.08%	(18.09)	3.56%	534.60
Mphasis Software and Services (India) Private Limited	1.73%	1,947.49	0.49%	82.09	0.00%	(0.01)	0.55%	82.08
Mrald Services Private Limited (India)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign subsidiaries								
Mphasis Corporation	8.90%	10,010.76	5.00%	835.09	13.13%	(220.26)	4.09%	614.83
Mphasis Deutschland GmbH	-0.44%	(497.88)	-0.74%	(123.49)	1.84%	(30.85)	-1.03%	(154.34)
Mphasis Australia Pty Limited	-0.13%	(150.91)	-0.20%	(32.66)	-0.42%	7.12	-0.17%	(25.54)
Mphasis (Shanghai) Software & Services Company Limited	0.09%	105.76	-0.15%	(25.05)	0.01%	(0.21)	-0.17%	(25.26)
Mphasis Consulting Limited	0.54%	611.14	-0.21%	(35.75)	0.72%	(12.00)	-0.32%	(47.75)
Mphasis Ireland Limited	0.06%	69.50	0.02%	3.86	-0.26%	4.30	0.05%	8.16
Mphasis Belgium BV	0.87%	982.48	0.37%	61.99	-3.33%	55.89	0.79%	117.88
Mphasis Poland s.p.z.o.o	0.00%	4.78	0.06%	9.72	-0.07%	1.10	0.07%	10.82
Msource Mauritius Inc.	0.56%	633.05	-0.01%	(1.56)	0.00%	(0.05)	-0.01%	(1.61)
PT. Mphasis Indonesia	0.00%	(1.57)	0.00%	(0.06)	0.00%	(0.06)	0.00%	(0.12)
Mphasis Europe BV	10.48%	11,787.31	-0.07%	(11.31)	-1.19%	19.96	0.06%	8.65
Mphasis Pte Limited	0.75%	844.67	0.18%	29.22	-4.55%	76.37	0.70%	105.59
Mphasis Infrastructure Services Inc.	-1.48%	(1,666.10)	-0.47%	(79.20)	7.41%	(124.37)	-1.36%	(203.57)
Mphasis UK Limited	8.92%	10,038.02	-1.92%	(319.91)	-0.43%	7.17	-2.08%	(312.74)
Mphasis Wyde Inc.	9.75%	10,971.08	-2.91%	(485.74)	14.16%	(237.47)	-4.82%	(723.21)
Mphasis Philippines Inc.	0.00%	2.44	-0.02%	(2.92)	-0.01%	0.15	-0.02%	(2.77)
Wyde Corporation	-1.00%	(1,124.50)	-0.38%	(64.01)	5.27%	(88.39)	-1.02%	(152.40)
Mphasis Wyde SASU	-0.84%	(943.14)	0.10%	16.88	3.32%	(55.73)	-0.26%	(38.85)
Wyde Solutions Canada Inc.	-0.06%	(71.85)	0.00%	(0.25)	0.03%	(0.43)	-0.01%	(0.68)
Digital Risk LLC.	0.15%	170.05	-2.77%	(461.66)	5.41%	(90.77)	-3.68%	(552.43)
Digital Risk Mortgage Services LLC.	7.66%	8,610.62	16.90%	2,821.62	-30.02%	503.62	22.14%	3,325.24
Investor Services, LLC	0.72%	807.51	0.00%	0.01	-3.74%	62.67	0.42%	62.68
Digital Risk Valuation Services LLC.	-1.24%	(1,392.14)	0.00%	(0.22)	6.44%	(108.03)	-0.72%	(108.25)
Stelligent Systems LLC.	-0.02%	(21.67)	1.08%	180.28	0.94%	(15.72)	1.10%	164.56
Datalytx Limited	-0.01%	(8.95)	-0.84%	(140.37)	0.51%	(8.51)	-0.99%	(148.88)
Datalytx MSS Limited	0.02%	20.85	0.03%	5.12	-0.03%	0.56	0.04%	5.68
Dynamyx Limited	-0.01%	(7.75)	-0.10%	(16.04)	0.02%	(0.32)	-0.11%	(16.36)
Mphasis Digi Information Technology Services (Shanghai) Limited	0.01%	12.61	-0.06%	(9.27)	0.01%	(0.10)	-0.06%	(9.37)
Blink Interactive, Inc	0.34%	387.18	-0.62%	(102.84)	-2.26%	37.87	-0.43%	(64.97)
Mrald Limited	0.00%	(1.04)	-0.01%	(0.99)	0.00%	(0.05)	-0.01%	(1.04)
Mrald Services Limited	-0.16%	(181.88)	-0.77%	(128.03)	0.45%	(7.50)	-0.90%	(135.53)
Mphasis Solutions Services Corporation	0.00%	3.90	0.00%	(0.21)	-0.02%	0.32	0.00%	0.11
Total foreign subsidiaries	44.46%	50,004.33	11.52%	1,922.25	13.34%	(223.72)	11.31%	1,698.53
Sub total	100.00%	112,472.57	100.00%	16,695.68	100.00%	(1,677.62)	100.00%	15,018.06
Adjustment arising out of consolidation		(33,124.18)		(316.46)		2,307.88		1,991.42
Total		79,348.39		16,379.22		630.26		17,009.48

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34. Additional information pursuant to para 2 of general instructions for the preparation of the Consolidated Financial Statements for years ended 31 March 2023 and 31 March 2022. (Continued)

31 March 2022	Consolidated net assets		Consolidated profit or loss		Consolidated OCI		Consolidated total Comprehensive income	
	Percentage	₹ million	Percentage	₹ million	Percentage	₹ million	Percentage	₹ million
Parent								
Mphasis Limited	42.52%	44,476.51	58.98%	12,352.53	134.43%	105.49	59.26%	12,458.02
Indian subsidiaries								
Msource (India) Private Limited	9.46%	9,899.19	0.62%	129.58	-0.19%	(0.15)	0.62%	129.43
Mphasis Software and Services (India) Private Limited	1.78%	1,865.41	0.29%	60.70	0.00%	-	0.29%	60.70
Foreign subsidiaries								
Mphasis Corporation	8.98%	9,395.93	4.77%	997.87	43.15%	33.86	4.91%	1,031.73
Mphasis Deutschland GmbH	-0.33%	(343.53)	-0.62%	(128.97)	6.31%	4.95	-0.59%	(124.02)
Mphasis Australia Pty Limited	-0.12%	(125.37)	-0.73%	(151.75)	-4.14%	(3.25)	-0.74%	(155.00)
Mphasis (Shanghai) Software & Services Company Limited	0.13%	131.02	-0.26%	(55.19)	12.51%	9.82	-0.22%	(45.37)
Mphasis Consulting Limited	0.63%	658.89	0.04%	8.57	7.49%	5.88	0.07%	14.45
Mphasis Ireland Limited	0.06%	61.34	0.03%	5.20	-1.43%	(1.12)	0.02%	4.08
Mphasis Belgium BV	0.83%	864.63	0.22%	46.09	-21.86%	(17.15)	0.14%	28.94
Mphasis Poland s.p.z.o.o	-0.01%	(6.03)	-0.01%	(2.22)	0.18%	0.14	-0.01%	(2.08)
Msource Mauritius Inc.	0.60%	626.45	0.00%	(0.83)	0.00%	-	0.00%	(0.83)
PT. Mphasis Indonesia	0.00%	(1.45)	0.00%	(0.07)	-0.09%	(0.07)	0.00%	(0.14)
Mphasis Europe BV	11.26%	11,778.66	0.14%	29.89	-7.37%	(5.78)	0.12%	24.11
Mphasis Pte Limited	0.71%	739.08	0.21%	43.41	25.92%	20.34	0.30%	63.75
Mphasis Infrastructure Services Inc.	-1.40%	(1,462.53)	-0.48%	(99.82)	-62.29%	(48.88)	-0.71%	(148.70)
Mphasis UK Limited	9.90%	10,350.77	-0.90%	(188.57)	-3.07%	(2.41)	-0.91%	(190.98)
Mphasis Wyde Inc.	11.18%	11,694.30	8.12%	1,699.78	-189.82%	(148.95)	7.38%	1,550.83
Mphasis Philippines Inc.	0.01%	5.21	-0.03%	(6.81)	-0.23%	(0.18)	-0.03%	(6.99)
Wyde Corporation	-0.93%	(972.09)	0.29%	60.15	-49.50%	(38.84)	0.10%	21.31
Mphasis Wyde SASU	-0.86%	(904.29)	-0.43%	(89.15)	23.84%	18.71	-0.34%	(70.44)
Wyde Solutions Canada Inc.	-0.07%	(71.18)	0.17%	35.58	-6.51%	(5.11)	0.15%	30.47
Digital Risk LLC.	0.69%	722.48	15.50%	3,247.01	-92.88%	(72.88)	15.10%	3,174.13
Digital Risk Mortgage Services LLC.	5.10%	5,337.93	14.89%	3,117.41	296.37%	232.56	15.94%	3,349.97
Investor Services, LLC	0.71%	744.83	0.00%	(0.02)	33.59%	26.36	0.13%	26.34
Digital Risk Valuation Services LLC.	-1.23%	(1,283.89)	0.00%	(0.02)	-57.91%	(45.44)	-0.22%	(45.46)
Stelligent Systems LLC.	-0.18%	(186.23)	-0.08%	(16.86)	-9.09%	(7.13)	-0.11%	(23.99)
Datalytx Limited	0.13%	139.93	-0.91%	(189.78)	3.85%	3.02	-0.89%	(186.76)
Datalytx MSS Limited	0.01%	15.18	0.00%	(0.24)	-0.23%	(0.18)	0.00%	(0.42)
Dynamyx Limited	0.01%	8.60	-0.07%	(13.75)	-0.27%	(0.21)	-0.07%	(13.96)
Mphasis Digi Information Technology Services (Shanghai) Limited	0.02%	21.99	-0.01%	(1.87)	1.10%	0.86	-0.01%	(1.01)
Blink Interactive, Inc	0.43%	452.16	0.49%	102.04	17.77%	13.94	0.55%	115.98
Mrald Limited	0.00%	(0.02)	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Mrald Services Limited	-0.04%	(46.35)	-0.22%	(46.62)	0.34%	0.27	-0.22%	(46.35)
Mphasis Solutions Services Corporation	0.00%	3.79	0.00%	-	0.00%	-	0.00%	-
Total foreign subsidiaries	46.23%	48,350.21	40.11%	8,400.44	-34.24%	(26.87)	39.84%	8,373.57
Sub total	100.00%	104,591.32	100.00%	20,943.25	100.00%	78.47	100.00%	21,021.72
Adjustment arising out of consolidation		(35,160.01)		(6,634.36)		858.82		(5,775.54)
Total		69,431.31		14,308.89		937.29		15,246.18

CONSOLIDATED FINANCIAL STATEMENTS

35. SEGMENT REPORTING

Operating segments are defined as components of the Group for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assess performance. The Group's Chief Operating Decision Maker ('CODM') is the Chief Executive Officer.

The Group has identified business segments as reportable segments. The business segments identified are Banking and Financial Services, Logistics and transportation, Technology Media and Telecom, Insurance, and Others.

The accounting policies consistently used in the preparation of financial statements are also applied to record revenue and expenditure in individual segments. Revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably. The Group, therefore, believes that it is not practical to provide segment disclosures relating to such items, and accordingly such items are separately disclosed as 'unallocated'.

CODM does not review assets and liabilities at reportable segments level, hence segment disclosures relating to total assets and liabilities have not been provided.

Client relationships are driven based on client domicile. The geographical segments include United States of America ('Americas'), India, Europe, Middle East & Africa ('EMEA') and Rest of the World ('ROW').

(₹ million)

Business segments	Year ended 31 March 2023	Year ended 31 March 2022
Segment revenue		
Banking and Financial Services	74,189.76	63,755.94
Logistics and Transportation	18,075.86	15,551.97
Technology Media and Telecom	17,980.24	15,742.79
Insurance	11,449.47	10,771.01
Others	16,734.50	12,789.49
Unallocated - hedge	(444.86)	1,003.24
Total segment revenue	137,984.97	119,614.44
Segment result		
Banking and Financial Services	19,976.60	15,550.54
Logistics and Transportation	5,341.98	5,493.72
Technology Media and Telecom	4,063.49	3,148.34
Insurance	3,131.23	2,913.62
Others	5,444.08	4,674.21
Unallocated - hedge	(444.86)	1,003.24
Total segment result	37,512.52	32,783.67
Finance costs	(972.58)	(744.03)
Other income	1,615.99	1,604.50
Other unallocable expenditure	(16,425.36)	(14,515.14)
Profit before taxation	21,730.57	19,129.00
Income taxes	5,351.35	4,820.11
Profit after taxation	16,379.22	14,308.89

Revenue from two customer groups individually accounted for more than 10% of the total revenue for the year ended 31 March 2023 (31 March 2022: two).

Geographic revenues	Year ended 31 March 2023	Year ended 31 March 2022
Americas	113,199.89	93,916.94
India	7,085.37	5,932.31
EMEA	13,967.33	13,641.91
ROW	4,177.24	5,120.04
Unallocated - hedge	(444.86)	1,003.24
Total	137,984.97	119,614.44

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36. DISAGGREGATION OF REVENUE

(₹ million)

Services rendered	Year ended 31 March 2023	Year ended 31 March 2022
Application Services	94,703.98	74,579.40
Business Process Services	26,660.04	29,826.09
Infrastructure Services	17,065.81	14,205.71
Unallocated - hedge	(444.86)	1,003.24
Total	137,984.97	119,614.44
Delivery location		
Onsite	77,438.88	69,406.42
Offshore	60,990.95	49,204.78
Unallocated - hedge	(444.86)	1,003.24
Total	137,984.97	119,614.44
Project type		
Time and material	77,995.33	66,763.36
Fixed price	41,970.48	32,923.43
Transaction based	18,464.02	18,924.41
Unallocated - hedge	(444.86)	1,003.24
Total	137,984.97	119,614.44
Market		
Direct	1,29,922.00	1,08,881.45
DXC	6,204.15	7,659.48
Others	2,303.68	2,070.27
Unallocated - hedge	(444.86)	1,003.24
Total	137,984.97	119,614.44

37. CAPITAL MANAGEMENT

The Group's objective is to maintain a strong capital base to ensure sustained growth in business. The capital management policy focusses on maintaining an optimal structure that balances growth and maximizes shareholder value.

	As at 31 March 2023	As at 31 March 2022
Total equity attributable to the share holders of the Company (A)	79,348.39	69,431.31
Borrowings (B)	1,984.76	5,272.42
Total capital C (A+B)	81,333.15	74,703.73
Total borrowings as a percentage of capital (B / C)	2.44%	7.06%
Total equity as a percentage of total capital (A / C)	97.56%	92.94%

The Group is predominantly equity financed as evident from the capital structure table above. The Group is not subject to any externally imposed capital restrictions.

38. EMPLOYEE BENEFITS

a. Gratuity

In accordance with Indian laws, the Company and its subsidiaries in India operate a scheme of Gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The Company and its Indian subsidiaries manages the plan through a trust. The trust is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives.

CONSOLIDATED FINANCIAL STATEMENTS

38. EMPLOYEE BENEFITS (Continued)

The following tables set out the status of the gratuity plan.

(₹ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Changes in present value of defined benefit obligations		
Obligations at beginning of the year	1,566.00	1,290.35
Service cost	250.94	178.47
Interest cost	89.73	71.23
Benefits paid	(250.81)	(209.31)
Re-measurement (gain) / loss (through OCI)	(28.15)	235.26
Obligations at end of the year	1,627.71	1,566.00
Change in plan assets		
Plan assets at beginning of the year, at fair value	382.18	562.67
Expected return on plan assets	34.99	42.80
Re-measurement gain / (loss) (through OCI)	(13.47)	(10.65)
Employer contributions	1,103.75	7.47
Benefits paid	(250.81)	(209.31)
Administration charges	(4.76)	(10.80)
Plan assets at end of the year	1,251.88	382.18
Present value of defined benefit obligation at the end of the year	1,627.71	1,566.00
Fair value of plan assets at the end of the year	1,251.88	382.18
Net liability recognised in the balance sheet	(375.83)	(1,183.82)
Expenses recognised in statement of profit and loss		
Service cost	250.94	178.47
Interest cost (net)	54.74	28.43
Net gratuity cost	305.68	206.90
Re-measurement (gains) / losses in OCI		
Actuarial (gain) / loss due to financial assumption changes	(62.75)	(14.04)
Actuarial (gain) / loss due to experience adjustments	34.60	249.30
Re-measurement - return on plan assets (greater) less than discount rate	13.47	10.65
Total (gains) / losses routed through OCI	(14.68)	245.91
Assumptions		
Discount rate	7.36%	6.38%
Expected rate of return on plan assets	7.36%	6.38%
Salary increase	4.00%	4.00%
Attrition rate	20% to 30%	20% to 30%
Retirement age	60 years	60 years
Future payouts (year ended 31 March)		
Year-1	250.23	240.81
Year-2	216.02	207.86
Year-3	192.07	184.81
Year-4	165.31	159.05
Year-5	147.74	142.13
Year-6-10	432.21	415.77
Year-10 and above	224.13	215.57

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Expected return on plan assets is computed based on prevailing market rate.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Insurer managed funds	100%	100%
Sensitivity analysis	Year ended 31 March 2023	Year ended 31 March 2022
Change in discount rate	1% increase	1% decrease
Effect on the defined benefit obligation	(64.80)	59.32
Change in salary increase	1% increase	1% decrease
Effect on the defined benefit obligation	61.74	(59.20)
	59.85	(63.69)

CONSOLIDATED FINANCIAL STATEMENTS

38. EMPLOYEE BENEFITS (Continued)

b. Provident Fund

In accordance with Indian law, all eligible employees of Mphasis Limited in India are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to a Trust set up by the Company to manage the investments and distribute the amounts entitled to employees. This plan is a defined benefit plan as the Company is obligated to provide its members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. A part of the Company's contribution is transferred to Government administered pension fund. The contributions made by the Company and the shortfall of interest, if any, are recognised as an expense in the consolidated statement of profit or loss under employee benefit expenses. In accordance with an actuarial valuation of provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no shortfall in the interest obligation as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

The Group has carried out actuarial valuation only for defined benefit plan as at 31 March 2023. The actuary has provided a valuation for provident fund liabilities and based on the assumptions mentioned below, there is no shortfall in plan assets as at 31 March 2023 and 31 March 2022.

All eligible employees of Indian subsidiaries of the Company are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to the Government administered provident fund plan. A part of the company's contribution is transferred to Government administered pension fund. This plan is a defined contribution plan as the obligation of the employer is limited to the monthly contributions made to the fund. The contributions made to the fund are recognised as an expense in profit and loss under employee benefit expenses.

The amount of plan assets disclosed below have been restricted to the extent of present value of benefit obligation at the year end.

The details of the fund and plan asset position are given below:

	(₹ million)	
	As at 31 March 2023	As at 31 March 2022
Plan assets at the year end	14,386.72	12,213.51
Present value of benefit obligation at year end	14,386.72	12,213.51
Asset recognized in balance sheet	-	-

The plan assets have been primarily invested in Government and debt securities in the pattern specified by Employee's Provident Fund Organisation.

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach.

Government of India (GOI) bond yield	7.30%	6.38%
Remaining term of maturity (in years)	8	8
Guaranteed rate of return	8.15%	8.10%

The Company and its Indian subsidiaries have contributed ₹ 1,345.31 million towards provident fund during the year ended 31 March 2023 (31 March 2022: ₹ 1,341.57 million).

c. Social Security

The Code on Social Security 2020 ('Code'), which received the Presidential Assent on 28 September 2020, subsumes nine regulations relating to social security, retirement, and employee benefits. The Code will have an impact on the contributions towards gratuity and provident fund made by the Company and its Indian subsidiaries. The Ministry of Labour and Employment ('Ministry') has released draft rules for the Code on 13 November 2020 and has invited suggestions from stake holders. The suggestions received are under consideration by the Ministry. The effective date of the Code has not yet been notified and the related rules to ascertain the financial impact are yet to be finalized and notified. The Company and its Indian subsidiaries will assess the impact once the subject rules are notified and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.

CONSOLIDATED FINANCIAL STATEMENTS

39. FINANCIAL INSTRUMENTS

The carrying value of financial instruments by categories is as follows:

(₹ million)

Particulars (as at 31 March 2023)	FVTPL	FVTOCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortized cost	Total
Financial assets						
Cash and cash equivalents	-	-	-	-	10,441.13	10,441.13
Bank balances other than cash and cash equivalents	-	-	-	-	93.31	93.31
Investments	15,858.28	1,148.20	-	-	519.94	17,526.42
Trade receivables	-	-	-	-	26,539.98	26,539.98
Loans	-	-	-	-	287.54	287.54
Derivative assets	-	-	152.12	31.01	-	183.13
Other financial assets	-	-	-	-	1,969.83	1,969.83
Total	15,858.28	1,148.20	152.12	31.01	39,851.73	57,041.34
Financial liabilities						
Borrowings	-	-	-	-	1,984.76	1,984.76
Lease liabilities	-	-	-	-	8,542.90	8,542.90
Trade payables	-	-	-	-	8,640.15	8,640.15
Derivative liabilities	-	-	1,056.04	102.45	-	1,158.49
Other financial liabilities	2,366.07	-	-	-	5,367.35	7,733.42
Total	2,366.07	-	1,056.04	102.45	24,535.16	28,059.72

Particulars (as at 31 March 2022)	FVTPL	FVTOCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortized cost	Total
Financial assets						
Cash and cash equivalents	-	-	-	-	8,268.47	8,268.47
Bank balances other than cash and cash equivalents	-	-	-	-	1,225.90	1,225.90
Investments	16,530.62	-	-	-	1,599.50	18,130.12
Trade receivables	-	-	-	-	22,269.36	22,269.36
Loans	-	-	-	-	318.21	318.21
Derivative assets	-	-	1,372.43	64.41	-	1,436.84
Other financial assets	-	-	-	-	2,206.18	2,206.18
Total	16,530.62	-	1,372.43	64.41	35,887.62	53,855.08
Financial liabilities						
Borrowings	-	-	-	-	5,272.42	5,272.42
Lease liabilities	-	-	-	-	7,246.90	7,246.90
Trade payables	-	-	-	-	8,495.92	8,495.92
Derivative liabilities	-	-	36.07	46.01	-	82.08
Other financial liabilities	1,999.81	-	-	-	5,108.99	7,108.80
Total	1,999.81	-	36.07	46.01	26,124.23	28,206.12

Fair value hierarchy

Particulars	As at 31 March 2023				As at 31 March 2022			
	Fair value measurements at reporting date using				Fair value measurements at reporting date using			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets								
Investments	17,006.48	14,211.63	2,794.85	-	16,530.62	13,852.98	2,677.64	-
Derivative assets	183.13	-	183.13	-	1,436.84	-	1,436.84	-
Liabilities								
Derivative liabilities	1,158.49	-	1,158.49	-	82.08	-	82.08	-
Other financial liabilities	2,366.07	-	-	2,366.07	1,999.81	-	-	1,999.81

CONSOLIDATED FINANCIAL STATEMENTS

39. FINANCIAL INSTRUMENTS (Continued)

Valuation techniques and significant unobservable inputs

Level 2:

Forward exchange contracts: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on yield curves in the respective currencies.

Non-convertible debentures: The fair value is estimated considering quoted prices of securities with similar maturity and credit rating that are traded in active markets.

Level 3:

Contingent consideration: The Group uses the discounted cash flows method. The valuation model considers the present value of the future expected payments based on contractual terms, discounted using a risk adjusted discount rate of 14%.

(₹ million)

Reconciliation of level 3 fair value measurement of financial liabilities is as follows	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	1,999.81	38.43
Additions	472.29	2,000.74
Payments	(263.96)	(68.96)
Translation exchange differences from foreign operations	157.93	29.60
Balance at the end of the year	2,366.07	1,999.81

Offsetting financial assets with liabilities

The Group offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The quantitative information about offsetting financial asset is as follows:

	As at 31 March 2023	As at 31 March 2022
Gross amount of recognised trade receivables (net of provision for ECL) - Billed	16,346.06	13,178.06
Gross amount of factored trade receivables and volume discount set off in the balance sheet	(5,090.83)	(3,496.58)
Net amount presented in balance sheet	11,255.23	9,681.48

40. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to the following risks:

- Credit risk
- Interest rate risk
- Liquidity risk
- Foreign currency exchange rate risk

The Group has a risk management policy / framework which covers risks associated with the financial assets and liabilities. The risk management policy / framework is approved by the Treasury committee. The focus of such framework is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Group.

CREDIT RISK

Credit Risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract leading to a financial loss. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. The Group is exposed to credit risk from its operating activities (primarily trade receivables and unbilled receivables) and from its investing activities including deposits with banks and financial institutions, investments, derivative financial instruments, and other financial instruments.

Trade receivables

Credit risk is managed by each business unit subject to the Group's established policies, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored. One customer group accounted for more than 10% of the trade receivable for the year ended 31 March 2023 (31 March 2022: One).

Credit risk exposure

The Group's credit period generally ranges from 30 – 60 days. The particulars of outstandings are as below:

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables	26,539.98	22,269.36
Contract assets	1,899.16	1,685.50
Total	28,439.14	23,954.86

The concentration risk with respect to trade receivables is low since they are spread across multiple customers, geographies and industries.

CONSOLIDATED FINANCIAL STATEMENTS

40. FINANCIAL RISK MANAGEMENT (Continued)

The allowance for lifetime expected credit loss for the years ended 31 March 2023 and 31 March 2022 was ₹ 262.97 million and ₹ 106.89 million respectively. The reconciliation is as follows:

Particulars	(₹ million)	
	Year ended 31 March 2023	Year ended 31 March 2022
Balance as per previous financial statements	1,057.86	936.84
Charge for the year	262.97	106.89
Translation exchange differences	24.39	14.13
Closing balance	1,345.22	1,057.86

Financial instruments and deposits with banks

Credit risk is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investments in liquid mutual fund units, State Development Loans, deposits and bonds issued by Government owned entities and highly rated financial institutions. Counterparty credit limits are reviewed by the Group periodically and the limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. Two banks individually accounted for more than 10% of the Group's deposits and bank balances as at 31 March 2023 (31 March 2022: Three banks).

INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to the risk of changes in interest rates relates primarily to the Group's debt obligations with floating interest rates. The Group's borrowings are short term / working capital in nature. The Group's investments are primarily in fixed rate interest bearing investments. Hence, the Group is not significantly exposed to interest rate risk.

LIQUIDITY RISK

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group's principal sources of liquidity are cash and cash equivalents, bank balances other than cash and cash equivalents, current investments and the cash flow that is generated from operations. The Group believes that these sources are sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The break-up of cash and cash equivalents, deposits and investments is as below:

Particulars	As at	
	31 March 2023	31 March 2022
Cash and cash equivalents	10,441.13	8,268.47
Bank balances other than cash and cash equivalents	93.31	1,225.90
Current investments	13,678.81	14,352.11
Total	24,213.25	23,846.48

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date. The amounts are based on contractual financial liabilities.

Financial liabilities (As at 31 March 2023)	On demand	0-180 days	180-365 days	365 days and above		Total
Trade payables	26.59	8,613.56	-	-	-	8,640.15
Borrowings	-	1,984.76	-	-	-	1,984.76
Lease liabilities	-	1,116.41	1,106.83	7,796.82	-	10,020.06
Other financial liabilities	30.35	8,532.53	-	329.03	-	8,891.91
Total financial liabilities	56.94	20,247.26	1,106.83	8,125.85	-	29,536.88
Financial liabilities (As at 31 March 2022)						
Trade payables	25.78	8,470.14	-	-	-	8,495.92
Borrowings	-	5,272.42	-	-	-	5,272.42
Lease liabilities	-	973.35	831.55	6,860.00	-	8,664.90
Other financial liabilities	27.23	6,104.13	-	1,059.52	-	7,190.88
Total financial liabilities	53.01	20,820.04	831.55	7,919.52	-	29,624.12

CONSOLIDATED FINANCIAL STATEMENTS

40. FINANCIAL RISK MANAGEMENT (Continued)

FOREIGN CURRENCY EXCHANGE RATE RISK

The fluctuation in foreign currency exchange rates may have a potential impact on the consolidated statement of profit and loss and other comprehensive income, where transactions are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in United States Dollars ('USD')). The Group also has exposures to Great Britain Pound ('GBP') and Euros ('EUR')). The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and financing activities (when revenue or expense is denominated in a foreign currency).

The Group uses derivative financial instruments, such as foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its forecasted cash flows and trade receivables.

The counter party for these transactions are banks. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

Below is the summary of foreign currency exposure of Group's financial assets and liabilities.

As at 31 March 2023		₹ million				
Financial assets	USD	GBP	EUR	Others	Total	
Trade receivables	14,790.78	474.32	642.00	230.18	16,137.28	
Cash and cash equivalents	4,326.19	-	16.62	16.00	4,358.81	
Total financial assets	19,116.97	474.32	658.62	246.18	20,496.09	
Financial liabilities						
Trade payables	23.17	-	17.95	65.79	106.91	
Other financial liabilities	169.15	-	-	-	169.15	
Total financial liabilities	192.32	-	17.95	65.79	276.06	
Net financial assets	18,924.65	474.32	640.67	180.39	20,220.03	
As at 31 March 2022						
Financial assets	USD	GBP	EUR	Others	Total	
Trade receivables	10,302.37	426.28	590.75	337.94	11,657.34	
Cash and cash equivalents	2,822.70	-	7.20	12.88	2,842.78	
Other financial assets	0.57	-	1.59	-	2.16	
Total financial assets	13,125.64	426.28	599.54	350.82	14,502.28	
Financial liabilities						
Trade payables	14.94	-	1.83	61.63	78.40	
Other financial liabilities	35.64	-	-	-	35.64	
Total financial liabilities	50.58	-	1.83	61.63	114.04	
Net financial assets	13,075.06	426.28	597.71	289.19	14,388.24	

The Group holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these transactions are banks. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

Forward contracts outstanding against financial assets are as below:

Currency	As at 31 March 2023		As at 31 March 2022	
	Amount (million)	Amount in (₹ million)	Amount (million)	Amount in (₹ million)
Balance sheet hedges				
USD	224.49	18,446.72	133.83	10,143.31
GBP	4.67	474.32	4.24	421.69
EUR	6.73	601.99	6.72	565.96
CAD	1.56	94.41	2.41	145.78
AUD	1.41	77.59	2.24	127.10
SGD	0.13	8.10	-	-
SEK	5.93	47.06	3.40	27.68

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40. FINANCIAL RISK MANAGEMENT (Continued)

Forward contracts outstanding against financial assets (within the group) are as below:

Currency	As at 31 March 2023		As at 31 March 2022	
	Amount (million)	Amount in (₹ million)	Amount (million)	Amount in (₹ million)
Balance sheet hedges				
USD	19.23	1,580.15	16.67	1,263.46
GBP	6.61	671.55	14.91	1,482.87
EUR	11.74	1,049.86	11.70	985.37
CAD	1.81	109.72	-	-
AUD	7.29	400.96	5.54	314.35
SGD	3.61	223.07	1.93	108.02

Forward contracts outstanding against financial liabilities (within the group) are as below:

USD	29.82	2,450.49	9.12	691.23
GBP	-	-	1.61	160.12
EUR	3.46	309.16	3.77	317.51
AUD	1.41	77.46	2.59	146.96
CAD	4.00	242.67	1.47	88.92
NZD	-	-	0.45	23.65
SEK	1.03	8.19	-	-
PLN	-	-	0.30	5.43

Sensitivity analysis

For every 1% appreciation / depreciation of the respective foreign currencies, the Group's profit before taxes will be impacted by approximately ₹ 11.04 million for the year ended 31 March 2023 (31 March 2022: ₹ 0.60 million).

41. FAIR VALUES

Financial instruments carried at amortised cost such as cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, borrowings, trade payables and other financial liabilities are considered to be same as their fair values, due to the short-term nature of these instruments.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted investments are based on price quotations at the reporting date.
- The Group holds derivative financial instruments such as foreign exchange forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is a bank. Foreign exchange forward contracts and non-convertible debentures are valued using valuation techniques, which employs the use of market observable inputs. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognized at fair value.

42. HEDGING ACTIVITIES AND DERIVATIVES

The Group's revenue is denominated in various foreign currencies. Given the nature of business, a large part of the costs are denominated in INR. This exposes the Group to currency fluctuations. The counterparty, for all derivative financial instruments is a bank.

During the years ended 31 March 2023 and 31 March 2022, the Group has designated certain foreign exchange forward as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable cashflow forecast transactions. The related hedge transactions for balance in cash flow hedge reserve as at 31 March 2023 are expected to occur and reclassified to statement of profit and loss within 2 years.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of its forecasted cash flows. Hedge effectiveness is determined at the inception of hedge relationship, and through periodic prospective effectiveness assessment to ensure than an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items. Designated cash flow hedges are measured at FVTOCI. Other derivatives which are not designated as hedge are measured at FVTPL.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

CONSOLIDATED FINANCIAL STATEMENTS

42. HEDGING ACTIVITIES AND DERIVATIVES (Continued)

The following are outstanding forward contracts which has been designated as cash flow hedges:

Currency	As at 31 March 2023			As at 31 March 2022		
	Number of contracts	Notional amount (million in respective currencies)	Fair value gain / (loss) (₹ million)	Number of contracts	Notional amount (million in respective currencies)	Fair value gain / (loss) (₹ million)
USD	474	782.50	(924.90)	519	804.20	1,072.74
GBP	50	14.48	14.20	65	14.37	81.89
EUR	58	25.68	(14.03)	82	29.64	177.74
CAD	13	3.29	5.67	48	6.67	3.16
AUD	14	4.51	15.13	52	12.06	0.83
Total			(903.93)			1,336.36

The Group has entered into derivative instruments not in hedging relationship by way of foreign exchange forwards. As at 31 March 2023 and 31 March 2022, the notional amount of outstanding contracts aggregated to ₹ 20,697.53 million and ₹ 14,151.77 million, respectively and the respective fair value of these contracts have a net (loss) / gain of ₹ (71.44) million and ₹ 18.40 million respectively.

The movement in cash flow hedging reserve for derivatives designated as cash flow hedge is as follows:

(₹ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Balance as per previous financial statements	870.83	606.55
Change in fair value of effective portion of cash flow hedges	(2,685.14)	1,408.58
(Gain) / loss transferred to statement of profit and loss on occurrence of forecasted hedges	444.86	(1,003.24)
Income tax effect on the above	780.68	(141.06)
Total	(588.77)	870.83

Sensitivity analysis

For every 1% appreciation / depreciation of the respective underlying foreign currencies, the Group's OCI will decrease / increase by approximately ₹ 657.62 million (31 March 2022: ₹ 645.27 million).

43. Additional regulatory information

There are no funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company and its Indian subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company and its Indian subsidiaries ("Ultimate Beneficiaries"); or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

There have been no funds that have been received by the Company or any of its Indian subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of its Indian subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

44. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on 27 April 2023 have proposed a final dividend of ₹ 50 per equity share for the year ended 31 March 2023 which is subject to the approval of shareholders at the ensuing Annual General Meeting and if approved, would result in a cash outflow of approximately ₹ 9,420.98 million.

As per our report of even date attached.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number:
101248W/W-100022

Amit Somani
Partner
Membership No. 060154

Bengaluru
27 April 2023

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer & Managing Director
New York

Manish Dugar
Chief Financial Officer

Bengaluru
27 April 2023

Narayanan Kumar
Director
Chennai

Subramanian Narayan
Senior Vice President &
Company Secretary
Bengaluru

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Global Economy

On the surface, the global economy appears poised for a gradual recovery from the powerful blows of the pandemic and war on Ukraine. China is rebounding strongly following the reopening of its economy. Supply-chain disruptions are unwinding, while the dislocations to energy and food markets caused by the war are receding. Simultaneously, the massive and synchronous tightening of monetary policy by most central banks should start to bear fruit, with inflation moving back toward its targets. IMF estimates that global growth will bottom out at 2.8 percent this year before rising modestly to 3.0 percent in 2024. Global inflation will decrease, although more slowly than initially anticipated, from 8.7 percent in 2022 to 7.0 percent this year and 4.9 percent in 2024. Notably, emerging market and developing economies are powering ahead, with growth rates (fourth quarter over fourth quarter) jumping from 2.8 percent in 2022 to 4.5 percent in 2023. The slowdown is concentrated in advanced economies, especially the euro area and the United Kingdom. Below the surface, however, turbulence is building, and the situation is quite fragile, as the recent bout of banking instability shows. Inflation is much stickier than anticipated even a few months ago. While global inflation has declined, that reflects mostly the sharp reversal in energy and food prices. But core inflation, excluding the volatile energy and food components, has not yet peaked in many countries. It is expected to decline to 5.1 percent this year (fourth quarter 2022 over fourth quarter 2021), a sizable upward revision of 0.6 percentage point from IMF's earlier January 2023 update, well above target.

At the start of 2023, there was widespread optimism that global economic growth might not slow down as much as had been feared. Positive developments included China's reopening, signs of resilience in Europe and falling energy prices. But a crisis in the banking sector that emerged in February-March 2023 has forced a rethink. The health of the banking sector especially that of the mid-sized banks with their surplus invested in long-dated US treasury bonds will need close monitoring. The International Monetary Fund downgraded its forecasts for the global economy in April 2023, noting the recent increase in financial market volatility. The IMF now expects economic growth to slow from 3.4% in 2022 to 2.8% in 2023. The global economy which has been grappling with the consequences of high and persistent inflation, the rapid rise in interest rates, elevated debt levels and Russia's war in Ukraine, now also has added risks due to the banking crisis. Against this backdrop, the IMF acknowledged that forecasting was difficult in this climate as the "fog around the world economic outlook has thickened."

As businesses face elevated inflation, streamlining costs and redesigning supply chains are likely to come to/stay at the fore; all of this requires technology to implement. Technology Themes such as cleantech/green energy, sustainable management, Environmental, Social, and Governance (ESG) have acquired heightened importance and attention.

IT Industry Outlook

Per Gartner, Global Enterprise software and IT services breached the \$2 Tn mark, grew at 4.5% y-o-y in CY2022, in a show of resilience in a year marked by significant pricing pressures and a shift towards shorter and lower value deals. This was nearly half of the estimated 9% at the start of the year when it was expected that the CY2021 wide runway would continue. While FY2022 was a year of milestones and resurgence—an outlier for the Indian technology industry, FY2023 has been the year of continued revenue growth with a focus on strengthening industry fundamentals and building on trust and competencies. The volatile global economic scenario and impending recession continues to support the demand for technology adoption and digital acceleration though the momentum has slowed down towards the end of FY23. Despite slowing momentum that portends slower growth in 2023 of India IT, technology has become a strategic imperative that is a critical component of business innovation and transformation, as well as a source of improving operational and cost efficiencies.

In FY2023, India's technology industry revenue including hardware is estimated to cross \$245 Bn (8.4% y-o-y growth), an addition of \$19 Bn over last year. Exports, at \$194 Bn, are expected to grow at 9.4% in reported currency terms, and 11.4% in constant currency terms. Domestic technology sector is expected to reach \$51 Bn, growing at 4.9% y-o-y. In rupee terms, domestic tech revenues is expecting a 13% y-o-y growth on the back of continued investments by enterprise and the government. The industry continues to be a net hirer, adding 290K employees, taking the total employee base to ~5.4 Mn (5.7% y-o-y growth), strengthening its position as the 'Digital Talent Nation' for the world. Workplaces are witnessing a shift towards hybrid working and satellite offices, following decentralized delivery models and rise of satellite offices across Tier II and Tier III cities.

The share of Digital revenue in India IT revenue is at 32-34% and this pie is growing at 16% p.a. The Top digital areas for India include Cloud Computing, Customer Experience, AI, Cybersecurity, RPA and automation and analytics.

Mphasis Overview

Mphasis is an Information Technology solutions provider that applies next-generation technology to help enterprises transform businesses globally. The company was formed in June 2000 after the merger of Mphasis Corporation and BFL Software Limited. In June 2006, EDS purchased a controlling stake in this company. In August 2008, Hewlett-Packard (HP) acquired EDS. On 4 April 2016, HP entered into a definitive agreement with private equity funds managed by Blackstone to sell the shares held by it in the Company.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In September 2016, Blackstone Group through its fund “Marble II PTE” completed the share purchase and the Company has become a Blackstone group Company since then. Blackstone is one of the world’s leading investment and advisory firms with over US\$880 billion in assets under management. In April 2021, Blackstone committed up to \$2.8 billion to acquire controlling stake in Mphasis, along with Abu Dhabi Investment Authority (ADIA) and UC Investments (Office of the Chief Investment Officer of The Regents, University of California) and other long-term investors.

Mphasis blends deep domain expertise with cutting-edge technology, which has helped cement its position with marquee clients and build momentum for the future. Its Front2Back™ and Zero Cost Transformation are proven transformation frameworks that allow it to play across the tech value chain.

Mphasis’ unique tribes-led, competency-based go-to-market (GTM) and solutioning model positions it strongly in digital areas -the tribes are GTM specialists organized around high-demand tech themes that are instrumental in driving clients’ next-generation tech agendas. Tribes are institutional and repeatable in their design. Mphasis continually creates new tribes or redesigns existing ones based on what it sees as high-potential secular opportunities. Furthermore, Mphasis supports the tribes model with a smart surround- and reinforce strategy that characterizes Mphasis’ innovation DNA- including client Chief Technology Officer (CTOs) embedded in key and promising accounts, the consulting-oriented Technology Advisory Group (TAG), programmatic innovation (harnessing the start-up ecosystem), focused research and Intellectual Property (IP), (innovation from the labs to the real world), and technology vision provided by the Mphasis Technology Council (MTC).

Mphasis is organized around accounts, not by traditional vertical/horizontals. There is not the traditional matrix structure of vertical/horizontals/geos that can weigh down decision-making. This means that Mphasis’ GTM is aligned along the customer as the basic unit and resource allocation is done at a granular level of the customer. This creates improved agility and responsiveness. The client-centric agile org design enables Mphasis to successfully focus on account depth reflected in an improving average revenue per client. The depth over breadth positioning also means Mphasis makes more considered choices regarding its new clients by shortlisting and targeting those clients that can scale. This strategy is bearing fruit as can be seen in the resilience and scale-up of Top-5 and 10 clients over a sustained time period. Despite the various headwinds faced by the industry in the latter part of the year, Mphasis recorded revenues upwards of \$ 200 Million through its top client for the first time. The growth engine has got diversified through FY23 with clients outside the Top-10 also on a strong double-digit growth trajectory, and the addition of 13 new clients. Mphasis has three clients which contributed >US\$150 million in annual revenue (FY23).

Our FY23 was impacted due to sharp decline in mortgage BPO revenue which suffered due to tough conditions in the US mortgage market with unremitting interest rate hikes

Revenues

We continued the growth momentum witnessed in FY’22 into FY’23 also and have registered strong growth despite the macro-economic challenges faced in the mortgages sector and the sentiment in the last quarter of the year.

Reported Net revenue in FY23 was ₹ 137,985 million representing a growth of 15.4% over FY22. During the year rupee depreciated 8.2% against USD. Adjusting for the rupee depreciation, net revenue grew 8.4% in FY23.

Overall gross revenue grew 16.7% in FY23 to ₹ 138,430 million. On a constant currency basis, overall gross revenue grew 9.7% in FY23.

Direct revenue grew 19.3% on a reported basis and 12.0% in constant currency basis in FY23 to ₹ 129,921 million. The mortgage business has slowed down significantly in the year. However, excluding the same, the organic growth has been broad based across all key portfolios of Direct business.

We continued to successfully execute on our strategy to de-risk DXC business, the revenues from which declined 19% on a reported basis in FY23. Revenue declined 23.5% on a constant currency basis in FY23. Revenue from DXC was ₹ 6,204 million in FY23 and constituted only 4.5% of the gross revenue.

	₹ Million			
	Year ended 31 Mar 2023	%	Year ended 31 Mar 2022	%
Direct	129,921	94%	108,882	92%
DXC	6,204	4%	7,659	6%
Others	2,305	2%	2,070	2%
Total	138,430		118,611	

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Segment Revenues

A segment analysis of revenues for the year ended March 2023 is given below:

₹ Million

Segment	Year ended 31 Mar 2023	%	Year ended 31 Mar 2022	%
Banking and Financial Services	74,190	54%	63,755	54%
Insurance	11,449	8%	10,771	9%
Technology Media and Telecom	17,980	13%	15,743	13%
Logistics & Transportation	18,076	13%	15,552	13%
Others	16,735	12%	12,789	11%
Total Revenues	138,430		118,611	

Focus vertical of Banking and Financial Services grew 16.4% on a reported basis over FY22, slower than last year due to weaknesses in the mortgage segment. Banking and Financial Services and Insurance segments comprise 62% of our overall revenue.

Revenues by Geography

₹ Million

Regions	Year ended 31 Mar 2023	%	Year ended 31 Mar 2022	%
AMERICAS	113,200	82%	93,917	79%
EMEA	13,968	10%	13,643	12%
INDIA	7,086	5%	5,932	5%
ROW	4,177	3%	5,120	4%
Total Revenues	138,430		118,611	

Americas continue to be our prime market and revenues grew 20.5% in FY23 on a reported basis.

Revenues by Service Type

₹ Million

Service Type	Year ended 31 Mar 2023	%	Year ended 31 Mar 2022	%
Application Services	94,705	69%	74,580	63%
Business Process Services	26,660	19%	29,826	25%
Infrastructure Services	17,066	12%	14,206	12%
Total Revenues	138,430		118,611	

Application Services include assisting customers with design and development of customized software applications and maintenance, enhancement and testing of customers developed and third-party software. Revenues grew at a robust 27% in FY23.

Business Process Services include customer service, transaction processing, and compliance knowledge processing including certain projects involving complete transformation and integration of processes using automation tools. This service registered an annual degrowth of 10.6% due to pressures faced by the US mortgage industry in FY23.

Infrastructure Services include end-to-end managed mobility solutions covering workplace management and other services, hosting services, data center services, payment managed solutions and help desk.

Revenues by Delivery Location

₹ Million

Delivery Location	Year ended 31 Mar 2023	%	Year ended 31 Mar 2022	%
Onsite	77,439	56%	69,406	59%
Offshore	60,991	44%	49,205	41%
Total Revenues	138,430		118,611	

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Revenues by Project Type

₹ Million

Project Type	Year ended 31 Mar 2023	%	Year ended 31 Mar 2022	%
Time and Material	77,996	56%	66,763	56%
Transaction Based*	18,464	13%	18,924	16%
Fixed Price	41,970	31%	32,924	28%
Total Revenues	138,430		118,611	

*Transaction based revenue comprises of projects where the commercials are based on unit of Output

We continue to focus on increasing the revenue from Fixed Price and Transaction Based contracts as it is an important margin lever for us. In FY23, the revenue from Fixed Price contracts and Transaction Based contracts increased 16.6% to ₹ 60,434 million and constituted 44% of overall revenue in FY23.

Results of Operations

₹ Million

	Year ended 31 Mar 2023	Year ended 31 Mar 2022	YoY Growth %
Gross Revenues	138,430	118,611	16.7%
Profit / (loss) on cash flow hedges reclassified to revenue	(445)	1,003	
Net Revenues	137,985	119,614	15.4%
Cost of revenues	100,475	86,829	15.7%
Gross profit	37,510	32,785	14.4%
GM%	27.2%	27.4%	-0.2%
Selling expenses	8,635	7,196	20.0%
SE %	6.3%	6.0%	0.3%
General and administrative expenses	7,788	7,320	6.4%
GA %	5.6%	6.1%	-0.5%
Operating profit	21,087	18,269	15.4%
Operating Margin	15.3%	15.3%	-
Foreign exchange gain, net	452	486	-6.9%
Other income, net	1,165	1,119	4.1%
Interest expenses	(973)	(744)	30.7%
Profit before taxation	21,731	19,129	13.6%
Income taxes	5,351	4,820	11.0%
- Current	5,079	4,860	
- Deferred	272	(40)	
Net profit	16,379	14,309	14.5%
Earning per share (par value ₹ 10)	87.1	76.4	14.0%

Note: The figures of the previous periods have been regrouped / reclassified wherever necessary to conform to the current period's classification.

*The above classification of expenses is based on management reporting

Cost of Revenues

Cost of revenues primarily comprise of direct costs and includes direct manpower, travel, facility expenses, network and technology costs.

Consolidated cost of revenues for FY23 was at ₹ 100,475 million. Cost of revenues was 72.8% of revenues as compared to 72.6% during the previous financial year.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Selling Expenses

Selling expenses for the year ended March 2023 was ₹ 8,635 million representing 6.3% of revenues against 6.0% of revenues in the previous year.

General and administrative Expenses

General and administrative expenses for the year ended March 2023 was ₹ 7,788 million representing 5.6% of revenues against 6.1% of revenues in the previous year.

Operating Profit

Operating profit for the year ended March 2023 was ₹ 21,087million and grew 15.4% in FY23.

Income Taxes

Income taxes were ₹ 5,351 million for FY23 as compared to ₹ 4,820 million for FY22. The effective tax rate decreased from 25.2% in FY22 to 24.6% in FY23.

Net Profit

Net profit for FY23 grew 14.5% over FY22 to ₹ 16,379 million. Net margin for FY23 was 11.9% as against 12.0% for FY22.

Earnings per share

Earnings per share grew from ₹ 76.4 for the year ended March 2022 to ₹ 87.1 for the year ended March 2023, which represents a growth of 14.0%.

Ratios

Ratios	Year ended 31 Mar 2023	Year ended 31 Mar 2022
Debtors Turnover	5.5	5.8
Current Ratio	2.1	2.0
Interest Coverage Ratio*	21.7	24.6
Debt Equity Ratio	0.0	0.1
Operating Profit Margin	15.3%	15.3%
Net Profit Margin	11.9%	12.0%
Return on Equity	22.0%	21.2%
Inventory Turnover	NA	NA

* Includes interest charges on lease

The Company has delivered returns of 22% this year and continues to generate strong operating cash flow. The Company continues to pay consistent dividends to its shareholders and maintain strong cash position as well.

DIRECTOR'S PROFILE

Mr. Davinder Singh Brar, Chairman

Mr. D S Brar joined the Board of Mphasis in April 2004 and is the Chairman of the Board effective 11 December 2015. Mr. Brar graduated with a Bachelor of Engineering (Electrical) degree from Thapar Institute of Engineering and Technology, Patiala and has a Master's in Business Administration with top rank (Gold Medal) from the Faculty of Management Studies, University of Delhi. Mr. Brar started his career in 1974 with The Associated Cement Companies Limited (ACC) and has been associated with the Pharmaceutical Industry for over four decades. He spent a major part of this period (1977 – 2004) with Ranbaxy Laboratories Limited and became the CEO and Managing Director in 1999. Mr. Brar started his entrepreneurial journey in 2004 with GVK Biosciences (Now Aragen Life Sciences Private Limited) - a leading Contract Research Organization (CRO) providing discovery and development services to global life sciences companies.

Mr. Brar holds Board positions in Maruti Suzuki India Limited, Wockhardt Limited, Punjab Innovation Mission, EPL Limited (Chairman of the Board), Konnect Agro Private Limited and Mountain Trail Foods Private Limited. He is currently the Chairman of Aragen Life Sciences Private Limited. He is also a member of the Advisory Board of the USA-India Chamber of Commerce (USAIC).

Mr. Brar was a director of Reserve Bank of India (RBI) and a member of the inspection and audit sub-committee of the Central Board of Directors of RBI. He has also served as a member of the Board of National Institute of Pharmaceutical Education and Research (NIPER), Punjab and as a member of the Board of Governors of the Indian Institute of Management, Lucknow. He was associated with Confederation of Indian Industry (CII) where he Chaired CII's Indian MNC Council and with Federation of Indian Chambers of Commerce and Industry (FICCI) in the past.

Mr. Brar was a member of the Prime Minister's task force on pharmaceuticals and knowledge-based industries which drafted the blueprint for the growth and global expansion of Indian Pharmaceutical Industry. For his service and contribution to the pharmaceutical industry, Mr. Brar was honoured with the Dean's Medal from the Tufts University School of Medicine, U.S.A. in 2004. The Federation of Asian Biotech Associations (FABA) conferred on Mr. Brar the "FABA Special Award 2011" for his contribution to the biopharma sector.

Mr. Nitin Rakesh, Chief Executive Officer and Managing Director

Mr. Nitin Rakesh joined the Board of Mphasis as its CEO and Executive Director in January 2017. Mr. Nitin Rakesh was appointed as Managing Director on 29 September 2021.

Mr. Nitin Rakesh is a distinguished leader in the IT services industry. His career spans close to three decades leading large transnational operations and delivering transformative digital solutions to Fortune 500 companies. A computer science engineer at heart, Mr. Nitin Rakesh's lifelong passion for Innovation and Technology is evident throughout his career. Coupled with his deep domain expertise in Banking, Financial Services and Insurance verticals, strong customer orientation and an entrepreneurial mindset, he has been able to bring cutting-edge offerings consistently to accelerate value creation for customers, shareholders and employees. Notably, it has led to the introduction of Mphasis' $C=X2C^2=1^{TM}$ formula for success, (hyper-personalization; drive $n=1$ powered by Cloud and Cognitive); driving multi-dimensions of business value with an integrated consumer-centric Front2BackTM Digital Transformation driven by IP assets which resulted in the remarkable turnaround of Mphasis into a leading global software services firm.

Under his leadership, Mphasis also set several records in business performance, thus redefining benchmarks and growth. By prioritizing the acceleration of value creation for customers, shareholders, and employees, he fosters a culture within the company that thrives on growth. Under his guidance, the company recently launched Mphasis.ai, a first-of-its-kind business unit, focused on transforming organizations globally by unlocking the potential of Artificial Intelligence (AI) to maximize business outcomes.

Prior to joining Mphasis, Mr. Nitin Rakesh was the CEO and President of Syntel (NASDAQ listed IT Services Company). Before he was appointed as the CEO, he served as president, Americas for Syntel, where he headed Business Development and North American operations. Earlier, as the Founding CEO and Managing Director of Motilal Oswal Asset Management Company, he led the launch of many award-winning innovative investment products, including India's first US equities-based Exchange Traded Fund that tracks the NASDAQ-100 index. His work with companies on advising them on their transformation roadmap with an 'Applied Technology' mindset earned him several Stevie awards in the past years.

Nitin has deep domain expertise in Banking, Financial Services, and Insurance verticals. He has strong customer orientation, large-deal experience, and a track record of delivering transformative digital solutions. Nitin has an entrepreneurial mindset and is focused on launching innovative new service offerings, including AI and automation.

Mr. Nitin Rakesh's maiden book "Transformation in Times of Crisis- Eight Principles for Creating Opportunities and Value in the Post-Pandemic World", has been recognized as 'Best Business Book' in the 'Publication Award Category' of American Business Awards and has won the International Business Book title at 2021 Business Book Awards. He is one of the first 250 CEOs globally across 26 countries who has committed to build an inclusive work environment, end disability inequality through business performance and create social and economic value of people living with disabilities across the world. He is an active member of US – India Strategic Partnership Forum (USISPF) and member of the NASSCOM executive council. Mr. Nitin Rakesh is a Nominee Director of ASK Investment Manager and Founding Trustee of Plaksha University in India, a new model of engineering education and research through collective philanthropy to transform higher education in India.

DIRECTOR'S PROFILE

He also serves as a founding Trustee of Ashoka University in India.

Mr. Nitin Rakesh holds a Bachelor's degree in Engineering (Computer Science) from Delhi Institute of Technology, Delhi University and has received his Master's in Management from Narsee Monjee Institute of Management Studies, Mumbai and is also an alumni of Harvard Business School's CEO Workshop.

Mr. Narayanan Kumar, Director

Mr. Narayanan Kumar joined the Board of Mphasis in February 2013. He is the Vice Chairman of The Sanmar Group (www.sanmargroup.com), a global billion dollar conglomerate headquartered in Chennai, India, with manufacturing and distribution facilities in the USA, Mexico, Egypt and at several locations across India. The Group is engaged in three key business sectors – Chemicals, Engineering and Shipping.

Mr. Narayanan Kumar is the Honorary Consul General of Greece in Chennai.

He is on the Board of various public companies and carries with him over four decades of experience in the spheres of Electronics, Telecommunications, Engineering, Technology, Management and Finance.

He is the Vice President and Trustee – Treasurer of WWF-India (World Wide Fund for Nature – India).

As a spokesman of Industry and Trade, he is a former President of Confederation of Indian Industry (CII) and has participated in other apex bodies.

He is the Chairman of the Indo-Japan Chamber of Commerce and Industry.

Mr. Narayanan Kumar has a wide range of public interests going beyond the confines of corporate management in areas of health, social welfare, education and sports. He is the President of Bala Mandir Kamaraj Trust and Managing Trustee of The Indian Education Trust which runs Schools.

Mr. Narayanan Kumar is an Engineering Graduate from Anna University, Chennai and a fellow member of the Indian National Academy of Engineering. He is also a fellow life member of The Institution of Electronics and Telecommunication Engineers and The Institute of Electrical and Electronics Engineers Inc., New York (IEEE). He is an avid golfer and a patron of cricket and tennis.

Ms. Jan Kathleen Hier, Director

Ms. Jan Kathleen Hier joined the Board of Mphasis in December 2015.

Formerly, she was the Executive Vice President at Charles Schwab responsible for centralized support services including Schwab Technology Services, Operational Services and Offshore Services. Additionally, she held other positions including Chief Information Officer, Executive Vice President of Human Resources, and Head of Electronic Brokerage Technology that developed schwab.com.

Before joining Schwab in 1994, Ms. Jan Kathleen Hier served as a Vice President of engineering at Transaction Technology, Inc., a Citicorp subsidiary, where she was responsible for providing distributed technology to Citibank businesses worldwide. Prior to Citibank, she was an economist with the Bureau of Labor Statistics.

Ms. Jan Kathleen Hier was also a partner of a start-up (Bicycle Financial – www.bicyclefinancial.com). She is currently a Board member of privately held Blackhawk Network, a provider of value-added payments.

Ms. Jan Kathleen Hier earned her Bachelor's degree in Economics and attended Post-Graduate studies at Syracuse University, New York, USA.

Mr. David Lawrence Johnson, Director

Mr. David Lawrence Johnson (Dave Johnson) joined the Board of Mphasis in September 2016.

Mr. Dave Johnson is a Director and CFO of TLG Acquisition One Corp., a special purpose acquisition corporation focused on digital technologies and listed on the New York Stock Exchange. Mr. Dave Johnson is a Trustee in Mercy College, New York, USA.

Previously, Mr. Dave Johnson was a senior managing director at Blackstone, where he led many of their Private Equity technology investments. He joined the firm in 2013 and is based in New York. Before joining Blackstone, Mr. Dave Johnson was the Senior Vice President of Strategy at Dell Corporation, where he was responsible for corporate strategy, software, corporate development and acquisition integration. Prior to joining Dell, Mr. Dave Johnson held a number of managerial positions across IBM's business lines, including the CFO of its \$18B Technology Group and ultimately leading IBM's Corporate Development organization, responsible for the company's acquisitions, divestitures, minority investments and acquisition integration.

Mr. Dave Johnson has also served on 11 Boards, including being Chairman of Optiv, Cloudreach Inc., and Intights.

Mr. Dave Johnson received a B.A. in English and an M.B.A. from Boston College.

DIRECTOR'S PROFILE

Mr. Amit Dixit, Director

Mr. Amit Dixit joined the Board of Mphasis in September 2016. Mr. Amit Dixit, based in Mumbai, is Head of Asia for Blackstone Private Equity. Since joining Blackstone in 2007, Mr. Amit Dixit has been involved with various investments and investment opportunities in South Asia and global technology-enabled services. Previously, Mr. Amit Dixit was a Principal at Warburg Pincus and started his career at Trilogy Software. He received an MBA from Harvard Business School, an MS in Engineering from Stanford University and a B.Tech. from Indian Institute of Technology Mumbai where he was awarded the Director's Silver Medal for graduating at the top of his program. Mr. Amit Dixit has established the first Chair, the "Shobha Dixit Chair" exclusively for women faculty pursuing research in science and technology at IIT Mumbai. He currently serves as a Director of Aadhar Affordable Housing Finance, EPL Limited, Sona BLW Precision Forgings (NSE: SONACOMS), IBS Software, PGP Glass Private Ltd, Blackstone India, VFS Global AG and Nominee Director of ASK Investment Managers Limited. Mr. Amit Dixit was previously a Director of Intelenet Global Services, Trans Maldivian Airways, Jagran Media, Igarashi Motors India, S.H. Kelkar Fragrances, Emcure Pharmaceuticals, TaskUs and Aakash Education.

Mr. Amit Dalmia, Director

Mr. Amit Dalmia joined the Board of Mphasis in September 2016. Mr. Amit Dalmia is a Senior Managing Director in the Corporate Private Equity group of Blackstone and heads portfolio operations of Asia. Since joining Blackstone in 2010, Mr. Amit Dalmia has led significant improvement in the performance and development of Blackstone portfolio companies in Asia. Before joining Blackstone, Mr. Amit Dalmia had diverse operational experience of over 13 years with Hindustan Unilever India ("HUL") in various management and business leadership roles.

Mr. Amit Dalmia has undergone a management training program with the Indian Institute of Management, Ahmedabad. He received a B.Com. (Hons.) from St. Xavier's College from the University of Kolkata, India. He is also a Chartered Accountant (CA), Company Secretary (CS) and Cost Accountant (ICWA) with three Gold Medals for securing first-ranks in the country.

Mr. Marshall Jan Lux, Director

Mr. Marshall Jan Lux (Marshall Lux) joined the Board of Mphasis in August 2018. He has been a financial services consultant and practitioner for over 30 years and has been on company's Board or played an advisory role for various private equity companies across industries and geographies. Currently, he works with companies across consumer credit, wealth, insurance, healthcare, technology and financial technology. Mr. Marshall Lux has a broad network of C-suite executives, with whom he has worked with on some of their most important issues.

Mr. Marshall Lux has also played an integral role in many of the largest private equity deals. In addition, he is a member of the Board of Governors of the Online Lending Policy Institute.

Beyond corporate work, Mr. Marshall Lux has also worked on 35 pro bono assignments and has served on a number of not-for-profit boards, including the Harlem Children's Zone, the New York Historical Society's Chairman's Council, the New York Tenement Museum, Junior Achievement and Reading is Fundamental. He is also a member of the Council on Foreign Relations.

Four years ago, Mr. Marshall Lux decided to broaden his focus areas. He has since been a Senior Fellow at the Mossavar-Rahmani Center for Business and Government at the Harvard Kennedy School. He is also a Senior Advisor to The Committee on Capital Markets Regulation and a Senior Fellow to The Program on International Financial Systems, both at Harvard Law School. Mr. Marshall Lux is also a Senior Fellow at Wharton and Georgetown.

As a thought leader, Mr. Marshall Lux's writings have concerned the unintended consequences of Dodd-Frank on financial services. He has written papers entitled 'The State and Fate of Community Banking,' 'What's Behind the Non-Bank Mortgage Boom,' and 'Out of Reach: Regressive Trends in Credit Card Access'. All papers have been cited in the Financial Times, Wall Street Journal, The New York Times, among others. He has also released papers entitled 'When Markets Quake: The Past, Present, and Future of Online Lending' and 'Hunting High and Low: The Decline of the Small IPO and What to Do About It.' Apart from this, he is also a speaker and has spoken at the House of Small Business Committee, the Federal Reserve and various universities and trade groups.

He began his career at McKinsey, where he served financial service firms across a variety of sub-sectors and functional areas.

Mr. Marshall Lux led McKinsey's and Boston Consulting Group's (BCG's) private equity practice. He has extensive relationships across financial services and private equity (PE) Firms. After approximately 25 years, he left McKinsey to become the Chief Risk Officer for Chase (all consumer products globally) during the financial crisis. He then joined BCG, where he was a Senior Partner for five years, and in particular, helped to build a private equity practice while serving financial institutions. For example, Mr. Marshall Lux was BCG's first Senior Partner and built the PE practice. He continues to be an active advisor to BCG.

He attended the Woodrow Wilson School at Princeton University and graduated Summa Cum Laude. Mr. Marshall Lux also attended Harvard Business School where he was a Baker and Ford Scholar (awarded to the number one student in each graduate school).

DIRECTOR'S PROFILE

Mr. Kabir Mathur, Director

Mr. Kabir Mathur joined the Board of Mphasis in December 2021. Mr. Kabir Mathur is Head of Asia Pacific within the Private Equities Department of the Abu Dhabi Investment Authority (ADIA). He is responsible for leading all aspects of ADIA's private equity activities in the Asia Pacific region, and is a member of the Private Equity Executive Committee.

Mr. Kabir Mathur serves as a Director of UPL Corporation, Aditya Birla Health Insurance, IIFL Home Finance Ltd. and the holding company of iNova Pharmaceuticals.

Prior to joining ADIA in 2018, Mr. Kabir Mathur worked at Kohlberg Kravis Roberts & Co (KKR) where he was responsible for sourcing, executing and managing private equity investments in Asia. Mr. Kabir Mathur joined KKR in 2008, having previously worked at TPG Capital, also in their Asian private equity business. Mr. Kabir Mathur began his career in the Investment Banking division of Citigroup/Salomon Smith Barney.

Mr. Kabir Mathur graduated from the London School of Economics and Political Science with a BSc (Hons.) in Economics.

Mr. Pankaj Sood, Director

Mr. Pankaj Sood joined the Board of Mphasis in December 2021. Mr. Pankaj Sood heads the Private Equity (Direct Investments) business of GIC Singapore ("GIC") in India and Africa. He joined GIC in 2010 and is based in the Mumbai office.

Mr. Pankaj Sood currently serves as Nominee Director of Bandhan Financial Holdings Limited, Bandhan Financial Services Limited and Aditya Birla Fashion and Retail Ltd and serves as an additional director of Ather Energy Private Limited and IDFC Asset Management Company Limited.

Mr. Pankaj Sood has over 23 years of experience in private equity and M&A transactions in India. Prior to GIC, Mr. Pankaj Sood was an investment banker in India in Kotak Investment Bank, Ernst & Young and SBI Capital Markets.

Mr. Pankaj Sood is a post-graduate from Indian Institute of Management Calcutta (1999) and has a Bachelor's degree in Chemical Engineering from Indian Institute of Technology Kharagpur (1996).

Ms. Courtney Karlan della Cava, Director

Ms. Courtney Karlan della Cava (Courtney della Cava) joined the Board of Mphasis in December 2021. Ms. Courtney della Cava is a Senior Managing Director and Global Head of Portfolio Talent and Organizational Performance at Blackstone. Before joining Blackstone in 2021, Ms. Courtney della Cava served as a Partner at Bain & Company in its Organization (Leadership & Talent) practice where she advised corporate and Private Equity clients on CEO succession, CEO and board effectiveness and broader organizational talent strategies and solutions; she also built and led several of the firm's global human capital teams and capabilities. In addition to her more than 20 years of global management consulting experience across multiple sectors and geographies at Bain & Company, Ms. Courtney della Cava also served as a Partner and Managing Director of Russell Reynolds Associates, a global executive search and talent assessment firm and European Marketing Director for Mars, Inc. She began her career in marketing at WPP working with Procter & Gamble, Pepsi and Nintendo.

Ms. Courtney della Cava earned an MBA from The Wharton School of the University of Pennsylvania and graduated from The University of California, Los Angeles, with a B.A. in Economics.

Ms. Maureen Anne Erasmus, Director

Ms. Maureen Anne Erasmus (Maureen Erasmus) was appointed to the Board of Mphasis in December 2021. Ms. Maureen Erasmus has extensive experience in financial services including capital markets and banking having worked across developed and emerging markets for more than 35 years. Until 2017, she was a partner at Bain and Company Inc. (London), where she led major assignments across Europe, Middle East and Africa on corporate and investment banking turnaround strategies. Prior to this, she held senior executive roles at Merrill Lynch in London and New York. Ms. Maureen Erasmus was also a Director on the Board's of Standard Bank Group, Standard Bank South Africa and Population Services International. Currently, Ms. Maureen Erasmus is a non-executive director on three other corporate boards, namely Credit Suisse, UK (Chair), Mizuho International (Board Chairperson and Chair of Nomination Committee) and Vanguard, UK, (Chair of Risk & Compliance and Remuneration Committee). She also serves on the Global Advisory Board of African Leadership Institute. Ms. Maureen Erasmus is a graduate of the University of Cape Town.

BOARD'S REPORT

Dear Shareholders,

We have pleasure in presenting you the thirty second Annual Report of your Company for the year ended 31 March 2023.

FINANCIAL PERFORMANCE

Key aspects of the financial performance of the Company are as follows:

(₹ million)

Particulars	CONSOLIDATED		STANDALONE	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Total Income	1,39,601	1,21,219	95,431	75,128
Expenses	1,17,870	1,02,090	76,612	58,926
Profit before taxation	21,731	19,129	18,820	16,202
Net Profit	16,379	14,309	14,139	12,353
Transfer to General Reserve	Nil	Nil	Nil	Nil

Note: The figures are rounded off to the nearest Rupee.

A detailed analysis of the performance is available in the section, titled Management Discussion and Analysis of Financial Condition and Results of Operations, of this Annual Report.

OUTLOOK

This year's NASSCOM's strategic review report is themed "Priming for a 'No Normal' Future"; as the Indian technology Industry has displayed resilience and growth in the wake of global uncertainty, as well as strengthened its position as a trusted global technology leader over the past several years.

Midway through 2022, uncertainty resulting from recent global events largely centered on persistent inflation, fiscal tightening, market volatility and geopolitical tensions, signalled that the world economy was headed towards a potentially prolonged downturn, foreshadowing a likely global recession.

According to McKinsey's recent Global Economics Intelligence summary, the growth estimates for 2023 and 2024 have become less acute pointing towards a shorter slowdown, with an anticipated rebound in 2024. Even in the backdrop of this dynamic environment, enterprise IT spending has remained strong and is projected at \$4.6 trillion in 2023, an increase of 5.5% from 2022, according to the latest forecast by Gartner.

This duality in the environment is a result of the different economic realities being faced by consumers and enterprises. Enterprises are continuing to increase spending on digital business initiatives despite the slowdown.

A divergence from previous cyclical downturns can be explained by modern enterprises prioritizing segments of technology spend as a means of transforming their business and becoming more innovative, with a view towards optimizing current revenue streams or creating new ones. This is echoed by NASSCOM's report which states that technology will continue to be a strategic imperative, which is a critical component of business innovation and transformation, as well as a source of improving operational and cost efficiencies. This is also evident by the fact that leaders in enterprise technology are growing five times faster than laggards today, whereas this gap was only two times before the pandemic. Leveraging technology is going to be a critical factor in an enterprise's catalyst of the future.

In this dynamic environment, your Company continues to move forward from a position of strength. Your Company has a foundation of strong industry solutions, marquee client base and earnings and cash flow; all these aspects will help your Company to continue to execute its growth strategy and insulate it from the market challenges. Your Company's lead indicators are positive with the second highest deal wins on record where BFSI continues to generate highest share of the pipeline. Even with the recent disruption in the US banking system that impacted smaller community banks, the Company's larger portfolio of clientele, focused on organizations that are tightly governed, remains protected from the resulting after-effects. Your Company's business from US regional banks is a low single digit percentage contribution to the overall revenue. Your Company will continue to work with its clients to build their transformation capabilities and get them future-ready. Your Company's continuously evolving Tribes and Squads model driving the themes of cloud-led transformation is the steering force behind strong TCV. This model has helped your Company to scale its ability to service the growing pipeline; your Company's overall pipeline for large deals remain strong and well-distributed across all verticals. Some of the pipelines that have been built up over vendor consolidation may translate into additional TCV in near future. At this stage, your Company is focusing on the micro while being attentive to the developing macro-environment.

Your Company made the right choices a few years ago - technology as a service, consumer and cost - are now converging in this backdrop. The technology investing super cycle that started in 2021 is still underway and your Company foresees that enterprises will continue to prioritize investments in areas such as cloud, data engineering and strategic data assets, as well as areas like cybersecurity, customer experience and support transformation, as the latter also leads to a significant cost takeout opportunities. This will necessitate a pivot for the entire industry from maintenance and infrastructure services to transformation that can enable clients to deliver better

BOARD'S REPORT

services to customers and go-to-market faster using data analytics. Having built the foundation to leverage this exact moment, your Company is focused on winning large deals aided by the opportunities present in the market as well our fundamental strengths to stand apart from its peers.

Your Company will continue to invest in the engines of growth by:

- Focusing on our core business services and smaller verticals, outside of BFS such as Healthcare. The growth of smaller verticals reflects the success of your Company's New Client Acquisition strategy;
- Adding new marquee logos, with large spend pools, provides further growth visibility, as well as differentiation in new segments in addition to BFS; and
- Growing top accounts sequentially, sustaining your Company's market share gains.

Your Company is confidently embracing this unique environment and leading it by staying true to its purpose, implementing deal archetype playbooks, to protect the core, ensure repeatable growth in capability-led transformation and to accelerate from "Run" to "Change", at the speed of our clients.

DIVIDEND

Your directors are pleased to recommend a final dividend of ₹ 50 per equity share of ₹ 10 each for the financial year ended 31 March 2023, subject to your approval at the ensuing Annual General Meeting.

ENTERPRISE RISK MANAGEMENT

A detailed analysis of monitored risks and their mitigation plans are available in the section headed Management Discussion and Analysis of Risks and Concerns, in this Annual Report.

CORPORATE GOVERNANCE

A report on Corporate Governance along with a certificate from the Secretarial Auditors, confirming the compliance for the year ended 31 March 2023, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed and forms part of this Report.

EMPLOYEES

At Mphasis, the ecosystem is powered by Employees - a diverse group of best-in-class talent, who are focused on being future-ready. Your Company embarked on a journey to hyper personalize HR Programs last year which has been enhanced this year through digitization. Your Company has retained its winning culture of equality, fairness, collaboration and transparency.

With the changing IT Industry terrain, your Company focus is to invest in top talent that enables it to navigate dynamic shifts in customer expectations. To meet supply and demand challenges, your Company has enhanced its digital platform with skill-based hiring capabilities and innovative processes to actively pursue the right talent. Your Company's talent philosophy commits being an equal opportunity employer prioritizing Diversity and Inclusion. Your Company has established the Diversity, Equity and Inclusion Council and allyship program with leaders globally to support Mphasians from diverse backgrounds. From enhancements in insurance plan for gender affirmation and differently abled employees to a more inclusive workspace, your Company is recognized as one of the top employers in the Diversity, Equity and Inclusion space.

Talent Management programs including hire-to-retain policies, customized pay models and career progression frameworks encourage meritocracy and skill development. This has helped your Company in engaging with talent segments and skill communities. Talent Next, a flagship program, coupled with our X2C²™ strategy (read as "Anything to Cloud powered by Cognitive": i.e., capability development in NextGen Digital skills) runs across the HR ecosystem. In FY23, this program was further evolved by integrating talent acquisition, talent development, performance management, employee productivity, engagement and total rewards along with catering to employee's aspirational needs. Since its inception there has been multifold increase in the number of people certified and deployed on NextGen digital skills suiting business requirements.

Accolade, a cloud-based recognition platform, builds a culture of recognition and makes hyper-personalized rewards a reality. Employee achievements are published across the organization fostering the Employees to celebrate their wins regularly. The prestigious Annual ACE awards was conducted entirely on cloud digital platform and encouraged participation from the entire workforce including employee families, creating a sense of belongingness.

As your Company continues to operate in a hybrid work environment, Employees across remote teams and geographies look to collaborate and engage in the office workspace speaking to our Hi-Touch, Hi-Tech and Hi-Trust proposition. All people programs focus employee experience, wellness and their continued growth. Through regular eSAT pulse surveys, the Company gets a real-time insights into employee experiencing, their needs, and the areas to improve. Your Company analyzes the data to identify trends, patterns and opportunities for growth, which enables to make data-driven decisions and take actions that align with our goals and values.

Mphasis has been recognized as one of the 100 Best Companies for Women (BCWI) apart from winning an "Exemplar of Inclusion" in the Most Inclusive Companies Index (MICI) by Avtar and Seramount and a champion in the organizational self-assessment for LGBTQ+ inclusion by Interweave.

BOARD'S REPORT

COMMUNITY OUTREACH

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company's CSR is committed to bringing social change by applying the power of technology and disruptive solutions. Our belief is that the use of technology, tools and resources responsibly could play a transformational role for positive outcomes in the areas of education, livelihood, sustainability and equitable development. Our 2-pronged approach to sustainability, enables us to deliver value to the community and our stakeholders, by applying tech for the good of our business and society. This has led us to undertake several CSR programs that aim to benefit socially excluded and economically disadvantaged target groups, including support for vulnerable communities, afforestation and rainwater conservation. We also focus larger goal to become a corporate technology partner of choice, for certain Indian higher educational institutions, to enable the development of demonstrable, applied research projects that are of social relevance, thereby also bridging the gap between corporate and academia.

CSR at Mphasis is implemented through Mphasis F1 Foundation (an independent registered Trust). During the year, the Company spent ₹323.98 million on the CSR expenditure as against the mandated spend of ₹323.81 million. The CSR Annual Report for the year ended 31 March 2023 is annexed and forms part of this Report.

The highlights of your Company's CSR activities are described in detail on the website of the Company at: <https://www.mphasis.com/home/corporate/community-social-responsibility.html>.

PREVENTION OF SEXUAL HARASSMENT (POSH)

Your Company is committed to ensuring workplace free from sexual harassment and providing a mechanism for redressal of complaints of sexual harassment without fear or threat of reprisals in any form or manner whatsoever to all its employees irrespective of their gender and sexuality.

Your Company has Sexual Harassment policies covering PoSH India policy which is in adherence to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "POSH Act") which is applicable for women employees in India and a Global POSH policy which applies to all other employees except women employees in India.

During FY23, 50 sexual harassment complaints were filed, of which 45 complaints were disposed and 5 complaints are under progress for being resolved, which are within the prescribed time limits.

ESTABLISHMENT OF VIGIL MECHANISM

Mphasis Code of Conduct requires directors, officers, and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. The Company has a Whistleblower Policy to enable persons who observe unethical practice (whether or not a violation of law), or violation of the Code of Business Conduct, other than matters covered by the POSH Policy to approach the Whistleblower Custodian without revealing their identity, if they choose to do so. Further the complaint can be reported to the Ombudsperson (Chairman of the Audit Committee) where the Complainant feels that the complaint has not been addressed or actioned in a timely and appropriate manner. Also, if the complaint is against any member of the Whistleblower Committee or the Executive Council, the same would be made to the Ombudsperson. This Policy governs reporting and investigation of allegations that are breach of Code of Business Conduct and violation under code for prevention of Insider Trading. The Policy covers all Mphasis group companies and its affiliates, Directors and further extends to all Mphasis suppliers and contractors engaged in rendering the services.

DIRECTORS AND KMP

In accordance with Section 152 of the Companies Act, 2013, Mr. Amit Dixit (DIN: 01798942), Mr. Marshall Jan Lux (DIN: 08178748) and Mr. Kabir Mathur (DIN: 08635072) will retire by rotation at the ensuing Annual General Meeting and are eligible for re-election.

The Board recommends the re-appointment of the above directors for approval of the members. Necessary resolutions in connection with the above are being placed for approval of the members at the ensuing Annual General Meeting.

STATUTORY AUDITORS

The members at the twenty seventh Annual General Meeting held on 7 August 2018, approved appointment of B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), as the Statutory Auditors to hold office from the conclusion of the twenty seventh Annual General Meeting till the conclusion of the thirty second Annual General Meeting. Consequently, B S R & Co. LLP will complete their term of five consecutive years as the statutory auditors of the Company at the conclusion of this Annual General Meeting.

The Board of Directors of the Company ("Board"), based on the recommendation of the Audit Committee, in its meeting held on 27 April 2023, unanimously approved the re-appointment of B S R & Co. LLP, as the Statutory Auditors of the Company, for a further consecutive term of five years from the conclusion of thirty second Annual General Meeting till the conclusion of thirty seventh Annual General Meeting, at a remuneration as may be mutually agreed between the Board and the Statutory Auditors and recommended the same for approval of the shareholders.

BOARD'S REPORT

B S R & Co. LLP have consented to their re-appointment as the Statutory Auditors and have confirmed that the re-appointment, if made, would be within the limits specified under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified to be re-appointed as the Statutory Auditors in terms of the provisions of Sections 139 and 141 of the Companies Act, 2013 and the Rules made thereunder.

As required under the Companies Act, 2013, approval of the members is being sought for re-appointment of B S R & Co. LLP, Chartered Accountants, (Registration No.101248W/W-100022) as the Statutory Auditors of the Company and to fix their remuneration, by means of an Ordinary Resolution. The Board recommends the re-appointment of BSR & Co., LLP for approval of the members at the ensuing Annual General Meeting.

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their audit reports on the financial statements for the year ended 31 March 2023.

SECRETARIAL AUDITOR

The Board had in its meeting held on 19 January 2023 appointed Mr. S P Nagarajan, Practicing Company Secretary (CP No. 4738), as the Secretarial Auditor for the financial year ended 31 March 2023. In addition, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the secretarial audit of Msource (India) Private Limited, a material subsidiary, has also been carried out.

As required under the Section 204 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the secretarial audit reports of the Company and its material subsidiary for FY23 are annexed and forms part of this Report. The audit reports do not contain any qualification, reservation or adverse remarks.

DIRECTORS' RESPONSIBILITY STATEMENT

Information as per Section 134(5) of the Companies Act, 2013, is annexed and forms part of the Report. Further, based on the confirmation and certificates received, the Board confirms that the Company has complied with the Secretarial Standards on the Board Meetings issued by the Institute of Company Secretaries of India, as applicable to the Company, during the financial year ended 31 March 2023.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

Sustainability and social responsibility have always been the cornerstone of your Company. As a responsible and conscious corporate citizen, your Company is committed to integrating sustainability across its operations and demonstrate what it means to be a leader in the industry by setting exceptional standards driven by a purpose-led approach to solving challenges. Your Company is striving to accelerate its commitment to tackle climate change by investing in renewable energy, efficient waste and water management and other green initiatives. To have a long-term influence on the planet and all its stakeholders, your Company has integrated environmental goals into the business strategy, risks, and procedures. As an organization that is fuelled by innovation, your Company places great value on people to grow as a company and maximize positive outcomes by focusing on certain key areas - diversity, equity, and inclusion, learning and development and employee well-being. The details of ESG initiatives are available on our website at <https://www.mphasis.com/home/esg.html>.

Your Company has reported BRSR for FY23 and the same detailing the business responsibility and sustainability practices is uploaded on the website of the Company at www.mphasis.com under financials and filling section of the Investor page and forms part of the Annual Report.

OTHER DISCLOSURES

SUBSIDIARIES

As on 31 March 2023, your Company has subsidiaries in Australia, Belgium, Canada, France, Germany, India, Ireland, Mauritius, Netherlands, People's Republic of China, Philippines, Poland, Singapore, the United Kingdom and the United States of America. In addition, the overseas subsidiaries have branches in Argentina, Canada, Costa Rica, France, Hungary, Japan, Malaysia, Mexico, People's Republic of China, Sweden, Switzerland and Taiwan.

In accordance with Section 129 (3) of the Companies Act, 2013 the consolidated financial statements are attached to this Annual Report. Further, a statement containing salient features of the financial statements of subsidiaries in the prescribed Form AOC-1 is annexed to this Report. The statements provide the performance and financial position of each of the subsidiaries.

The audited financial statements of the subsidiaries are available for inspection of the members at the Registered Office of the Company and are also being uploaded on the website of the Company, www.mphasis.com. A translated copy of the financial statements has been provided where such financial statements are in the foreign language.

A copy of the above financial statements shall be sent to the members upon request.

EMPLOYEES STOCK OPTION PLANS AND RESTRICTED STOCK UNIT PLANS

The Company's Employee Stock Option Plans (ESOPs) are administered through the Mphasis Employees Equity Reward Trust and the Restricted Stock Unit Plans (RSUs) are administered through the Mphasis Employees Benefit Trust. Further, all the plans are administered by the ESOP Compensation Committee of the Board.

BOARD'S REPORT

The Company currently has three stock option plans in operation, namely, Mphasis Employees Stock Option Plan - 1998 (ESOP 1998) (Version I & II), Mphasis Employees Stock Option Plan - 2016 (ESOP 2016) and Restricted Stock Units Plan 2021 (RSU 2021). During the year ended 31 March 2023, the Company has allotted 582,327 equity shares pursuant to the exercise of stock options and restricted stock units. Further, during the year ended 31 March 2023, the ESOP Compensation Committee granted 188,550 stock options and 33,550 stock units to the eligible employees.

The information to be disclosed as per SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, for the year ended 31 March 2023 is annexed to the Board's Report and is also uploaded on the website of the Company at www.mphasis.com.

DIRECTORS' INTEREST AND RELATED PARTY DISCLOSURES

No director was interested in any contracts or arrangements existing during or at the end of the year that was significant in relation to the business of the Company. No director holds any shares or stock options in the Company as on 31 March 2023 except Mr. Davinder Singh Brar, Chairman, who holds 28 shares and Mr. Nitin Rakesh, Chief Executive Officer and Managing Director, who holds 159,429 shares (and holds 981,226 stock options and 310,677 stock units). None of the directors had any other interest in the share capital of the Company as at 31 March 2023. All the transactions entered into with Related Parties as defined under Section 2(76) of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during FY23 were in the ordinary course of business and at arm's length basis.

The Company has a policy for dealing with Related Party Transactions which has been uploaded on the Company's website at www.mphasis.com. The particulars of the contract or arrangements with the Related Parties in form AOC-2 is annexed and forms part of this Report.

The related party disclosures are made to the Stock Exchanges on a half yearly basis as required under Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is available on our website at www.mphasis.com.

SHARE CAPITAL

During the year under review, the Company has allotted, on various dates, 582,327 equity shares pursuant to the exercise of stock options and restricted stock units. The Issued Share Capital of the Company as on 31 March 2023 stood at ₹1,884 million and Reserves and Surplus stood at ₹77,464 million (consolidated basis) and ₹48,203 million (standalone basis) respectively.

PARTICULARS OF EMPLOYEES' REMUNERATION

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in an annexure and forms part of this report.

However, in terms of Section 136(1) of the Companies Act, 2013, the report is being sent to the Members excluding the aforesaid annexure and shall be available for inspection of the members, till the date of the Annual General Meeting, at the registered office of the Company during working hours. Any Member interested in obtaining a copy of the annexure may write to the Company Secretary at the Registered Office of the Company.

In terms of proviso to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, particulars of the employees posted and working in a country outside India is not circulated to the members, but same shall be filed with the Registrar of Companies while filing the Financial Statements and Board's Report.

ANNUAL RETURN

The Annual Return of the Company as at 31 March 2023 in Form MGT-7 is uploaded on the website of the Company under financials and filings section at <https://www.mphasis.com/home/corporate/investors.html>. The Annual Return will be filed with the Registrar of Companies, after the Annual General Meeting, within the prescribed time.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of Loans, Guarantees and Investments under Section 186 of the Companies Act, 2013 are disclosed in the financial statements of the Company.

DEPOSITS

Your Company has not accepted any deposits from the public and as such no principal or interest was outstanding as on the date of the Balance Sheet.

BOARD'S REPORT

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY:

Your Company is committed towards energy conservation. We recognize energy efficiency plays central role in lowering your Company's operational Green House Gas emissions. Various improvements and initiatives are implemented to enhance efficiency through technological upgrades and effective monitoring of operational and maintenance activities. Your Company has been able to reduce the electricity consumption and carbon footprint over the years through effective energy management and sustainable initiatives including installation of LED lamps, hydrogen sensors for data rooms, occupancy sensors at the office premises and procurement of new state of art/energy efficient VRV AC units and PAC units which replaced the old and inefficient AC units. The new AC equipment's are with R407c and R410a refrigerants which don't deplete Ozone layer, hence are environment friendly.

Your Company has been one of the early adopters of renewable energy and strives to move towards the same. Your Company has Installed solar panels with a capacity of 10KW at Mangalore facility and solar inverters at identified facilities to promote sustainable energy usage. Year on year target has been set for reduction of energy consumption by 5% and carbon footprint by 1% and the set targets are consistently achieved. The energy and carbon footprints are monitored through in-house developed Energy Management System Application.

One of the Company's facilities at Bengaluru has been certified LEED (Leadership in Energy and Environmental Design) Gold by United States Green Building Council (USGBC). The key facilities have been awarded with 5-star, 4-star and 3-star rating by Bureau of Energy Efficiency, Government of India (BEE) for the last 7 years. The rating is a nationally accepted industry benchmark and Mphasis is certified by BEE in India. The Company has been awarded, by Confederation of Indian Industry, an Environment, Health and Safety (EHS) Award with a ★★ (3 star) and ★★★ (4 star) rating for the facilities at Bengaluru appreciating its sustainable initiatives. Some of the Company's facilities in Bengaluru are certified for ISO 14001:2015 by British Standards Institution (BSI) showcasing the demonstration and competence towards the environmental management system.

B. TECHNOLOGY ABSORPTION:

Particulars relating to technology absorption are not applicable.

C. FOREIGN EXCHANGE EARNINGS OR OUTGO:

	(₹ million)
(a) Foreign Exchange earned in terms of actual inflows during the year	87,377
(b) Foreign Exchange outgo in terms of actual outflows during the year	37,821

D. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS:

During the year under review, there were no significant material orders passed by the Regulators or the Courts, Tribunals impacting the going concern status and the Company's operations in future.

ACKNOWLEDGMENT

Your directors acknowledge with thanks the continued support and valuable co-operation extended by the business constituents, investors, vendors, bankers and shareholders of the Company. The directors place on record their appreciation for the support from the Software Technology Parks of India, the Department of Communication and Information Technology, the Government of India, Government of Karnataka, Telangana, Maharashtra, Tamil Nadu, Reserve Bank of India, other governmental agencies, Trade Associations and NASSCOM. Your directors also thank the government agencies of various other countries where your Company has operations.

Your directors would like to place on record their appreciation for the Employees of the Company and its subsidiaries, at all levels, for their hard work and commitment. Their dedication and competence have ensured that the Company continues to be a significant and leading player in the industry.

For and on behalf of the Board of Directors

New Delhi, India
27 April 2023

D S Brar
Chairman

ANNEXURE TO THE BOARD'S REPORT

Annual Report on CSR Activities for the year ended 31 March 2023

1. A brief outline on CSR Policy of the Company:

The brief of the CSR Policy is provided in the Board's Report and the policy is uploaded on the website of the Company at <https://www.mphasis.com/content/dam/mphasis-com/global/en/investors/governance/policies/corporate-social-responsibility-policy.pdf>

2. The composition of the CSR Committee:

The following are the members of the CSR Committee as at the date of the report:

Sl. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Narayanan Kumar	Chairman / Independent Director	3	3
2	Mr. Davinder Singh Brar	Member / Independent Director	3	3
3	Mr. Amit Dalmia	Member / Non-Executive Director	3	3
4	Mr. Nitin Rakesh	Member / Executive Director	3	3

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

The composition of CSR committee is uploaded on the website of the Company at:

<https://www.mphasis.com/home/corporate/community-social-responsibility/csr-team.html>

The CSR Policy is uploaded on the website of the Company at:

<https://www.mphasis.com/content/dam/mphasis-com/global/en/investors/governance/policies/corporate-social-responsibility-policy.pdf>

The CSR projects approved by the Board are uploaded on the website of the Company at:

<https://www.mphasis.com/home/corporate/community-social-responsibility.html>

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) :

Project: COVID-19 relief | Location: Chennai, Tamil Nadu | CSR Partner: AIF (American India Foundation Trust)

- Provided 100 Oxygen concentrators (10ltrs) and 12 ventilators in Hospitals in Chennai, Tamil Nadu.
- Distributed 6,000 PPE kits for frontline workers and 30,000, N-95 masks in Chennai.
- Out of 421 Oxygen concentrators distributed by AIF in Tamil Nadu, 100 Oxygen concentrators were provided from the support of Mphasis F1 Foundation.



Impact Assessment Report: [American India Foundation-Covid Relief](#)

Project: COVID-19 relief | Location: Mumbai and Pune | CSR Partner: Give India

- Provided 100 Oxygen concentrators for primary care (10 LPM), and 100 Oxygen Cylinders to hospitals in Mumbai and Pune.
- 731 Dry ration food kits distributed to 3,655 Families through Save The Children, in Mumbai.
- Give India supported 4 organizations across 2 states with 10,995 beneficiaries.




Impact Assessment Report: [Give India- Covid Relief](#)

Project: Mphasis Lab for Machine Learning & Computational Thinking (ML2CT) | Location: Sonipat, Haryana | CSR Partner: Ashoka University

- ML2CT lab has successfully achieved the intended impact by having research in multiple domains ranging from environment to healthcare to cryptography.
- ML2CT lab and Makerspace supports professors, 65 students, 11 university alumni and 14 PhD scholars in addition to 15 interns.
- 10 research projects which largely fall under the umbrella of environment, healthcare, and cybersecurity have been undertaken within scope of this program, thus contributing directly to multiple UN Sustainable Development Goals (SDG 3 – Good Health, SDG 13 – climate action and SDG 16 – Peace and Justice, respectively).

ANNEXURE TO THE BOARD'S REPORT

- The ML2CT lab and Makerspace had a positive impact students and researchers of Ashoka University by expanding their knowledge-base and exponentially improving their chances of not just better employability but also their admission into prestigious universities for a doctoral program.

 Impact Assessment Report: [Ashoka University-Mphasis Machine Learning and Computational Thinking Lab at Ashoka University.](#)

Project: The Ashoka Young Changemakers Program | Location: Bengaluru, Karnataka | CSR Partner: Ashoka Innovators of Public

- The program's design has succeeded in amplifying the impact generated at the primary level across all subsequent levels.
- 72 Young Changemakers elected, out of which 42 were Ashoka Young Changemakers and 30 were Rural Changemakers.
- 35% of the youth have institutionalised their ideas.
- 52% were female changemakers and from the low-income to middle-income categories.
- Reached over 3 million individuals (across all channels: physical and social media outreach) through Lead Young Campaign.
- Reached 80,000 individuals resulting in incubating 150 entrepreneurs through Udyami Utsav- a virtual event focused on social entrepreneurship and innovation.

 Impact Assessment Report: [Ashoka Innovators for Public-Ashoka Young Change Makers.](#)

Project: Akanksha Foundation | Location: Pune | CSR Partner: Akanksha Foundation

- Supported operations of 2 Schools impacting around 1200+ students in Pune (CSMEMS, Kasarwadi – 575 students; PKGEMS, Koregaon - 700 students)
- Introduced levelled reading intervention program for children; focused on socio emotional development of children and enabled Community engagement through regular meetings with the social worker of the school, education programs on topics such as personal safety and nutrition.
- During the COVID-19 pandemic year, schools that received support, reported 100% student retention for 2020-21.
- Most students across grades 3 to 5 scored grade A – 80% to 90% across subjects in assessment.
- 93% student average attendance at CSMEMS during June 2019 to February 2020 and 97% student retention (98% for girls and 96% for boys) June 2019 to February, 2020.
- Math was ranked as the most liked subject by 47% students, followed by English and Science. 92% students conveyed that they understood and enjoyed Math classes.

 Impact Assessment Report: [Akanksha Foundation-Support for 2 Akanksha schools in Maharashtra](#)

Project: Uber India | Location: Bengaluru | CSR Partner: Uber India

- Uber Access provided a valuable daily commuting option for people with disabilities. On an average, drivers completed 17 trips per week, with the number of trips increasing to 40 per week, prior to COVID-19.
- To provide accessible and inclusive transportation, 39 Uber Access Vans and 500 Uber Assist Sedans with retrofitted features, were launched.
- From the time Uber Access launched till end of 2020, it has completed 19,022 trips and 1,112,908 kms.
- Uber India and Diversity and Equal Opportunity Centre (DEOC) trained the drivers to build the required communication and behavioural skills to be job ready.

 Impact Assessment Report: [Uber India Ltd-Uber Access Program for accessible transportation for Persons with disabilities](#)

Project: COVID-19 Relief | Location: Karnataka | CSR Partner: NASSCOM Foundation

- 2,904 beneficiaries were provided with 500 ration kits in partnership with NGO Goonj across 12 villages in Kolar district.
- Provided Oxygen Plant 400 LPM and 2 Ventilators which supported 20 ICU beds at Tarikere General Hospital, Chikmagalur district.
- 4,193 patients treated in the hospital and 178 patients used oxygen facility between Feb 2022- Feb 2023.
- Mass vaccination in partnership with Doctors for You (DFY) was conducted where 18,323 persons were vaccinated in Bengaluru Urban and Rural.

 Impact Assessment Report: [NASSCOM Foundation- Covid Relief](#)

ANNEXURE TO THE BOARD'S REPORT

		(₹ Million)
5. a)	Average net profit of the Company as per sub-section (5) of Section 135	16,190.28
b)	Two percent of average net profit of the Company as per sub section (5) of section 135	323.81
c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
d)	Amount required to be set off for the financial year, if any ^{refer note}	Nil
e)	Total CSR obligation for the financial year (5a+5b-5c).	323.81

Note: the excess CSR spend of ₹ 0.31 million, pertaining to FY21, is allowed to be carried forward three financial years in terms of Companies (Corporate Social Responsibility) Rules, 2014. As the Company has exceeded the CSR obligation pursuant to the aforesaid Rule, the same is not considered for set-off in the current financial year.

		₹ Million
6. a)	Amount Spent on CSR Projects (both Ongoing Project and Other than Ongoing Project)	313.22
b)	Amount spent in Administrative Overheads	9.02
c)	Amount spent on Impact Assessment, if applicable	1.74
d)	Total amount spent for the Financial Year (a+b+c)	323.98
e)	CSR amount spent or unspent for the financial year	323.98

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
323.98 Million	Nil	Not Applicable	Not Applicable	Not Applicable	Not Applicable

f) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹ million)
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	323.81
(ii)	Total amount spent for the Financial Year ^{refer note below}	323.98
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.17
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.17

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

Sl. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹ million)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹ million)	Amount spent in the Financial Year (in ₹ million)	Amount transferred to a fund specified under Schedule VII as per second proviso to sub section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹ million)	Deficiency, if any
					Amount (in ₹ million)	Date of Transfer		
1.	FY22	Nil	Nil	282.08	Nil	Not Applicable	Nil	Nil
2.	FY21	Nil	Nil	254.54	Nil	Not Applicable	Nil	Nil
3.	FY20	Nil	Nil	208.02	Nil	Not Applicable	Nil	Nil
	TOTAL			860.64				

ANNEXURE TO THE BOARD'S REPORT

Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes - ✖ | No - ✓

If Yes, enter the number of Capital assets created / acquired: **Not Applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **Not Applicable**

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s) (in ₹)	Date of creation	Amount of CSR Amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, Flat no, House no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

8. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135:

Not Applicable

For and on behalf of the Board of Directors

New York, USA
27 April 2023

Nitin Rakesh
Chief Executive Officer and Managing director

Chennai, India
27 April 2023

Narayanan Kumar
Chairman of CSR Committee

ANNEXURE TO THE BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Personnel) Rules, 2014]

To,

The Members,

MPHASIS LIMITED

Bagmane World Technology Center,
Marathahalli Outer Ring Road,
Doddanakundi Village, Mahadevapura,
Bengaluru-560048

CIN of Company : L30007KA1992PLC025294

Authorised Capital : ₹ 2,45,00,00,000/-

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MPHASIS LIMITED** ("the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, Registers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2023 ('year under review') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, registers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2023 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder ;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder with regard to maintenance of minimum public shareholding and compliance under clause 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder with regard to dematerialisation / re-materialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company in compliance with amended clause 76(1)of the SEBI (Depositories and Participants) Regulations,2018 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable to Overseas Direct Investment;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 were not applicable during the year under review;
 - e. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 were not applicable during the year under review;
 - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

ANNEXURE TO THE BOARD'S REPORT

- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 were not applicable during the year under review; and
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 were not applicable during the year under review.
- vi. The other laws to the extent applicable:
 - a. The Information Technology Act, 2000 and the rules made thereunder
 - b. The Special Economic Zones Act, 2005 and the rules made thereunder
 - c. The Software Technology Parks of India rules and regulations made thereunder
 - d. The Registration Act, 1908
 - e. The Indian Stamp Act, 1899
 - f. The Limitation Act, 1963
 - g. The Indian Contract Act, 1872
 - h. The Negotiable Instrument Act, 1881
 - i. The Sale of Goods Act, 1930
 - j. The Trade Marks Act, 1999
 - k. The Patents Act, 1970
 - l. The Copyright Act, 1957
 - m. The Designs Act, 2000
 - n. Income Tax Act, 1961
 - o. The Central Goods and Services Tax Act, 2017
 - p. The Environment Protection Act, 1986
 - q. The Trade Unions Act, 1926
 - r. The Weekly Holidays Act, 1942
 - s. The Telecom Regulatory Authority of India Act, 1997
 - t. The Insurance Act, 1938
 - u. General Clauses, 1897
 - v. Foreign Trade (Development And Regulation) Act, 1992
 - w. Employees' Provident Funds And Miscellaneous Provisions Act, 1952
 - x. Employees' State Insurance Act, 1948
 - y. Employees' State Insurance (Central) Rules, 1950
 - z. Labour Laws including ESI Act, Employee's PF & Miscellaneous Provision Act, Payment of Bonus Act, Payment of Gratuity Act, Contract Labour Act, Employees Compensation Act, Equal Remuneration Act, Maternity Benefit Act, 1961
 - aa. Bureau of Indian Standards Act, 1986
 - bb. E-waste (Management and Handling) Rules, 2011
 - cc. The State Acts, rules, guidelines and regulations to the extent applicable to the Company based on the location of its offices across India.

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) and Section 118(10) of the Companies Act, 2013.

In my opinion and to the best of my information and according to the explanation given to me, I report that the Company has complied with all applicable Secretarial Standards issued by ICSI with respect to General and Board meetings in accordance with Section 173(3) of the Act.

ANNEXURE TO THE BOARD'S REPORT

- b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has complied with the requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company: -

I report that during the period under review, the Company has complied with the applicable provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above.

I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 (the Act) and the rules made thereunder and with the enabling provisions of the Memorandum and Articles of Association of the Company, wherever applicable with regard to:

- a) maintenance of various statutory registers and documents and making necessary entries therein;
- b) closure of the Register of Members ;
- c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies/Ministry of Corporate Affairs and the Central Government ;
- d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e) notice of Board meetings and Committee meetings of Directors;
- f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- g) the 31st Annual General Meeting held on 21st July 2022;
- h) minutes of proceedings of General Meeting and of the Board and its Committee meetings;
- i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- j) constitution of the Board of Directors /Committee(s) of Directors, appointment, retirement, regularization and re-appointment of Directors including the Executive Director/Whole-time Director, Key Managerial Personnel wherever applicable;
- k) payment of remuneration to Executive Director/ Whole-time Director and payment of commission to Non-Executive Directors;
- l) appointment of Auditors and the remuneration payable to them;
- m) transfer and transmission of the Company's shares if any, issue and allotment of shares, buyback of shares, issue and delivery of share certificate(s) and duplicate share certificates wherever applicable;
- n) declaration and payment of dividends ;
- o) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
- p) investment of the Company's funds including inter-corporate loans, loans to others and investments wherever applicable;
- q) the Company has an existing secured loan and during the year under review the Company has not filed any forms for creation, modification and satisfaction of charge;
- r) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
- s) Board's report;
- t) contracts, common seal, registered office and publication of name of the Company; and
- u) Generally, all other applicable provisions of the Act and the rules made under.

I further report that my examination of compliance by the Company with applicable financial laws such as direct and indirect taxation laws and maintenance of financial records and books of accounts, Accounting Standards and disclosures are reviewed in a limited manner to the extent of the compliance reporting made by the Internal Auditors and Statutory Auditors and duly approved by the Board of Directors of the Company.

3. **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Independent Directors and Independent Directors. The changes in the composition of the Board of Directors that took place

ANNEXURE TO THE BOARD'S REPORT

during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance in accordance with Section 173(3) of the Act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws including general rules like labour laws, Environmental laws, regulations and guidelines.

All decisions at Board Meetings and Committee Meetings are carried out by requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board as the case may be.

4. **I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
5. **I further report that:**
 - (a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;
 - (b) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, being independent and compliance with the Code of Business Conduct and Ethics for Directors and Management Personnel;
 - (c) the Company has obtained all necessary approvals under the various provisions of the aforesaid Acts and rules made thereunder, to the extent applicable; and
 - (d) No prosecution was initiated and no penalties were imposed by any statutory authorities under the Companies Act, SEBI Act, SCRA, Depositories Act and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and officers. However, it may be noted that during the year under review, Stock Exchange has imposed a fine of ₹ 5,000/- consequent to non-compliance of regulation 23(9) of SEBI listing regulations.
6. **I further report that** during the audit period there were no specific events having a major bearing on the Company's affairs in pursuance of the above referred applicable laws, rules, regulations, standards and guidelines.

S.P.NAGARAJAN

Company Secretary

ACS Number : 10028

CP Number : 4738

UDIN: A010028E000212615

Peer reviewed Unit - bearing Unique Identification Number: I2002KR300400

Place: Bengaluru

Date : 27 April 2023

Note: This report is to be read with my letter of even date which is annexed as 'Annexure -1' and forms an integral part of this report.

As per the guidance issued by the Institute of Company Secretaries of India (ICSI) for carrying out professional assignments, the Secretarial Audit Report in term of section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 was conducted by using appropriate Information Technology tools by virtual data sharing by way of the Company's cloud-based server - 'Mike Portal' to access and examine relevant documents and physical verification of records for completion of the audit.

ANNEXURE TO THE BOARD'S REPORT

Annexure -1

To,
The Members,
MPHISIS LIMITED
Bagmane World Technology Center,
Marathahalli Outer Ring Road,
Doddanakundi Village, Mahadevapura,
Bangalore-560048

CIN of Company: L30007KA1992PLC025294
Authorised Capital: ₹ 245,00,00,000/-

My Secretarial Audit Report for Financial Year ended on 31 March 2023 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of event etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bengaluru
Date: 27 April 2023

S.P. NAGARAJAN
ACS:10028
CP: 4738

ANNEXURE TO THE BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

[Pursuant to Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019 in accordance with section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 for the purpose of compliance with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
MSOURCE (INDIA) PRIVATE LIMITED
Bagmane World Technology Center, Marathahalli Outer Ring Road,
Doddanakundi Village, Mahadevapura,
Bengaluru-560048

CIN of Company : U72200KA2000PTC038931
Authorised Capital : ₹ 12,00,00,000/-

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MSOURCE (INDIA) PRIVATE LIMITED** ("the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, Registers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2023 ('year under review') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, registers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2023 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable to Overseas Direct Investment;
 - iii. The other laws to the extent applicable:
 - a. The Information Technology Act, 2000 and the rules made thereunder
 - b. The Special Economic Zones Act, 2005 and the rules made thereunder
 - c. The Software Technology Parks of India rules and regulations made thereunder
 - d. The Registration Act, 1908
 - e. Indian Stamp Act, 1899
 - f. Limitation Act, 1963
 - g. Indian Contract Act, 1872
 - h. Negotiable Instrument Act, 1881
 - i. Sale of Goods Act, 1930
 - j. The Information Technology Act, 2000
 - k. The Trade Marks Act, 1999
 - l. The Patents Act, 1970
 - m. Copyright Act, 1957
 - n. Designs Act, 2000
 - o. Income Tax Act, 1961
 - p. The Central Goods and Services Tax Act, 2017

ANNEXURE TO THE BOARD'S REPORT

- q. Environment Protection Act, 1986
- r. Trade Unions Act, 1926
- s. Weekly Holidays Act, 1942
- t. The Telecom Regulatory Authority of India Act, 1997
- u. The Insurance Act, 1938
- v. General Clauses, 1897
- w. Foreign Trade (Development And Regulation) Act, 1992
- x. Employees' Provident Funds And Miscellaneous Provisions Act, 1952
- y. Employees' State Insurance Act, 1948
- aa. Employees' State Insurance (Central) Rules, 1950
- bb. Labour Laws including ESI Act, Employee's PF & Miscellaneous Provision Act, Payment of Bonus Act, Payment of Gratuity Act, Contract Labour Act, Employees Compensation Act, Equal Remuneration Act, Maternity Benefit Act, 1961
- cc. Bureau of Indian Standards Act, 1986
- dd. E-waste (Management and Handling) Rules, 2011
- ee. The State Acts, rules, guidelines and regulations to the extent applicable to the Company based on the location of its offices across India.

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) and Section 118(10) of the Companies Act, 2013.

In my opinion and to the best of my information and according to the explanation given to me, I report that the Company has complied with all applicable Secretarial Standards issued by ICSI with respect to General and Board meetings in accordance with Section 173(3) of the Act.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

- 2. Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company: -

I report that during the period under review, the Company has complied with the applicable provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above.

I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 (the Act) and the rules made thereunder and with the enabling provisions of the Memorandum and Articles of Association of the Company, wherever applicable with regard to:

- a) maintenance of various statutory registers and documents and making necessary entries therein;
- b) forms, returns, documents and resolutions required to be filed with the Registrar of Companies/Ministry of Corporate Affairs and the Central Government;
- c) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- d) notice of Board meetings of Directors;
- e) the meetings of Directors including passing of resolutions by circulation;
- f) the 22nd Annual General Meeting held on 12th September 2022;
- g) minutes of proceedings of General Meeting and of the Board meetings;
- h) approvals of the Members, the Board of Directors and the government authorities, wherever required;
- i) constitution of the Board of Directors /appointment, retirement, regularization and re-appointment of Directors including the Executive Director/Whole-time Director, Key Managerial Personnel wherever applicable;
- j) payment of remuneration/commission to Directors, wherever applicable;
- k) appointment of Auditors and the remuneration payable to them;
- l) transfer and transmission of the Company's shares if any, issue and allotment of shares, buyback of shares, issue and delivery of share certificate(s) and duplicate share certificates wherever applicable;
- m) investment of the Company's funds including inter-corporate loans, loans to others and investments wherever applicable;

ANNEXURE TO THE BOARD'S REPORT

- n) the Company has availed no secured loans during the year under review and consequently there were no requirements with regard to creation, modification or satisfaction of charges;
- o) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
- p) Board's report;
- q) contracts, common seal, registered office and publication of name of the Company; and
- r) generally, all other applicable provisions of the Act and the rules made under.

I further report that my examination of compliance by the Company with applicable financial laws such as direct and indirect taxation laws and maintenance of financial records and books of accounts, Accounting Standards and disclosures are reviewed in a limited manner to the extent of the compliance reporting made by the Internal Auditors and Statutory Auditors and duly approved by the Board of Directors of the Company.

3. I further report that

The Board of Directors of the Company is duly constituted. There were no changes in the composition of the Board of Directors during the year under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance in accordance with Section 173(3) of the Act and in case of Board Meetings convened at shorter notice, the Company has complied with the provisions of the Act and rules made thereunder read with Secretarial Standard-1 (SS-1) on "Meetings of the Board of Directors". A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings were carried out by requisite majority as recorded in the minutes of the meetings of the Board of Directors as the case may be.

4. I further report that

there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

5. I further report that:

- a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;
- b) the Company has obtained all necessary approvals under the various provisions of the aforesaid Acts and rules made thereunder, to the extent applicable; and
- c) no prosecution was initiated by any statutory authorities and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and officers.

S.P.NAGARAJAN

Company Secretary

ACS Number : 10028

CP Number : 4738

UDIN : A010028E000212670

Peer reviewed Unit - bearing Unique Identification Number: I2002KR300400

Place: Bengaluru
Date : 27 April 2023

Note: This report is to be read with my letter of even date which is annexed as 'Annexure - 1' and forms an integral part of this report.

As per the guidance issued by the Institute of Company Secretaries of India (ICSI) for carrying out professional assignments, the Secretarial Audit Report in term of section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 was conducted by using appropriate Information Technology tools by virtual data sharing by way of the Company's cloud-based server - 'Mike Portal' to access and examine relevant documents and physical verification of records for completion of the audit.

ANNEXURE TO THE BOARD'S REPORT

Annexure -1

To,

The Members,

MSOURCE (INDIA) PRIVATE LIMITED

Bagmane World Technology Center, Marathahalli Outer Ring Road,
Doddanakundi Village, Mahadevapura,
Bangalore-560048

CIN of Company: U72200KA2000PTC038931

Authorised Capital: ₹ 12,00,00,000/-

My Secretarial Audit Report for Financial Year ended on 31 March 2022 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of event etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bangalore
Date: 27 April 2023

S.P. NAGARAJAN
ACS:10028
CP: 4738

ANNEXURE TO THE BOARD'S REPORT

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 134(5) of the Companies Act, 2013, the directors confirm, and state as follows for the financial year ended 31 March 2023

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period;
3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the directors had prepared the annual accounts on a going concern basis;
5. That directors had devised proper systems to ensure compliance with the provisions of applicable laws and such systems are adequate and operating effectively; and
6. That as regards Internal Financial Controls, the directors to the best of their knowledge and belief and according to the information and explanations provided, make the following statements:
 - a) That they are responsible for establishing and maintaining internal financial controls to be followed by the Company that are adequate and operate effectively.

The Company's internal financial controls are deployed through a framework that addresses material risks in your Company's operations and financial reporting objectives. The framework is a combination of entity level controls (including Enterprise Risk Management, Legal Compliance Framework, Internal audit and Anti-fraud Mechanisms such as Ethics Framework, Code of Conduct, Whistle Blower Policy, etc.), process level controls, information technology-based controls, period end financial reporting and closing controls.

Internal financial controls cannot provide absolute assurance of achieving financial, operational and compliance reporting objectives because of its inherent limitations. Also, projections of any evaluation of the internal financial controls to future periods are subject to the risk that the internal financial control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

- b) The Company's management has carried out the evaluation of design and operating effectiveness of these controls and noted no significant deficiencies / material weaknesses that might impact the financial statements as at the balance sheet date

For and on behalf of the Board of Directors

New Delhi, India
27 April 2023

D S Brar
Chairman

DECLARATION UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING COMPLIANCE WITH CODE OF CONDUCT

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby confirmed that for the year ended 31 March 2023, the directors of Mphasis Limited have affirmed compliance with the Code of Conduct for Board Members as applicable to them and members of the senior management have also affirmed compliance with the Employee Code of Conduct as applicable to them.

New York, USA
27 April 2023

Nitin Rakesh
Chief Executive Officer and Managing Director

ANNEXURE TO THE BOARD'S REPORT

FORM AOC - 1

Statements containing salient features of the financial statement of subsidiaries / associate companies / joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rule, 2014)

(₹ Million)

Sl. No	Name of the subsidiary	Reporting Period	Reporting Currency	Exchange Rate	Share Capital			Reserves & Surplus	Total assets	Total liabilities	Details of investments (Other than in subsidiaries)	Turnover	Profit before taxation (Loss)	Provision for taxation Expense / (Credit)	Profit after taxation (Loss)	Proposed Dividend	% of shareholding
					Equity	Preference	Total										
1	Mphasis Corporation	01-04-2022 to 31-03-2023	USD	82.170	-	-	-	26,034.16	16,023.40	-	53,157.13	745.19	(89.90)	835.09	-	100	
2	Mphasis Deutschland GmbH	01-04-2022 to 31-03-2023	EUR	89.443	2.23	-	2.23	477.25	975.13	-	333.70	(252.36)	(128.87)	(123.49)	-	91	
3	Mphasis Australia Pty. Ltd	01-04-2022 to 31-03-2023	AUD	55.025	0.05	-	0.05	532.21	683.12	-	1,641.67	(19.95)	12.71	(32.66)	-	100	
4	Mphasis (Shanghai) Software & Services Company Ltd	01-01-2022 to 31-12-2022	CNY	11.948	238.76	-	238.76	309.36	203.60	-	474.20	(19.89)	5.16	(25.05)	-	100	
5	Mphasis Consulting Limited	01-04-2022 to 31-03-2023	GBP	101.648	1.34	-	1.34	1,622.92	1,011.78	-	6.22	(35.75)	0.00	(35.75)	-	100	
6	Mphasis Belgium BV	01-04-2022 to 31-03-2023	EUR	89.443	0.43	-	0.43	1,940.74	958.26	-	2,212.51	107.21	45.21	61.99	-	100	
7	Mphasis Europe BV	01-04-2022 to 31-03-2023	EUR	89.443	477.01	-	477.01	12,050.41	263.10	-	414.85	(11.18)	0.13	(11.31)	-	100	
8	Mphasis Pte Limited	01-04-2022 to 31-03-2023	SGD	61.793	152.86	-	152.86	1,196.36	351.69	-	983.47	45.55	16.34	29.22	-	100	
9	Mphasis UK Limited	01-04-2022 to 31-03-2023	GBP	101.648	0.24	-	0.24	10,037.79	4,632.75	-	6,285.28	(402.49)	(82.57)	(319.91)	-	100	
10	Mphasis Software and Services (India) Private Limited	01-04-2022 to 31-03-2023	CNY	11.948	100.00	-	100.00	1,847.49	36.38	1,862.94	106.10	103.30	21.21	82.09	-	100	
11	Msource Mauritius Inc	01-04-2022 to 31-03-2023	USD	82.170	600.56	-	600.56	633.56	0.51	-	-	(1.56)	-	(1.56)	-	100	
12	Msource (India) Private Limited	01-04-2022 to 31-03-2023	INR	1.000	66.85	-	66.85	10,366.93	784.14	8,893.73	1,639.85	608.21	55.52	552.69	-	100	
13	Mphasis Ireland Limited	01-04-2022 to 31-03-2023	EUR	89.443	0.56	-	0.56	68.95	2.07	-	40.39	4.66	0.80	3.86	-	100	
14	Mphasis Lanka (Private) Limited	01-04-2022 to 31-03-2023	LKR	0.254	55.49	-	55.49	(55.49)	(0.00)	-	-	-	-	-	-	100	
15	Mphasis Infrastructure Services Inc	01-04-2022 to 31-03-2023	USD	82.170	0.05	-	0.05	(1,666.15)	52.82	1,718.92	92.98	(81.39)	(2.19)	(79.20)	-	100	
16	Mphasis Poland s.p.z.o.o.	01-04-2022 to 31-03-2023	PLN	19.140	1.99	-	1.99	2.80	140.52	-	205.14	10.63	0.92	9.72	-	100	
17	PT. Mphasis Indonesia	01-04-2022 to 31-03-2023	IDR	0.005	4.60	-	4.60	(6.17)	1.69	-	-	(0.06)	-	(0.06)	-	100	
18	Mphasis Wyde Inc.	01-04-2022 to 31-03-2023	USD	82.170	-	-	-	10,971.08	5,039.41	-	77.57	74.82	560.56	(485.74)	-	100	
19	Wyde Corporation Inc.	01-04-2022 to 31-03-2023	USD	82.170	3.11	-	3.11	(1,127.61)	1,982.11	-	1,518.56	(56.00)	8.01	(64.01)	-	100	
20	Mphasis Wyde SASU	01-04-2022 to 31-03-2023	EUR	89.443	2.53	-	2.53	(945.67)	824.45	1,767.58	686.07	16.88	-	16.88	-	100	
21	Wyde Solutions Canada Inc.	01-04-2022 to 31-03-2023	CAD	60.668	0.05	-	0.05	(71.90)	103.97	-	17.84	4.73	4.97	(0.25)	-	100	
22	Mphasis Philippines Inc	01-04-2022 to 31-03-2023	PHP	1.514	11.34	-	11.34	(8.91)	4.10	-	0.04	(2.92)	-	(2.92)	-	100	
23	Digital Risk LLC.	01-04-2022 to 31-03-2023	USD	82.170	942.62	-	942.62	(772.57)	6,245.88	-	4,767.88	(461.66)	0.00	(461.66)	-	100	
24	Digital Risk Mortgage Services, LLC	01-04-2022 to 31-03-2023	USD	82.170	1,010.09	-	1,010.09	7,600.52	1,887.81	-	10,759.65	2,936.29	114.67	2,821.62	-	100	
25	Investor Services, LLC	01-04-2022 to 31-03-2023	USD	82.170	-	-	-	807.51	(0.00)	-	0.04	0.01	-	0.01	-	100	
26	Digital Risk Valuation Services, LLC	01-04-2022 to 31-03-2023	USD	82.170	-	-	-	(1,392.14)	7.18	1,399.32	-	0.13	(0.22)	-	-	100	

ANNEXURE TO THE BOARD'S REPORT

Sl. No	Name of the subsidiary	Reporting Period	Reporting Currency	Exchange Rate	Share Capital			Reserves & Surplus	Total assets	Total liabilities	Details of investments (Other than in subsidiaries)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
					Equity	Preference	Total						Profit / (Loss)	Expense / (Credit)	Profit / (Loss)		
27	Stelligent Systems, LLC	01-04-2022 to 31-03-2023	USD	82.170	-	-	(21.87)	549.07	570.74	-	1,093.95	242.31	62.03	180.28	-	100	
28	Dataalyx Limited	01-04-2022 to 31-03-2023	GBP	101.648	14.37	-	(23.32)	640.58	649.53	-	771.33	(100.45)	39.92	(140.37)	-	100	
29	Dataalyx, MSS Limited	01-04-2022 to 31-03-2023	GBP	101.648	0.83	-	20.02	50.70	29.84	-	15.62	5.59	0.48	5.12	-	100	
30	Dynamyx Limited	01-04-2022 to 31-03-2023	GBP	101.648	10.72	-	(18.47)	24.74	32.49	-	12.57	(12.44)	3.60	(16.04)	-	100	
31	Blink Interactive, Inc	01-04-2022 to 31-03-2023	USD	82.170	183.23	-	203.96	1,730.59	1,343.41	-	3,352.87	(40.75)	62.10	(102.84)	-	100	
32	Mphasis Solutions Services Corporation	01-04-2022 to 31-03-2023	USD	82.170	3.79	-	0.11	4.11	0.21	-	-	(0.21)	-	(0.21)	-	100	
33	Mraid Limited	01-04-2022 to 31-03-2023	GBP	101.648	0.01	-	(1.05)	0.60	1.64	-	-	(0.99)	-	(0.99)	-	51	
34	Mraid Services Limited	01-04-2022 to 31-03-2023	GBP	101.648	-	-	(181.88)	110.51	292.39	-	132.17	(168.50)	(40.47)	(128.09)	-	100	
35	Mphasis Digi Information Technology Services (Shanghai) Limited	01-01-2022 to 31-12-2022	CNY	11.948	23.00	-	(10.39)	23.02	10.40	-	0.08	(9.27)	-	(9.27)	-	100	
	Total				3,908.69	-	58,476.94	1,11,533.51	49,147.88	10,756.67	90,799.85	3,227.35	670.32	2,557.03	-		

Notes:

- On 22 July 2013 the Board of Directors of Mphasis Lanka (Private) Limited, a wholly owned subsidiary of Mphasis Limited, resolved to close down its operations.
- On 31 March 2017 the management of Digital Risk LLC resolved to close the operations of Digital Risk Europe, OOD.
- On 16 April 2018, the shareholders of PT. Mphasis Indonesia resolved to dissolve and liquidate the entity.
- On 23 December 2021, the Company through its wholly owned subsidiary, Mphasis Consulting Limited, entered into a business venture agreement with Ardonagh Services Limited ("Ardonagh"). Pursuant to this agreement, the Group owns 51% voting interest in Mraid Limited and the remaining voting interest is owned by Ardonagh. However, the Group is entitled to 100% economic benefits in Mraid Limited.
- On 19 September 2022 Redshift Digital Inc, a wholly owned subsidiary of Blink Interactive, Inc was dissolved.
- On 23 February 2023, the Board of Directors of Mphasis Infrastructure Services Inc, resolved to prepare a plan of liquidation of the company and place the same before the board and shareholders for approval. The plan for liquidation is under preparation.
- On 12 March 2023, Mraid Services Private Limited was incorporated as a wholly owned subsidiary of Mraid Limited.
- Exchange rate applied is at 31 March 2023.
- There are no dividend proposed from any of the Subsidiaries.
- The reporting period of the Subsidiaries is 31 March of every Year except for Mphasis (Shanghai) Software & Services Company Limited and Mphasis Digi Information Technology Services (Shanghai) Limited which is 31 December of every year.

For and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer and Managing Director
New York, USA

Narayanan Kumar
Director
Chennai, India

Manish Dugar
Chief Financial Officer
Bengaluru, India

Subramanian Narayan
Senior Vice President and Company Secretary
Bengaluru, India

Bengaluru
27 April 2023

ANNEXURE TO THE BOARD'S REPORT

DISCLOSURE UNDER SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

Stock Options granted to employees of Mphasis Limited and its subsidiaries:

Particulars	ESOP 1998		ESOP 2016	RSU 2021
	Version I	Version II		
Date of Shareholders' Approval	31 July 1998		4 Nov 2016	29 Sep 2021
Total Number of Stock Options approved under the Plan	465,000 ^{Note 1}		8,400,000	3,000,000
Vesting Requirements	Time Based Vesting			
Maximum term of Stock Options (refers to Exercise Period)	Until exercise	10 years	5 years	5 years
Source of shares (Primary, Secondary or Combination) (Combination involves primary market issuance as well as transfer of shares acquired from secondary market to the extent such shares have been acquired).	Primary			
Pricing formula	Refer table below ^{Note 4}			
Total number of Stock Options outstanding at the beginning of the year (i.e., 1 April 2022)	47,000	-	3,790,300	1,036,818
Number of Stock Options granted during the year	-	-	188,550	33,550
Number of Stock Options lapsed and forfeited during the year	-	-	198,489	64,319
No. of Stock Options vested during the year	-	-	469,560	98,426
No. of Stock Options exercised during the year	496	-	494,142	87,689
Total number of shares arising as a result of exercise of Stock Options	496	-	494,142	87,689
Money realized by exercise of options during the year (in ₹)	17,052.48	-	269,842,200	876,890
Number of Stock Options outstanding as at the end of the year (i.e., 31 March 2023)	46,504	-	3,286,219	918,360
Total number of options exercisable at the end of the year	46,504	-	2,291,232	10,737
Loan repaid by the Trust during the year from the exercise price received	NA	NA	NA	876,890
Employee Wise details of Options granted to	Nil	Nil	12,500	30,000
(a) Senior Managerial Personnel ^{refer Note 2}				
(b) Other Employees, who were granted, during any one year, options amounting to 5% or more of options granted during the year ^{refer Note 5}	Nil	Nil	10,000	3,550
(c) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (exceeding outstanding warrants and conversion) of the company at the time of grant.	Nil	Nil	Nil	Nil
Valuation of Stock Options and their related impact on Profits and EPS, where intrinsic valuation is followed;	The Company computes Employee Compensation Cost using the fair value method of accounting except for Employee Stock Option 1998 Plan (ESOP 1998 Plan) wherein the Employee Compensation Cost is computed based on intrinsic value method. The differential value is Nil for the year ended 31 March 2023 if the fair value of the ESOPs were considered for ESOP 1998 Plan instead of the intrinsic value. Consequently, there is no impact on the Profits and Earnings Per Share (EPS) of the Company.			
Weighted Average exercise price and weighted average fair value of options during the year whose exercise price either equals or exceeds or is less than the market price (₹) during the year	Refer to the additional disclosures given below ^{refer Note 6}			

Notes:

- Refers to Options as approved by shareholders and accordingly excludes the adjustment for Bonus Issues.
- The term senior managerial personnel includes officers and personnel considered as senior management as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The diluted EPS of Mphasis Group for the financial year ended 31 March 2023, pursuant to issue of shares on exercise of options, is ₹ 86.37 per share.
- Pricing Formulae for the stock option/RSU schemes:

ANNEXURE TO THE BOARD'S REPORT

Schemes	Pricing Formulae /Exercise Price
ESOP 1998 (version I)	No options have been granted under this Scheme during the financial year 2022-23. Earlier, under this plan the options were granted at a strike price of ₹ 275 per share. The price of ₹ 275 was arrived at based on SEBI Guidelines on Pricing for Preferential Allotment.
ESOP 1998 (version II)	No options have been granted under this Scheme during the financial year 2022-23. Earlier, for employees in service as on 10 January 2000, the market price prevalent on the 15 th day from the Board Meeting held on 10 January 2000 i.e. ₹ 795 per share and for all the recruits thereafter, market price prevalent on the date of joining, unless the ESOP Committee decides otherwise, was taken as the grant price. For options granted from September 2003, the grant price was calculated as per sub clause 10 of clause 2.1 of the amendment to SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, dated 30 June 2003, which was the average of the two weeks high and low price of share preceding the date of grant of option on the stock exchange on which the shares of the Company are listed.
ESOP 2016	During the year, 3,250 stock options at an exercise price of ₹ 3,397 per option, 162,800 stock options at an exercise price of ₹ 2,229 per option and 22,500 stock options at an exercise price of ₹ 2,000 per option have been granted under this plan. Each option entitles the holder thereof with an option to apply for and be issued one equity share of the Company. As per the ESOP 2016 Plan, the stock options are granted at the Market Price subject to a discount up to twenty per cent (20%) as may be determined by the Compensation Committee at the time of Grant
RSU 2021	During the year, 33,550 Restricted Stock Units have been granted at an exercise price of ₹ 10 per RSU under this plan. Each RSU entitles the holder thereof with an option to apply for and be issued one equity share of the Company.

*The present Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 defines 'Market Price' as the "latest available closing price on a recognized stock exchange on which the shares of the Company are listed on the date immediately prior to the relevant date".

5. Details of options granted to Senior Managerial Personnel as on 31 March 2023 and other employees who received grant of options equivalent to 5% or more of the total options granted during the financial year ended 31 March 2023 is as follows:.

Name	Designation	Total Options Granted under the ESOP 2016 and RSU 2021 Plan
Mr. Jayant Chauhan	Senior Vice President	The aggregate of stock options and RSUs granted to Senior management personnel and other employees is 56,050. The individual details of options/RSUs granted are not made available on account of the confidentiality restrictions on the Company with respect to each such grant, as well as such details being commercially and competitively sensitive, and would be made available to any shareholders who specifically requests for this information.
Mr. Brijesh Khergamker	Vice President	
Mr. Rajesh B	Senior Vice President	

Note: the stock units under Restricted Stock Units Plan 2021 were granted at ₹10 per RSU and stock options under Employee Stock Option Plan 2016 were granted at ₹ 2,000, ₹ 3,397 and ₹ 2,229 per stock option on varied grant dates.

6. ADDITIONAL DISCLOSURES

1. Weighted average exercise price and weighted average fair value of options:

(₹ Million)

Plan	Weighted Average Exercise Price (₹)	Weighted Average Fair Value (₹)
ESOP 1998 Version I	34.38	2,165.44
ESOP 1998 Version II	-	-
ESOP 2016	546.08	2,327.74
RSU 2021 Plan	10.00	2,037.37

Note: Stock Options issued under ESOP 1998 Version II was not exercised during the financial year ended 31 March 2023. Accordingly, the Weighted Average Exercise Price and the Weighted Average Fair Value has not been provided.

ANNEXURE TO THE BOARD'S REPORT

2) Method and significant assumptions:

Your Company has adopted the Black Scholes option pricing model to determine the fair value of stock options with the following significant assumptions:

Sno.	Particulars	Assumptions	
1	Risk free interest rate	7.17% to 7.48%	
2	Expected Option life	1-10 years	
3	Expected volatility	34.4% to 37.39%	
4	Expected dividend yield %	2.04% to 2.07%	
5	Market price on date of grant (Weighted Average value of share) (₹)	ESOP 1998 Version I	-
		ESOP 1998 Version II	-
		ESOP 2016	2,190.61
		RSU 2021	2,085.58
6	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	NA	
7	How expected volatility was determined, and explanation of the extent to which expected volatility was based on historical volatility.	Volatility based on daily closing price for last 12 months from the date of Grant	

Note: Stock Options issued under ESOP 1998 Version II Plan were not exercised during the financial year ended 31 March 2023.

DETAILS RELATED TO TRUSTS

i. General Information on all Schemes:

Name of the Trust	Details of the Trustee(s)	Amount of Loan disbursed by the Company during the year	Amount of loan outstanding (repayable to Company) as at the end of the year	Amount of loan, if any, taken from any other source for which company/any company in the group has provided any security or guarantee	Any other contribution made to the Trust during the year
Mphasis Employees Equity Reward Trust	Ms. Saraswathy Srikanth Mr. Kannan Sriraman Mr. K V Rama Kishore	Nil	Nil	Nil	Nil
Mphasis Employees Benefit Trust	Ms. Saraswathy Srikanth Mr. Kannan Sriraman Mr. K V Rama Kishore	876,890	Nil	Nil	Nil

ii. Brief details of transactions in shares by the Trust

Description	Mphasis Employees Equity Reward Trust	Mphasis Employees Benefit Trust
Number of shares held as at 1 April 2022	2,520	Nil
Number of shares acquired during the year through		
a. Primary Issuance	494,638	87,689
b. Secondary acquisition	Nil	Nil
- %age of paid-up share capital as at 31 March 2023	NA	NA
- Weighted Average cost of acquisition (₹)	NA	NA
Number of shares transferred to the employees against exercise of Stock Options/ Restricted Stock Units	494,368	53,530*
Number of shares sold along with the purpose thereof	Nil	34,159**
Number of shares held at 31 March 2023	2,520	Nil

* Represents shares credited to the employees account net of shares deducted by Mphasis Employees Benefit Trust.

** In terms of the RSU Plan 2021, Mphasis Employees Benefit Trust (the "Trust") deducted 34,159 shares from the shares allotted under RSU Plan 2021, towards recovery of exercise price funded by the Company and payment of applicable taxes upon vesting / exercise of RSUs pursuant to approval of shareholders obtained, under Section 67 of the Companies Act, 2013, at the 30th Annual General Meeting held on 29 September 2021.

iii. Disclosures in case of secondary acquisition of shares by the Trust: NIL

For and on behalf of the Board of Directors

New Delhi, India
27 April 2023

D S Brar
Chairman

ANNEXURE TO THE BOARD'S REPORT

FORM - AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis –
 - (a) Name(s) of the related party and nature of relationship
 - (b) Nature of contracts/arrangements/transactions
 - (c) Duration of the contracts/arrangements/transactions
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
 - (e) Justification for entering into such contracts or arrangements or transactions
 - (f) Date(s) of approval by the Board
 - (g) Amount paid as advances, if any:
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
- } Nil
2. Details of material contracts or arrangement or transactions at arm's length basis
 - (a) Name(s) of the related party and nature of relationship:
Subsidiaries of Mphasis Limited.
 - (b) Nature of contracts/arrangements/transactions:
 - i. Availing and rendering of IT/ITES services;
 - ii. Payment and Receipt of Sub-lease rent to/from subsidiaries; and
 - iii. Contracts in relation to Placing and Receipt of Inter Corporate Deposits with/from the subsidiaries.
 - (c) Duration of the contracts/arrangements/transactions:
The services are availed and provided based on the agreements entered into and amended from time to time.
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
The value of the transactions with the subsidiaries of the Company are disclosed under the Related Party schedule to the financial statements for the year ended 31 March 2023. Please refer to Note 33 of the consolidated financial statements and Note 31 of the standalone financial statements of the Company.
 - (e) Date(s) of approval by the Board, if any:
Nil as the contracts is in Ordinary Course of Business and at Arm's length basis
 - (f) Amount paid as advances, if any:
Please refer to related party schedule in the financial statements.

Note: The term material related party transaction is as defined under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board of Directors

New Delhi, India
27 April 2023

D S Brar
Chairman

CORPORATE GOVERNANCE

COMPANY'S POLICY ON CORPORATE GOVERNANCE

Mphasis' Governance abides by adopting and adhering to the best recognized corporate governance practices and continuously benchmarking itself against such practice. Governance at Mphasis encompasses structures, practices and processes adopted in every sphere of the Company's operations to provide sustained long-term value to all its stakeholders. The Company's governance policy is evaluated and refreshed, from time to time, in light of changing circumstances designed to promote accountability, transparency and ethical behavior. It is reflective of the core value system, which encompasses practices and relationships the Company has with its stakeholders. It is the Company's responsible governance practices coupled with its next-gen solutions that will be the core to enable an environment for the acceleration of stakeholder digital transformation.

The Company, as a responsible corporate citizen, believes that the spirit of Corporate Governance is beyond statutory compliance, which aims to not only ensure compliances but also practice highest standards of governance to meet the ethical, legal, economic, and social values, which are central to stakeholders' trust and confidence. While the letter of the law is paramount in all its activities, the spirit in which it is followed keeps in view the interests of the stakeholders, viz, shareholders, clients, employees, suppliers, society and regulatory bodies.

Further, the Company, as a conscious corporate citizen, while moving ahead, is also 'shifting left' to integrate sustainability across its operations primarily driven by four pillars of architecting stakeholder value, applying good governance, incorporating inclusion and engineering climate sustainability.

The Company has complied with the governance requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and presents the Corporate Governance Report for the financial year ended 31 March 2023.

I. BOARD OF DIRECTORS

Mphasis believes that an effective Board requires an optimum combination of professionals with a broad range of experience, diversity and independence. The primary responsibility of the Board is to provide effective governance over the Company's affairs and take care of the stakeholders' interest. The Company's business is conducted by its employees under the overall supervision of the Chief Executive Officer and Managing Director, who is assisted by a council of senior managerial personnel in different functions.

(a) Composition of the Board

As of 31 March 2023, the Board comprised of twelve directors (including two women independent directors and a woman non-executive director) of which, one is an executive director, seven directors are nominated by BCP Topco IX Pte. Ltd., the Promoter (forming a part of the Blackstone Group of companies) and four are Independent Directors. The maximum tenure of the Independent Directors is as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All the Independent Directors have confirmed that they meet the criteria of independence as laid out under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereto. As required under the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors have registered themselves on the online data bank maintained by the Indian Institute of Corporate Affairs. Mr. Davinder Singh Brar, Mr. Narayanan Kumar and Ms. Maureen Anne Erasmus are exempted from the online proficiency self-assessment test and Ms. Jan Kathleen Hier has completed the online assessment.

The Board confirms that in its opinion, the independent directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management. It is further confirmed that none of the directors have been debarred or disqualified from being appointed or continuing as a director of the Company by the Ministry of Corporate Affairs or the Securities and Exchange Board of India or any other Statutory Authority. The said affirmation is confirmed by the Practicing Company Secretary in the compliance certificate which is appended with this Report.

(b) Board Procedure

i. Meetings of the Board

The Board meets at regular intervals with an annual calendar and formal schedule of matters specifically reserved for its consideration to ensure that the matters in relation to strategy, operations, governance, finance, risk and compliance are reviewed. The calendar of meetings on a rolling two-year basis is communicated to the directors in advance to ensure maximum participation. The Board is apprised on the performance of the Company and is provided with necessary information and presentations on matters concerning business, Industry, compliance and quarterly financials to ensure effective discharge of its responsibility. In addition to its meetings, the Board holds telecon meetings to discuss matters requiring immediate attention. The Directors of the Company, provide inputs to the management from their relevant fields of their knowledge and expertise, viz. information technology, technology consulting and operations, emerging areas of technology such as digital and cloud, other next-gen technologies, business process outsourcing, finance, accounting, marketing and management sciences.

CORPORATE GOVERNANCE

Important decisions taken at the meetings are promptly communicated to the respective functionaries for their action. Further, the action items, arising out of the decisions of the Board are followed up, reviewed and updated at the subsequent meetings.

The Chairmen/Chairperson of the respective Committees updates the Board regarding Committee meetings held since the date of the last Board meeting and records the recommendations. During the year under review, all the recommendations made by the Committees were accepted by the Board.

Primarily, the Board oversees and provides policy guidance on the business and affairs of Mphasis, while balancing the interests of different stakeholders. Among other things, the Board undertakes the following functions:

1. reviews and assesses the business and the operational strategy and plans developed by management;
2. is responsible for CEO succession, evaluation and compensation;
3. satisfies itself that the Company is governed effectively in accordance with good corporate governance practices;
4. oversees the functioning of sub-committees of the Board;
5. monitors management performance and directs corrections;
6. balances the interests of different stakeholders;
7. reviews and assesses the risks facing Mphasis and management approach to addressing such risks;
8. oversees the reliability of external communications, especially to shareholders;
9. oversees the process for compliance with laws and regulations; and
10. monitors and reviews the Board Evaluation framework.

ii. Orientation for Directors

The Company believes that it is pertinent for the Board members to know what is expected from them and equip them with necessary skills, materials and knowledge which aids in making informed decisions. Thoughtful and thorough orientation is key for the directors to leverage their full potential and enable them to contribute to the collective mindset of the Board and avoid wastage of opportunities.

A director orientation program begins when a person is appointed as a director and continues along his/her tenure. Upon appointment, a director is provided with a joining kit containing the charters of the Board and Committees, profiles of his/her colleagues on the Board and senior management, Board calendar etc. These details are also hosted on a secured electronic platform which is available for the Director's reference throughout his/her tenure. Also, in-depth details of the Company are provided to the new directors, covering organization history and current set up, business offerings, budgets, board culture and process, duties, responsibilities and liabilities, to list a few.

The orientation involves educating the directors on an on-going basis. The continued orientation program involves a review of the market units, update on changes in the competitive landscape, enterprise risk minimization overview and regulatory compliance. The directors step back and assist senior management and provide effective guidance on select topic areas. This process provides an effective mechanism for the director to acquire specialized orientation. The Company conducts annual Board strategy meeting, which discusses topics *inter-alia* covering Company's strategies, Industry landscape, Investors and Customers perspective etc., which helps the director to orient himself/herself with the Industry, Company's operations, governance, strategy and perspective of stakeholders.

The adequacy perception of the orientation is ingrained into the Board evaluation parameters, which helps the Company to build the orientation process further. The orientation process is uploaded on the website at <https://www.mphasis.com/content/dam/mphasis-com/global/en/investors/governance/policies/Mphasis%20-Orientation%20to%20Directors.pdf>.

Further, at the time of the appointment of the Independent Directors, the Company issues a formal letter of appointment *inter-alia* setting out his/her roles, duties and responsibilities. The format of the appointment letter of the Independent Director is hosted on the website of the Company at www.mphasis.com under the Investors section.













The Independent Directors of the Board were familiarized on the business models, industry trends, leadership development and compliances in relation to the Company. As on 31 March 2023, the number of hours spent on the aforesaid activities aggregates to over 13 hours. The cumulative hours spent by Independent Directors on the above programs, from 1 April 2016 to 31 March 2022 is over 50 hours.

CORPORATE GOVERNANCE

(c) Board Meetings held during the year, attendance of the Directors and details of the Directorships, Committee Membership / Chairmanship

During FY23, five meetings of the Board were held on 28 April 2022, 21 July 2022, 19 and 20 October 2022, 19 January 2023 and 28 March 2023. The details of the attendance at the meetings of the Board and the last Annual General Meeting, together with the particulars of other directorship, committee membership/chairmanship, are as follows:

 - Present  - Present on VC  - Absent

Name and Category	Attendance During FY23			Other Directorship, Committee Membership / Chairmanship			
	Board Meetings		Attendance at the Last AGM	Other Directorships (Director in Public Limited Companies) ¹	Independent Directorships in other Listed Companies	Committee Memberships ^{2 and 3}	Committee Chairmanships ²
	Number of meetings held during tenure	No. of meetings attended					
Executive Director							
Mr. Nitin Rakesh Chief Executive Officer and Managing Director	5	5		1(1)	Nil	1	Nil
Independent Directors							
Mr. Davinder Singh Brar, Chairman	5	5		12(4)	3	8	3
Ms. Jan Kathleen Hier	5	5		Nil	Nil	1	Nil
Mr. Narayanan Kumar	5	5		8(5)	4	6	3
Ms. Maureen Anne Erasmus	5	5		Nil	Nil	Nil	Nil
Non-Executive Directors (Non-Independent Directors)							
Mr. David Lawrence Johnson	5	5		Nil	Nil	Nil	Nil
Mr. Marshall Lux	5	5		Nil	Nil	Nil	Nil
Mr. Amit Dixit	5	4		6(4)	Nil	1	Nil
Mr. Amit Dalmia	5	5		1(Nil)	Nil	1	Nil
Ms. Courtney della Cava	5	5		Nil	Nil	Nil	Nil
Mr. Pankaj Sood	5	4		5(4)	Nil	1	Nil
Mr. Kabir Mathur	5	5		2(2)	Nil	1	Nil




Notes:























- Does not include directorships in foreign companies and membership in governing councils, chambers and other bodies.
- Includes membership/Chairmanship in Audit Committee and Stakeholders Relationship Committee of public limited companies, including Mphasis Limited.
- Committee memberships include Committee chairmanships.
- There are no relationships inter-se directors as on 31 March 2023.

CORPORATE GOVERNANCE

(d) Details of Other Directorships

None of the directors hold directorship in excess of the limits permitted under the law. Given below is the list of other Directorship of the directors in listed entities as of 31 March 2023.

 - Independent Director  - Whole time Director  - Non-Independent Director

Name of the Companies	Mr. Davinder Singh Brar Chairman	Mr. Nitin Rakesh CEO and Managing Director	Ms. Jan Kathleen Hier Independent Director	Mr. Narayanan Kumar Independent Director	Ms. Maureen Anne Erasmus Independent Director	Mr. David Lawrence Johnson Non-Executive Director	Mr. Marshall Lux Non-Executive Director	Mr. Amit Dixit Non-Executive Director	Mr. Amit Dalmia Non-Executive Director	Ms. Courtney della Cava Non-Executive Director	Mr. Kabir Mathur Non-Executive Director	Mr. Pankaj Sood Non-Executive Director
Mphasis Limited												
Maruti Suzuki India Limited												
Wockhardt Limited												
EPL Limited (formerly Essel Propack Limited)												
Indus Towers Limited (formerly Bharti Infratel Limited)												
Entertainment Network (India) Limited												
Larsen & Toubro Limited												
L&T Technology Services Limited												
Sona BLW Precision Forgings Limited												
Aditya Birla Fashion and Retail Limited												

(e) Independent Directors Meeting

In accordance with Section 149 read with Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company meet without the presence of management to discuss the Company's operations and performance. During the year, the Independent Directors meeting have *inter-alia*:

1. Reviewed the performance of the Non-Independent Directors and Board as a whole;
2. Reviewed the performance of the Chairperson of the Board by the other Independent Directors considering the views of Executive Director and Non-Executive Directors; and
3. Assessed the flow of information between the Management and the Board.

(f) Material Subsidiaries

In accordance with Regulation 24(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, following are the material subsidiaries. The details of the incorporation and the statutory auditors as required to be furnished pursuant to provisions of Part C to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are also given below.

CORPORATE GOVERNANCE

Name of the material subsidiary	Date and place of incorporation	Name of the Statutory Auditor	Date of appointment
Mphasis Corporation	17 Sep 1998 Delaware, USA	Requirement of statutory audit is not applicable	Not Applicable
Mphasis Wyde Inc.	27 July 2011 Delaware, USA	Requirement of statutory audit is not applicable	Not Applicable
Mphasis UK Limited	14 May 1999 England and Wales	Barnes Roffe LLP, UK	15 July 2022
Mphasis Europe BV	20 Oct 1999 Netherlands	Requirement of statutory audit is not applicable	Not Applicable
Msource (India) Private Limited ^{refer Note}	10 Apr 2000 Karnataka, India	BSR & Co LLP	6 August 2018
Digital Risk Mortgage Services LLC ^{refer Note}	13 Nov 2009 Delaware, USA	ASA & Associates LLP	13 August 2018

Note: Refers to material subsidiary whose income or networth exceeds ten percent of the consolidated income or networth, respectively.

Pursuant to the requirements of Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Jan Kathleen Hier, Independent Director of the Company, serves as a Director on the Boards of unlisted material subsidiaries of the Company, viz. Mphasis Corporation, USA, Mphasis Wyde Inc., USA, Mphasis UK Limited, UK and Mphasis Europe BV, Netherlands, effective 1 April 2019.

(g) Board Skill Matrix

The Board of Directors at its meeting held on 21 January 2021, approved a skill matrix as given below. The skill matrix sets out the skills which are required to be possessed by the Board of the Company. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is confirmed that the Board has the required skills defined in the matrix. The Directors appointed are drawn from diverse backgrounds and possess special skills, competence and expertise depending on the Industries / field they are associated with.

Board skill-set matrix	Description
Technology	Expert experience in the information technology business, technology consulting and operations, emerging areas of technology such as digital, cloud and cyber security, intellectual property and knowledge of technology trends.
Global Experience / Domain experience	<ul style="list-style-type: none"> Knowledge and understanding of applicable key geographies. Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures and regulatory framework. Business expertise in at least one of the Mphasis verticals.
Strategy	<ul style="list-style-type: none"> Ability to critically assess the strategic opportunities and threats and guide the Company to develop effective strategies. Experience in Mergers and Acquisitions transactions.
Functional and Managerial experience	Knowledge and skills in business judgment, general management practices and processes, crisis response and management, human resources, labour laws, sales and marketing.
Financial	Qualifications and experience in accounting and/or finance and the ability to: <ul style="list-style-type: none"> analyze key financial statements; assess financial viability and performance; analyze the governance over financial reporting and disclosures; critically assess the Internal Controls; assess and provide guidance over Investments, borrowing and hedging approach of the Company.
Governance, Risk and Compliance	<ul style="list-style-type: none"> Experience in the application of corporate governance principles and setting up corporate governance practices to support the Company's legal, risk and compliance systems and governance policies/practices and enhance the stakeholder values. Ability to identify key risks associated with the operations of the Company including broad legal and regulatory frameworks and mitigation plans.
Leadership	<ul style="list-style-type: none"> Leadership experience and skills including ability to set appropriate Board and Company culture. Commitment to assisting executive management in strategic initiatives, board focus areas and challenging management assumptions. Mentor the leadership team of the Company.

CORPORATE GOVERNANCE

Based on the confirmation received from the directors on the skill matrix, the directors are mapped to the skill matrix as follows:

Board skill-set matrix	Details of Directors mapped to the skill sets
Technology	Mr. Davinder Singh Brar, Mr. Narayanan Kumar, Ms. Jan Kathleen Hier, Mr. Nitin Rakesh, Mr. David Lawrence Johnson, Mr. Marshall Lux, Mr. Amit Dixit, Mr. Amit Dalmia and Mr. Pankaj Sood.
Global Experience / Domain experience	Mr. Davinder Singh Brar, Mr. Narayanan Kumar, Ms. Jan Kathleen Hier, Ms. Maureen Anne Erasmus, Mr. Nitin Rakesh, Mr. Marshall Lux, Mr. Amit Dixit, Mr. Amit Dalmia, Ms. Courtney della Cava, Mr. Kabir Mathur and Mr. Pankaj Sood.
Strategy	All Directors
Functional and Managerial experience	All Directors
Financial	All Directors
Governance, Risk and Compliance	All Directors
Leadership	All Directors













II. COMMITTEES

(a) Audit Committee

The primary function of the Audit Committee, as per its Charter, is to provide assistance to the Board of Directors in fulfilling their responsibilities to the shareholders and others, *inter-alia*, relating to:

- overseeing the processes of ensuring the integrity of the Company's financial statements;
- overseeing the processes for compliance with laws and regulations;
- overseeing the process by which anonymous complaints pertaining to financial or commercial matters are received and acted upon;
- reviewing the process for entering into related party transactions and related disclosures;
- satisfying itself regarding the conformance of CEO's remuneration, expense reimbursements and use of Company assets in terms of his employment and Company's rules and policies;
- evaluating the internal financial controls and risk management systems;
- overseeing the process of inter-corporate transactions and scrutinizing the inter-corporate loans and investments;
- reviewing the utilization of loans, and/or advances to the subsidiaries, investments in the subsidiaries exceeding ₹100 crores or 10% of the asset size of the respective subsidiary, whichever is lower; and
- approving the appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.

During the year ended 31 March 2023, six meetings of the Audit Committee were held on 27 April 2022, 22 June 2022, 21 July 2022, 19 October 2022, 9 December 2022 and 18 January 2023. The composition of the Committee and the attendance of the members at each of the meetings held during the year ended 31 March 2023 are given below:

Member	No. of Meetings held during the tenure	No. of Meetings attended	
		Present	Absent
Mr. Narayanan Kumar, Chairman			
Mr. Davinder Singh Brar			
Ms. Jan Kathleen Hier <small>refer Note 2</small>			
Mr. Amit Dixit <small>refer Note 2</small>			

Notes:

1. The attendance of the members is reported in the chronology of the meetings.
2. Mr. Amit Dalmia and Ms. Maureen Anne Erasmus were appointed as members of the Audit Committee effective 1 April 2023 and Ms. Jan Kathleen Hier and Mr. Amit Dixit ceased as members of the Audit Committee effective 31 March 2023.

CORPORATE GOVERNANCE









(b) Nomination and Remuneration Committee

i. Brief description of terms of reference of the Committee, composition and attendance

In order to oversee the functioning of the compensation and Benefit Plans and to provide for fair and transparent nomination process for the directors, the Board of Directors of the Company have constituted a Nomination and Remuneration Committee.

The primary function of the Nomination and Remuneration Committee is to provide assistance to the Board of Directors in fulfilling its responsibility with respect to oversight of the establishment, administration and appropriate functioning of compensation and benefit plans, related matters and to review and recommend to the Board, the appointment and removal of the Directors and Key Managerial Personnel.

The Committee meets based on the business to be transacted. During the year ended 31 March 2023, two meetings of the Nomination and Remuneration Committee were held on 27 April 2022 and 19 October 2022. The composition of the Committee and the attendance at each of the meetings held during the year ended 31 March 2023 are given below:

Member	No. of Meetings held during the tenure	No. of Meetings attended	
		 - Present	 - Absent
Ms. Jan Kathleen Hier, Chairperson			
Mr. Davinder Singh Brar			
Mr. Amit Dixit			

Note: The attendance of the members is reported in the chronology of the meetings.

ii. Remuneration Policy

The remuneration policy of the Directors is aligned towards rewarding participation in meetings and is in consonance with industry benchmarks and provisions of the law. The objective of the policy is to attract and retain excellent talent while delivering optimal value to the business. The executive remuneration policy is aligned with an objective to recognize the need to be competitive in the industry by ensuring fair and reasonable rewards for high levels of performance. The remuneration policy is uploaded on the website of the Company www.mphasis.com, in the Investors section under the Corporate Governance page. The key points of the remuneration policy for the directors and executives are given below:

(a) Non-Executive Directors

The Company pays commission to its Non-Executive Directors and Independent Directors as per the remuneration matrix approved by the shareholders of the Company. The amount of such commission, taken together for all Non-Executive Directors and Independent Directors, does not exceed 1% of the net profits of the Company in any financial year.

The remuneration matrix for the Non-Executive Directors for FY23 is set out below:

Particulars	Factor	Max Remuneration (₹ Lacs)
Fixed Remuneration	Flat Fee p.a.	60.00
Variable Remuneration determined based on the following:		
- Board Chairmanship	Flat Fee p.a.	10.00
- Board Meeting Attendance	Per Meeting	0.75
- General Body Meeting Attendance	Per Meeting	0.50
- Audit Chairmanship	Flat Fee p.a.	5.00
- Audit Membership	Per Meeting	0.40
- Nomination and Remuneration Committee Chairmanship	Flat Fee p.a.	1.00
- Nomination and Remuneration Committee Membership Attendance	Per Meeting	0.25
- Strategy Committee Chairmanship	Flat Fee p.a.	1.00
- Strategy Committee Membership Attendance	Per Meeting	0.25

Notes:

- The portions of the remuneration denominated as "Per Meeting" are applicable in respect of the meetings held and participated by the Non-Executive Directors and Independent Directors which is statutorily counted for quorum.
- The Board of Directors, in its meeting held on 28 April 2022, considering increased time and devotion of the directors to the Board, due to intensified complexities of technology business coupled with enhanced regulatory and governance responsibilities, based on a remuneration benchmarking, approved an increase in the fixed remuneration from ₹44 lakhs per annum to ₹60 lakhs per annum effective 1 April 2022. The increase is within 1% of net profits of the Company, which was approved by the members at the Annual General Meeting held on 4 November 2016.

CORPORATE GOVERNANCE

None of the directors were paid any sitting fees for attending the meetings of the Board and Committees thereof on which they are members. There was no pecuniary relationship or transaction with any director other than that reported under this section.

(b) Executive Director

Mr. Nitin Rakesh is the Chief Executive Officer and Managing Director (hereinafter referred to as Executive Director) of the Company. The Board of Directors / Nomination and Remuneration Committee of Board is authorized to decide the remuneration of the Executive Director, subject to the approval of the members. The remuneration structure comprises of Salary, Perquisites, Retirement benefits, Variable Pay and Equity based compensation. Annual increments are decided by the Nomination and Remuneration Committee within the limits approved by the members of the Company.

The variable-pay compensation and equity-based compensation constitute remuneration other than the fixed pay. Variable pay is computed on the basis of specific targets set for the Executive Director every year which is linked to the Company's performance. Variable pay is payable to the Executive Director on the achievement of the said targets and is paid as per the agreement entered with such Executive Director. The equity-based compensation will be in accordance with the stock options/restricted stock units plan of the Company, which aligns with the long-term interests of the Company and stakeholders.

(c) Other Employees

The Company's executive remuneration policy for other senior executives including the Key Managerial Personnel, is guided by the Mphasis Compensation and Benefits manual. The Policy is aligned with an objective to recognize the need to be competitive in the Industry by ensuring fair and reasonable rewards for high levels of performance, enabling stable leadership and governance in the Company. The remuneration policy aims to attract, retain and motivate skilled executives keeping in mind the short term and long-term objectives of the Investors. The remuneration of executives comprises of fixed and variable compensation and equity-based compensation in the form of Restricted Stock Units and Stock Options in order to align with the long-term interests of the Company and stakeholders. The remuneration policy for the executives is hosted on the website of the Company at www.mphasis.com in the Investors section.

iii. Details of Remuneration to the Directors for the year 2022-23

(₹ million)

Name of Director	Salary ²	Bonus	Benefits / Perquisite	Commission	Total
Mr. Nitin Rakesh	52.37	-	539.29	-	591.66
Mr. Davinder Singh Brar	-	-	-	7.73	7.73
Mr. Narayanan Kumar	-	-	-	7.16	7.16
Ms. Jan Kathleen Hier	-	-	-	6.83	6.83
Ms. Maureen Anne Erasmus	-	-	-	6.38	6.38
Mr. David Lawrence Johnson	-	-	-	6.37	6.37
Mr. Marshall Lux ³	-	-	-	6.43	6.43
Mr. Amit Dixit	-	-	-	-	-
Mr. Amit Dalmia	-	-	-	-	-
Ms. Courtney della Cava	-	-	-	-	-
Mr. Kabir Mathur	-	-	-	-	-
Mr. Pankaj Sood	-	-	-	-	-
Total	52.37	-	539.29	40.90	632.56

Notes:

- There is no provident fund contributed for Mr. Nitin Rakesh.
- Represents remuneration paid from Mphasis Corporation, wholly owned Subsidiary of the Company, for the year ended 31 March 2023, pursuant to his secondment to Mphasis Corporation.
- Excludes ₹11.80 million paid from Mphasis Corporation, wholly owned subsidiary of the Company, to Mr. Marshall Lux in terms of exercise of incentive units granted to him pursuant to the independent contractor agreement entered with him by Mphasis Corporation, prior to his appointment as a director of the Company.

As per the employment agreement, Mr. Nitin Rakesh employment may be immediately terminated by the Company at any time upon delivery of written notice to him, without prior notice or pay in lieu of notice, in the event of "Dismissal for Cause" (as such term is defined in the employment agreement).

CORPORATE GOVERNANCE

In addition, Mr. Nitin Rakesh's employment with the Company may be terminated by the Company as a "Dismissal for Convenience" (as such term is defined in the employment agreement), without prior notice or pay in lieu of notice, effective on the date on which the written notice of termination has been issued by the Company (or such later date as may be set forth in the termination notice).

Mr. Nitin Rakesh may terminate his employment with the Company at any time by serving a written notice of resignation to the Company, which resignation will not be effective until the expiry of 90 (ninety) days from the date of such resignation notice.

The details of severance fees are as per the employment agreement entered with Nitin Rakesh on 27 September 2021.

Mr. Nitin Rakesh, CEO and Managing Director, exercised 141,000 stock options during the year and holds 981,226 stock options under the Employee Stock Option Plan 2016. In terms of the scheme, upon exercise, each of the stock options is eligible for issuance of one equity share of ₹10 each. Further, Mr. Nitin Rakesh had also exercised 34,519 stock units during the year and holds 310,677 RSUs under Restricted Stock Units Plan 2021. In terms of the scheme, upon exercise, each of the stock unit is eligible for issuance of one equity share of ₹10 each.

The Independent Directors of the Company are not eligible for stock options or restricted stock units and none of the other non-executive directors were granted any stock options and stock units of Mphasis Limited during the year ended 31 March 2023.

Mr. Marshall Lux, Non-Executive Director, held 50,000 stock-based incentive units of Mphasis Corporation ("Units"), a wholly owned subsidiary of the Company, which were granted on 11 October 2016, i.e., prior to his appointment as a director of the Company on 7 August 2018. The incentive units vested over 5 equal tranches and could be exercised any time upto 6 months from the date of termination of either party. The amount to be paid by Mphasis Corporation, upon exercise of the Incentive Units will be the difference between ₹544.50 (being the market price of the Company's shares on the date of signing of contract) and price of the Company's shares as at the date of exercise of the incentive units. During the year, Mr. Marshall Lux exercised 7,500 Units and was paid ₹11.80 million (US\$ 145,843) towards the same from Mphasis Corporation and balance units have lapsed.

iv. Remuneration Report

The remuneration to the employees and directors is paid as per the Remuneration Policy of the Company. The following is a report on the Remuneration for the year ended 31 March 2023:

Remuneration to Non-Executive Directors

Name of the Director	Remuneration (₹ Million)		Ratio of Remuneration NP (in %)
	2022-23	MR (in times)	
Mr. Davinder Singh Brar	7.73	11	0.05
Mr. Narayanan Kumar	7.16	10	0.04
Ms. Jan Kathleen Hier	6.83	10	0.04
Ms. Maureen Anne Erasmus	6.38	9	0.04
Mr. David Lawrence Johnson	6.37	9	0.04
Mr. Marshall Lux	6.43	9	0.04

Notes:

1. MR = Median Remuneration, NP = Consolidated Net Profit.
2. As per the remuneration policy, the Independent directors are not eligible for Stock Options of the Company.
3. No other non-executive and Independent directors were paid any remuneration.

Remuneration to Key Managerial Personnel (KMPs) as at 31 March 2023:

Name of the KMP	Remuneration		Ratio of Remuneration	
	2022-23 (₹ Million)	% Increase	MR (in times)	NP (in %)
Mr. Nitin Rakesh, CEO and Managing Director ^{refer Note 4}	591.66	Nil	853	3.61
Mr. Manish Dugar, Chief Financial Officer	52.34	3.3	75	0.32
Mr. Subramanian Narayan, Company Secretary	11.30	21.4	16	0.07

Notes:

1. MR = Median Remuneration, NP= Consolidated Net Profit.
2. Remuneration is calculated as per Section 197 of the Companies Act, 2013.
3. The variable component of the Salary of CEO is linked to the performance targets for the overall Mphasis Group in terms of Revenue and EPS, and for other employees, the Company has a defined performance targets linked to the consolidated Statement of Profit and Loss account, in addition to their performance.
4. The remuneration of Mr. Nitin Rakesh represents remuneration paid from Mphasis Corporation, wholly owned subsidiary of the Company, for the year ended 31 March 2023, pursuant to his secondment to Mphasis Corporation.

CORPORATE GOVERNANCE

During the year, in line with the industry standards, to ensure key talent retentions and to remain competitive in the marketplace, the Company had awarded 9.7% increase in the remuneration of the employees. The details of increment given to Key Managerial Personnel has been disclosed above. The median remuneration of employees decreased by 5.63% during the year due to hiring of employees. There are no employees receiving remuneration in excess of remuneration received by the CEO and Managing Director of the Company. As at 31 March 2023, there were 17,754 permanent employees on the rolls of the Company. The Company pays remuneration in accordance with its remuneration policy.

v. Details of shares held by the Directors

As on 31 March 2023, Mr. Davinder Singh Brar, Chairman, holds 28 equity shares and Mr. Nitin Rakesh, Chief Executive Officer and Managing Director, holds 159,429 equity shares of the Company. None of the other directors held any equity shares in the Company.

vi. Board Assessment

Performance assessment of the Board involves directors undertaking a critical review as a collective body, identifying the Board's strengths and weaknesses and is initiated towards the enhancement of the Board's performance. The assessment is carried annually by means of a structured questionnaire with forced ranking.

During the year, the performance evaluation of the Independent Directors, was carried out by the entire Board (wherein the Independent Director being evaluated did not participate) based on the framework recommended by the Nomination and Remuneration Committee. The criteria included evaluation of the Board Culture, Sub-committees, Board Management, evaluation of directors' abilities in terms of understanding the Business of the Company, engaging with the management, participation at the meetings, evaluation of their skills-sets to the Board skill matrix etc. The criteria for evaluation of Independent Directors *inter-alia* included evaluation of fulfilment of Independence criteria and their evaluation of independence from the management. The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors.

vii. Board Diversity

Diversity is intrinsically woven into the philosophy of Mphasis. The Company has always been committed to ensure that the workplace is free from any form of discrimination based on gender, age, race, religion, disability or sexual orientation. Mphasis respects each of its stakeholders associated with it and values their differences. The Board of the Company has adopted a Board Diversity Policy as per the requirements of law with an emphasis to recognize inclusion of woman director on the Board.

All Board appointments are based on meritocracy and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board. The Board Diversity Policy has been uploaded on the website of the Company at <https://www.mphasis.com/content/dam/mphasis-com/global/en/investors/governance/Board%20Diversity%20Policy.pdf> in the Investors section.









Ms. Jan Kathleen Hier (DIN: 07360483) and Ms. Maureen Anne Erasmus (DIN: 09419036), Independent Directors, and Ms. Courtney della Cava (DIN: 09380419), Non-Executive Director, are the women Directors on the Board of the Company.

(c) CSR Committee



As required under Section 135 of the Companies Act, 2013, the Board of Directors have constituted a CSR Committee. The primary function of the committee is to assist the Board of Directors in formulating a Corporate Social Responsibility (CSR) Policy and review its implementation and progress from time to time.

During the year ended 31 March 2023, three meetings of the CSR Committee were held on 27 April 2022, 19 October 2022 and 18 January 2023.

The composition of the Committee and the attendance of the members at each of the meetings held during the year ended 31 March 2023 are given below:

Member	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Narayanan Kumar, Chairman		
Mr. Davinder Singh Brar		
Mr. Nitin Rakesh		
Mr. Amit Dalmia		

Note: The attendance of the members is reported in the chronology of the meetings.

 - Present  - Absent

CORPORATE GOVERNANCE

(d) ESOP Compensation Committee

The Board of Directors of the Company has constituted an ESOP Compensation Committee in line with the requirements of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

During the year ended 31 March 2023, the ESOP Compensation Committee has, on a periodic basis, approved exercise of 496 equity shares of ₹10 each under ESOP 1998 Plan – Version 1, 494,142 equity shares of ₹10 each under Employees Stock Option Plan 2016 (ESOP 2016 Plan) and approved exercise of 87,689 stock options of ₹10 each under Restricted Stock Unit Plan 2021 (RSU Plan 2021) respectively. The said shares have been duly credited to the employees and have been listed with the Stock Exchanges.

The primary function of the Committee is to administer Stock Option Plans and Restricted Stock Units of the Company including grants made thereunder. The present composition of the Committee is as below:

Mr. Narayanan Kumar	-	Chairman
Mr. Davinder Singh Brar	-	Member
Mr. Amit Dixit ^{refer Note}	-	Member

Note: Mr. Amit Dalmia was appointed as a member of the ESOP Compensation Committee effective 1 April 2023 and Mr Amit Dixit ceased to be the member of the ESOP Compensation Committee effective 31 March 2023.

During the year, the Committee approved a grant of 188,550 stock options and 33,550 stock units under ESOP 2016 Plan and RSU Plan 2021 respectively.

(e) Stakeholders Relationship Committee

The Company attaches paramount importance to the investor relations and is committed on redressal of grievances such as non-receipt of balance sheet, non-receipt of dividends and other investor related grievances on a timely manner.

The responsibilities of the Committee are as follows:

- oversee the resolution of the grievances of the shareholders, debenture-holders and other security-holders including the grievances relating to transfer/transmission of shares, non-receipt of annual reports, non-receipt of dividends, issue of new / duplicate share certificates, General Meetings etc.;
- review measures taken for effective exercise of voting rights by the Shareholders;
- review the adherence to the service standards adopted by the Company in respect of services rendered by the Registrars and Share Transfer Agent; and
- review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and measures taken for ensuring timely receipt of dividend warrants, annual reports, statutory notices by the shareholders of the Company.

The details of the correspondence with the shareholders including the details of the Investor Grievances, if any, are placed before the Committee members on a monthly basis.



The status of Investor Complaints during the year ended 31 March 2023, is as under:







Complaints as on 1 April 2022	Nil
Complaints received during the year	7
Complaints resolved during the year	7
Complaints pending as on 31 March 2023	Nil

Note: The Company has not received any grievances in respect of the resolved Investor Complaints. The complaints were pertaining to non-receipt of annual report and dividend for FY22, discrepancy in deduction of tax deducted at source on dividend for FY22 and issue of duplicate share certificates.

During the year ended 31 March 2023, a meeting of the Stakeholders Relationship Committee was held on 19 October 2022. The composition of the Committee and the attendance of the members at the meeting held during the year ended 31 March 2023 are given below:

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 - Present  - Absent

Member	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Davinder Singh Brar, Chairman		
Mr. Nitin Rakesh		
Mr. Amit Dalmia		

Name, Designation and Address of the Compliance Officer

Mr. Subramanian Narayan
Senior Vice President and Company Secretary,
Mphasis Limited
Bagmane World Technology Center, Marathahalli Outer Ring Road, Doddanakhundi Village,
Mahadevapura, Bengaluru - 560048.

(f) Share Transfer Committee

In order to expedite the requests of the shareholders, in connection with transfers, demat and other related processes, the Board constituted a Share Transfer Committee. The Share Transfer Committee of the Board is authorized *inter-alia* to approve physical transfers / transmissions / transpositions / dematerialization / re-materialization requests, issue of duplicate share certificates, issue of fresh share certificates, release of stop transfer cases etc.

The composition of the Committee is as follows:

Mr. Nitin Rakesh	-	Chairman
Mr. Davinder Singh Brar	-	Member
Mr. Amit Dalmia	-	Member

During the year ended 31 March 2023, the Share Transfer Committee passed resolutions on 9 May 2022, 5 November 2022, 16 January 2023 and 23 February 2023 for approval of transfer of equity shares to Investor Education and Protection Fund, transmission of shares and issue of duplicate share certificate.



In terms of Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, request for effecting transfer of shares is not processed unless such shares are held in the dematerialized form. Further the requests for transmission, transposition, issue of duplicate share certificates etc., are also processed only in dematerialized form. The Company ensures that transmission of shares and other requests are effected within the statutory time of their due lodgment. The Company has appointed Integrated Registry Management Services Private Limited, a SEBI registered Share Registrar and Transfer Agent, as its Share Transfer Agent.













(g) Treasury and Operations Committee

The Board has constituted a "Treasury and Operations Committee" considering desired focus on the treasury and business operations. The powers and functions of the Committee include, oversight of liquidity management and banking operations, forex risk management, investment portfolio/interest rate risk management, approval for capital expenditure/hardware resale and settlement of legal cases beyond certain limits of the Committee.

During the year ended 31 March 2023, meetings of the Committee were held on 27 April 2022 and 19 October 2022.

The composition of the Committee and the attendance of the members at each of the meetings held during the year ended 31 March 2023 are given below:

 - Present  - Absent

Member	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Davinder Singh Brar, Chairman	 	 
Mr. Nitin Rakesh	 	 
Mr. Amit Dalmia	 	 

Notes:



- The attendance of the members is reported in the chronology of the meetings.
- Mr. Pankaj Sood was appointed as member of the Treasury and Operations Committee effective 1 April 2023.















CORPORATE GOVERNANCE

(h) Risk Governance and Management Committee

The Board has constituted a Risk Governance and Management Committee (RGMC) with a primary function to review and approve annually, an Enterprise Risk Management framework (ERM Framework), Environment, Social and Governance (ESG) initiatives, review and recommend changes to the approved ERM Framework, evaluate the significant risk exposures to the Company and review the management actions to mitigate such risks, evaluate the Cyber – Security preparedness of the Company. During the year ended 31 March 2023, meetings of the Committee were held on 20 April 2022, 14 October 2022 and 18 January 2023.

The composition of the Committee and the attendance of the members at each of the meetings held during the year ended 31 March 2023 are given below:

 - Present  - Absent

Member	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Amit Dalmia, Chairman <small>refer Note 2</small>		
Mr. Narayanan Kumar		
Mr. Nitin Rakesh		
Mr. David Lawrence Johnson		
Mr. Marshall Lux <small>refer Note 3</small>		
Mr. Manish Dugar Chief Financial Officer		
Mr. Eric Winston EVP, General Counsel, Chief Ethics and Compliance Officer		

Notes:

- The attendance of the members is reported in the chronology of the meetings.
- Ms. Maureen Anne Erasmus and Mr. Kabir Mathur were appointed as members of the Risk Governance and Management Committee effective 1 April 2023 and Mr. Amit Dalmia ceased to be member of the Risk Governance and Management Committee effective 31 March 2023.
- Mr. Marshall Lux was appointed as Chairman of the Risk Governance and Management Committee in its meeting held on 27 April 2023.

(i) Strategy Committee

The primary function of the Committee is to oversee the Company's strategic planning process, review and advice on strategic proposals, evaluate the potentials for the growth opportunities of the Company etc. and make appropriate recommendations to the Board. During the year, there was no meeting of the Strategy Committee held. The composition of the Committee is as follows:

Mr. Davinder Singh Brar	-	Member
Mr. Nitin Rakesh	-	Member
Ms. Jan Kathleen Hier	-	Member
Mr. David Lawrence Johnson	-	Member
Mr. Amit Dixit	-	Member
Mr. Marshall Lux	-	Member

Note: Ms. Courtney della Cava was appointed as a member of the Strategy Committee effective 1 April 2023.

CORPORATE GOVERNANCE

III. MEETINGS OF THE SHAREHOLDERS

(a) Location and time of last three AGMs:

Following is the summary of the last three Annual General Meetings (AGM) of the Company, which were conducted through Video Conference:

AGM	Date and Time	Venue
Twenty-ninth Annual General Meeting	23 July 2020 09:00 AM	Bagmane World Technology Center, Marathahalli Outer Ring Road,
Thirtieth Annual General Meeting	29 September 2021 09:00 AM	Doddanakhundi Village, Mahadevapura, Bengaluru - 560048, Karnataka.
Thirty first Annual General Meeting	21 July 2022 09:00 AM	

(b) Special resolutions transacted at the Annual General Meetings held in the last three years:

Date of AGM	Special Resolutions transacted
23 July 2020	<ul style="list-style-type: none"> Re-appointment of Ms. Jan Kathleen Hier as an Independent Director Amendments to Employee Stock Option Plan 2016 (ESOP 2016) Extending benefits of amendments to ESOP 2016 to the eligible employees of the subsidiary companies
29 September 2021	<ul style="list-style-type: none"> Approval for Restricted Stock Unit Plan 2021 (RSU Plan 2021) Extension of RSU Plan 2021 to the subsidiary company employees
21 July 2022	<ul style="list-style-type: none"> Appointment of Ms. Maureen Anne Erasmus as an Independent Director

(c) Special resolutions transacted through Postal Ballot last year:

During the year ended 31 March 2023, no special resolution was transacted through Postal Ballot.

IV. DISCLOSURES

There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. The details of applicable related party transactions are filed with the stock exchanges based on the statutory requirements. Related party transactions are reported in the financial statements of the Company. The Board of Directors of the Company has approved a Policy on the materiality of related party transactions which is hosted on the website of the Company www.mphasis.com, in the Investors section under the Corporate Governance page. The Audit Committee of the Board has delegated the powers to approve the routine non-material related party transactions as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 severally to the Chief Executive Officer and Chief Financial Officer and the details of such transactions are placed before the Committee on a quarterly basis.

The code of conduct of the Board of Directors and senior management have also been disclosed on the website.

No penalty has been imposed on the Company on any matter relating to Capital Markets by the Stock Exchanges or Securities and Exchange Board of India or any other statutory authority from the date of inception of the Company.

At Mphasis, we have a free and fair channel of communication for concerns about integrity, unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

The objective of the Whistleblower Policy is to provide anyone observing an illegal or unethical practice within the organization, secure means to raise that concern, without fear of retaliation. All companies of the Mphasis Group and people associated with the Company viz. Customers, Vendors etc. can raise such concerns through written complaints deposited in drop-boxes at any of our offices, through emails or through the whistleblower hotline numbers. The Audit Committee Chairman is the Whistleblower Ombudsperson.

The Company has complied with all mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As required under the provisions of the law, the following disclosures are uploaded on the website of the Company at <https://www.mphasis.com/home/corporate/investors.html>. Investors are encouraged to visit the website of the Company to access such documents:

CORPORATE GOVERNANCE

1. Quarterly Shareholding Pattern
2. Disclosures of Voting Results
3. Format of letter of appointment /re-appointment of Independent Directors
4. Mphasis Related Party Policy
5. Corporate Social Responsibility Policy
6. Board Diversity Policy
7. Policy on material subsidiaries
8. Code of Conduct for Prevention of Insider Trading
9. Code of Conduct for Directors and employees of the Company
10. Orientation process for the Directors
11. Remuneration Policy for executives and directors
12. Correspondence with Stock Exchanges
13. Dividend Distribution Policy
14. Document Retention and Archival Policy
15. Policy for fair disclosure of UPSI
16. Mphasis Prevention of Sexual Harassment (POSH) Policy
17. Mphasis IP Policy
18. Mphasis Anti-Slavery Policy
19. Anti-Bribery and Corruption Policy
20. Confidentiality Notice to Covered Persons
21. Disclosures required under Regulation 46 to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

V. DETAILS OF FEES PAID TO THE STATUTORY AUDITORS

The details of total fees paid by the Company and its subsidiaries to BSR & Co., LLP (including its network firms), the Statutory Auditors of the Company, during the year is as follows:

	(Amount in ₹)
Total fees paid by the Company	19,527,364
Total fees paid by the subsidiaries of the Company	980,500

VI. INTERNAL CONTROLS

The Company has adequate internal control systems in place and has reasonable assurance on authorizing, recording and reporting transactions of its operations in all material respects and in providing protection and safeguard against misuse or loss of assets of the Company. The Company has in place, well documented procedures covering critical financial and operational functions commensurate with the size and complexities of the organization.

Some of the salient features of the internal control system in place are:

1. Adherence to applicable Accounting Standards and Policies including audit trails and backups.
2. ERP system connecting all offices enabling seamless data and information flow. This is constantly reviewed to enhance the internal control check points.
3. Preparation of annual budget for operation and service functions and monitoring the same with actual performance at regular intervals.
4. Ensuring that assets are properly recorded, and procedures have been put in place to safeguard against any loss or unauthorized use or disposal.
5. Internal audit is carried based on the audit universe coverage and Internal Audit Plan approved by the Audit Committee.
6. The observations arising out of internal audit are periodically reviewed at the Audit Committee meetings along with follow up action.
7. Quarterly presentations are made to the Audit Committee on enterprise risks faced by the Company and action plan to mitigate the same.

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In addition, the Company uses the services of an external audit firm to periodically review various aspects of the internal control system to ensure that such controls are operating in the way expected and whether any modification is required.

The Internal Audit function develops an audit plan for the Company, which includes a mix of financial, operational, compliance and IT areas. The audit coverage includes corporate, core business operations, as well as support function. The internal audit reports and the recommended management actions are presented to the Audit Committee on a half year basis. The status of the management actions is followed by the Internal Audit function and the progress of the implementation of the action is reported to the Audit Committee on a quarterly basis.

The Company's internal financial controls are deployed through an internally evolved framework that addresses material risks in the Company's operations and financial reporting objectives, through a combination of Entity Level Controls (including Enterprise Risk Management, Legal Compliance Framework and Anti-fraud Mechanisms such as an Ethics Framework, Code of Conduct, Whistle Blower Policy, etc.), Process Controls (both manual and automated), Information Technology based controls, period end financial reporting and closing controls and Internal Audit.

VII. MEANS OF COMMUNICATION


The Board of Directors of the Company approves and takes on record the audited financial quarterly results and the results are announced to all the Stock Exchanges where the shares of the Company are listed and to various news agencies. Further, the quarterly and annual audited financial results are also published in leading newspapers within 48 hours of the conclusion of the meetings of the Board in which they are taken on record. Generally, the quarterly results are published in various editions of The Business Standard and Samyukta Karnataka-Kannada. The quarterly and annual results are hosted on the Company's website at www.mphasis.com. The website also contains a copy of presentations on the financial results of the Company. The Company's website has in it a separate page for Investor's section, wherein the financial results, shareholding pattern and share price information are hosted for the knowledge of the Investors.

In addition to the above, the Company participates in the earnings call with various Investors, Analysts and Broking Houses. The Company also makes a presentation at the various Investors and Analysts meets, the particulars of which are disclosed to the Stock Exchanges before such participation.

The recordings and transcripts of the earnings call are hosted on the Company's website for information of the Investors as required under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Press briefings are held after important occasions viz. announcement of quarterly results, acquisition of a new entity etc. The press releases issued from time to time are informed to the Stock Exchanges where the equity shares of the Company are listed and are also hosted on the Company's website.

Social media today is identified as an important means of communication among investors, shareholders, employees and other stakeholders. Therefore, all Mphasis announcements are communicated through the corporate social pages on Twitter, LinkedIn and Facebook. Yammer is also a tool through which Mphasis communicates with its employees. In case of any emergency these channels are leveraged depending on the crisis at hand. Investors may use the following links to follow Mphasis on the social media:

 <https://www.facebook.com/MphasisOfficial/>

 <https://www.linkedin.com/company/mphasis>

 <https://twitter.com/mphasis>

In line with the circulars of the Ministry of Corporate Affairs (MCA) on 'Green Initiative' allowing paperless compliances by companies, the Company serves documents like Notices, Annual Reports and other statutory communications to its shareholders through e-mail at the registered e-mail addresses. The physical copies of the Annual Report for such shareholders are sent upon request. Members are requested to note that documents sent through the electronic mode will also be available on the Company's website- www.mphasis.com. The Company would like to urge shareholders to support this initiative of the MCA and contribute towards greater sustainability by registering their e-mail addresses, if not already registered.

The Financial Results of the Company, shareholding pattern and the Corporate Governance Report filed with the National Stock Exchange of India Limited (NSE) and BSE Ltd (BSE) under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are also uploaded on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre respectively.

CORPORATE GOVERNANCE

VIII. GENERAL SHAREHOLDERS INFORMATION

(a) Details of the AGM

Date
Thursday, 20 July 2023
Time
9:00 AM
Venue
The Company is conducting the meeting through Video Conferencing pursuant to the circular of Ministry of Corporate Affairs dated 28 December 2022 read with circulars dated 8 April 2020, 13 April 2020, 5 May 2020, 13 January 2021, 8 December 2021 and 5 May 2022 (collectively referred to as “MCA Circulars”) and hence there is no requirement for physical venue for the meeting.

Schedule of events for the voting and declaration of voting results

Events	Planned dates
Dispatch of Annual Report	Monday, 26 June 2023 (Latest date)
Advertisement regarding dispatch of Notice and public notice regarding e-voting in English and Kannada	Monday, 26 June 2023
Cut-off date for remote e-voting	Thursday, 13 July 2023
Commencement of remote e-voting	Saturday, 15 July 2023
Closing of the e-voting	Wednesday, 19 July 2023
Voting at AGM	Thursday, 20 July 2023
Declaration of results of voting	Friday, 21 July 2023

Voting Results

The results declared along with the report of the Scrutinizer shall be placed on the website of the Company, www.mphasis.com and on the website of NSDL (www.evoting.nsdl.com) immediately after the declaration of the results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges where the shares of the Company are listed. The results shall also be displayed on the notice board of the Company at the registered office and the corporate office.

(b) Financial Calendar

Financial Year	1 April 2022 to 31 March 2023
Results Announced	27 April 2023
Book Closure Dates	6 July 2023 to 20 July 2023 (both days inclusive)
Posting of Annual Reports	By 26 June 2023 (Latest date)
Annual General Meeting	20 July 2023
Dividend Payment Date	On or before 19 August 2023

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(c) Listing

Equity shares of the Company are listed and traded on the following Stock Exchanges:

Exchange	Address	Scrip Code
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. Telephone: 022-22721233/34 Fax No.: 022-22721062	526299
The National Stock Exchange of India Limited	Kurla Complex, Bandra (E) Mumbai - 400 051. Telephone: 022-26598100-8114 Fax Nos. 022-26598237-38	MPHASIS
Metropolitan Stock Exchange of India Limited (MSEI)*	Vibgyor Towers, 4th floor, Plot No.C 62, G-Block, Opp. Trident Hotel, Bandra Kurla Complex, Bandra (E), Mumbai-400 098, India. Telephone: 022-6112 9000 Fax No.022-2654 4000	MPHASIS

* Traded as permitted security on the exchange.

The Company has paid the listing fees for the year ending 31 March 2024.

(d) Dematerialization of Equity Shares

The Equity Shares of the Company are admitted in the following depositories of the Country under the International Securities Identification Number (ISIN) INE356A01018. This number is required to be quoted in each transaction relating to the dematerialized equity shares of the Company.

Name of the Depository	Address
National Securities Depository Limited	Trade World, A wing, 4 th & 5 th Floors, Kamala Mills Compound, Senapathi Bapat Marg, Lower Parel, Mumbai - 400 013.
Central Depository Services (India) Limited	Phiroze Jeejeebhoy Towers, 17 th Floor, Dalal Street Mumbai – 400 001.

The Company has paid the custodial charges to the respective depository participants for the year ending 31 March 2024.

The Securities and Exchange Board of India has specified that the shares of the Company would be traded only in demat form effective 29 November 1999. Further, the Securities and Exchange Board of India, had vide its notification No. SEBI/LAD-NRO/GN/2018/24 dated 8 June 2018 and a press release dated 3 December 2018, have restricted transfer of shares in physical form effective 1 April 2019.

In view of the above and considering the benefits of holding shares in electronic form, the shareholders holding physical share certificates are requested to dematerialize their holding at the earliest. As on 31 March 2023, 99.92% shareholders held 99.97% of shares in demat form.

(e) Market Quotation

The month wise high, low and closing prices and the volume of shares of the Company traded for the period 1 April 2022 to 31 March 2023 on The National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) are given below:

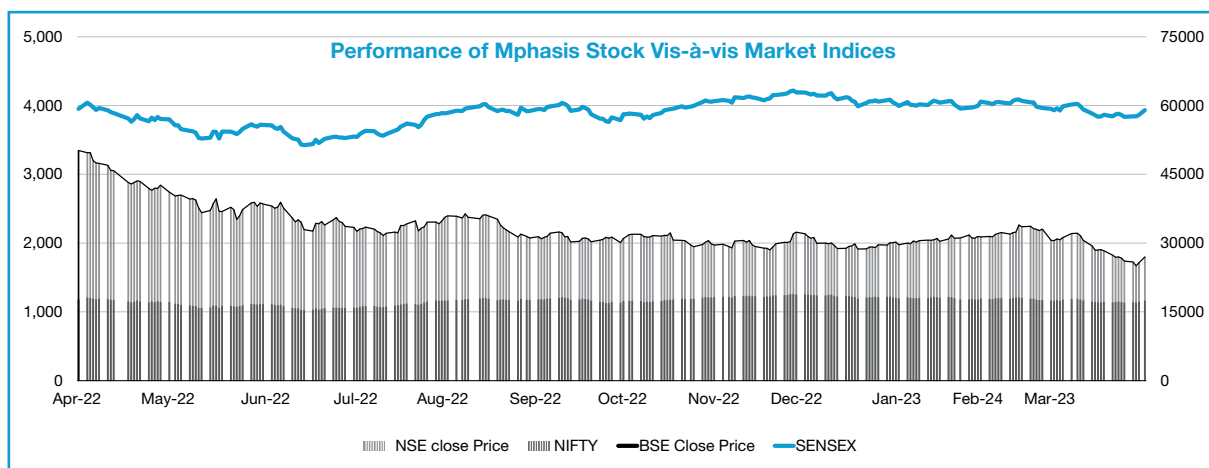
Month	NSE				BSE			
	High (₹)	Low (₹)	Close (₹)	Volume for the Month (Shares)	High (₹)	Low (₹)	Close (₹)	Volume for the Month (Shares)
Apr-22	3,390	2,698	2,843	94,41,653	3,410	2,700	2,842	292,720
May-22	2,823	2,262	2,594	97,77,885	2,824	2,264	2,593	467,655
Jun-22	2,700	2,112	2,294	11,760,727	2,700	2,113	2,298	555,266
Jul-22	2,342	2,071	2,300	13,279,303	2,342	2,072	2,303	554,186
Aug-22	2,445	2,062	2,131	10,735,110	2,445	2,064	2,131	501,484

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Month	NSE				BSE			
	High	Low	Close	Volume for the Month	High	Low	Close	Volume for the Month
	(₹)	(₹)	(₹)	(Shares)	(₹)	(₹)	(₹)	(Shares)
Sep-22	2,182	1,982	2,088	11,973,928	2,181	1,983	2,087	435,979
Oct-22	2,154	1,929	1,979	9,895,063	2,152	1,929	1,979	678,516
Nov-22	2,063	1,898	2,017	10,937,388	2,062	1,898	2,023	548,524
Dec-22	2,177	1,896	1,973	12,024,885	2,176	1,897	1,975	506,373
Jan-23	2,144	1,933	2,073	97,94,066	2,143	1,934	2,072	468,295
Feb-23	2,290	2,022	2,035	8,966,793	2,289	2,022	2,036	521,274
Mar-23	2,155	1,661	1,796	14,190,685	2,155	1,664	1,796	412,760

Note: The prices have been rounded off to the nearest rupee

Based on the closing quotation of ₹1,796.75 per share as of 31 March 2023 at the National Stock Exchange of India Limited (NSE), the market capitalization of the Company is ₹338 billion (market capitalisation as of 31 March 2022 was ₹634 billion).



(f) Members' Profile

The shareholding pattern of the members of the Company as on 31 March 2023 is as follows:

Category	No. of shareholders	Shares held in demat form	Shares held in physical form	Total No. of shares	% to total capital
Promoter	1	104,799,642	-	104,799,642	55.63
Foreign Portfolio Investors	533	33,392,578	-	33,392,578	17.72
Alternate Investment Funds	10	542,303	-	542,303	0.29
Financial Institutions and Banks	3	118,849	200	119,049	0.06
Mutual Funds	141	24,686,489	-	24,686,489	13.10
Insurance Companies	52	13,801,209	-	13,801,209	7.33
Bodies Corporate	703	900,798	900	901,698	0.48
NBFC's registered with RBI	3	9,777	-	9,777	0.00
Non-Resident Indians	3,802	1,895,499	2,400	1,897,899	1.01
Resident Indians	163,869	8,029,406	49,484	8,078,890	4.29
Others	99	170,509	-	170,509	0.09
Total	169,216	188,347,059	52,984	188,400,043	100

CORPORATE GOVERNANCE

(g) Distribution of Shareholding as on 31 March 2023

Category	Shareholders		Shares held	
	Number	Percentage	Number	Percentage
Upto 500	166,668	98.50	4,530,428	2.40
501 - 1000	1,020	0.60	760,346	0.40
1001 - 2000	460	0.27	677,689	0.36
2001 - 3000	194	0.11	489,942	0.26
3001 - 4000	130	0.08	459,755	0.25
4001 - 5000	83	0.05	382,230	0.20
5001 - 10000	208	0.12	1,540,321	0.82
10001 & above	453	0.27	179,559,332	95.31
Total	169,216	100.00	188,400,043	100.00

(h) Details regarding the shares in the Unclaimed Suspense Account

Sno.	Particulars	No. of shareholders	No. of Shares
1	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account as of 1 April 2022	8	3,000
2	Transfer of Shares to Investor Education and Protection Fund during the year, pursuant to Section 124(6) of the Companies Act, 2013 ^{refer Note}	-	-
3	Number of shareholders who approached the issuer for transfer of shares from the unclaimed suspense account during the year and the shares were subsequently transferred	-	-
4	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account as of 31 March 2023	8	3,000

Note:

Pursuant to Section 124 (6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares, held by Shareholders who have not claimed dividend for the last seven consecutive years, are required to be transferred to Investor Education and Protection Fund.

The voting rights on the shares outstanding in the suspense account shall remain frozen till the rightful owner of such shares claims the shares.

(i) Transfer of unpaid dividend to Investor Education and Protection Fund (IEPF)

As required under Section 124(5) of the Companies Act, 2013, read with Rule 5 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the Company is required to transfer the dividend remaining unclaimed for a period of 7 years, from the date of transfer of funds to unclaimed dividend account, to the Investor Education and Protection Fund (IEPF). Further the shares in respect of which the dividend is unclaimed for a consecutive period of 7 years is also required to be transferred to IEPF.

The Company has transferred ₹1.64 million being the unclaimed dividend of FY15, to IEPF on 7 November 2022. Further, the Company has also transferred 9,668 equity shares held by 53 shareholders to IEPF on 10 November 2022.

Particulars of shareholders entitled to claim the unclaimed dividends are uploaded on the Company's website www.mphasis.com and claims in respect thereof may be lodged through www.iepf.gov.in by following requisite procedures under the IEPF Rules.

CORPORATE GOVERNANCE

The IEPF remittances liable for the next seven years with the details of unpaid dividend as at 31 March 2023 are as follows:

Financial Year to which the dividend relates	Amount of unpaid dividend as on 31 March 2023 (₹ Million)	Due date for transfer of dividend to IEPF
2015-16	2.64	8 December 2023
2016-17	2.32	30 August 2024
2017-18	1.98	11 September 2025
2018-19	2.81	29 August 2026
2019-20	3.46	28 August 2027
2020-21	5.17	3 November 2028
2021-22	4.14	25 August 2029

The shareholders are requested to claim the unpaid dividend to avoid transfers of such dividend and applicable shares to IEPF. Mr. Subramanian Narayan, Company Secretary, is the nodal officer appointed by the Company under IEPF Rules. The contact details of the Nodal officer are given below and is also available at <https://www.mphasis.com/home/corporate/investors.html>.

(j) Furnishing of KYC by Physical Shareholders

Considering the ease of doing business for Investors in the securities market, the Securities and Exchange Board of India vide its circulars dated 3 November 2021 and 16 March 2023 mandated Investors holding securities of listed companies in physical mode to furnish PAN and Nomination (the "KYC") in the prescribed form in addition to furnishing the Bank Account and contact details of such shareholders. The shareholders holding shares in physical form are requested to refer to the communication sent by the Company earlier for detailed instructions in this regard and provide the KYC and other details to the Company's Registrar and Share Transfer Agent.

Failure to furnish KYC and other details would result in freezing of folios effective 1 October 2023. The frozen folios shall be eligible for payment of dividend electronically only upon furnishing the KYC and other details. As per aforesaid Circulars, the folios which are frozen till 31 December 2025, are required to be referred by RTA / Listed Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.

In view of the above, the shareholders holding shares in physical form are requested to furnish the KYC and other details and also dematerialize their holdings at the earliest. The relevant circulars and the forms to be furnished for updating KYC and other details are available on the website of the Company at www.mphasis.com and the shareholders may also approach the compliance officer at the registered office of the Company.

(k) Issue of shares in demat mode

The Securities and Exchange Board of India, vide its circular dated 25 January 2022, considering the enhanced measures to ease dealings in securities market by the Investors, has mandated listed companies to issue shares in dematerialized form only, when such shares are required to be issued pursuant to the following requests:

- i. While processing issue of duplicate securities certificate;
- ii. Claim from Unclaimed Suspense Account;
- iii. Renewal / Exchange of securities certificate, Endorsement, Sub-division / Splitting of securities certificate, Consolidation of securities certificates / folios; and
- iv. Transmission and Transposition are received from the Members of the Company holding shares in physical form.

The prescribed process for dealing with the above requests has been advised to the shareholders holding shares in physical form vide our separate communication on this. The shareholders holding shares in physical form are requested to refer to the same. In terms of the circular, the Registrar and Share Transfer Agents are required to issue a letter of confirmation upon processing of investor requests in lieu of physical share certificates and the same is required to be dematerialized by the shareholder or claimant within 120 days of the issue of letter of confirmation. In case the shareholders or claimant fails to submit a demat request within the aforesaid 120 days, the shares would be credited to a Suspense Escrow Demat Account opened by the Company. The Company shall issue shares from Suspense Escrow Demat Account as and when the shareholder or claimant approaches the Company.

CORPORATE GOVERNANCE

In view of the above, we urge the shareholders holding shares in physical form to dematerialize their holdings at the earliest. Dematerialization of shares ensures quick, error-free and seamless transactions, it is a safe and convenient way to trade or invest and enables to monitor portfolio from anywhere across the Globe. It also enables faster settlement of and disbursement of corporate benefits including dividends.

The status of shares transferred to Suspense Escrow Demat Account during the year ended 31 March 2023, is as under:

Shares held in Suspense Escrow demat Account as on 1 April 2022	Nil
Shares transferred to the Suspense Escrow demat Account during the year	Nil
Shares transferred from the Suspense Escrow demat Account to claimants and shareholders	Nil
Shares held in Suspense Escrow demat Account as on 31 March 2023	Nil

(I) Address for Communication

Company Contact

Mr. Subramanian Narayan
Senior Vice President and Company Secretary
Mphasis Limited,
Bagmane World Technology Center, Marathahalli Outer
Ring Road, Doddanakhundi Village, Mahadevapura,
Bengaluru - 560 048, India
Phone: +91 (080) 6750 4613

RTA Contact

Mr. S Vijayagopal
Vice President
Integrated Registry Management Services Private Limited
(Unit: Mphasis Limited)
30, Ramana Residency, 4th Cross Sampige Road,
Malleswaram, Bengaluru - 560 003
Phone: +91 (080) 2346 0815-818

For and on behalf of the Board of Directors

New Delhi, India
27 April 2023

D S Brar
Chairman

CORPORATE GOVERNANCE

Compliance Certificate on Corporate Governance

To,

The Members of Mphasis Limited

I have examined the compliance of the conditions of Corporate Governance by Mphasis Limited ('the Company') for the financial year ended on 31 March 2023, as stipulated under the provisions of Companies Act, 2013 and of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V) and amendments thereof.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

I have examined the books of account and other relevant records maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company. My examination was carried out in accordance with the Guidance Note on certification of Corporate Governance (as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), issued by The Institute of Company Secretaries of India (ICSI) and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliances of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of Company.

Based on the information, explanations given to me and according to the examination of the relevant records, the representations and all material disclosures made by the Directors and the Management, the Company has complied with the provisions of Corporate Governance as stipulated under the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) and Regulations, 2015 (17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V) during the year ended 31 March 2023. It is further stated that no investor grievance is pending for the said financial year as per the records of the Company.

I further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

S.P. NAGARAJAN

Company Secretary ACS Number : 10028

CP Number: 4738

UDIN: A010028E000212637

Place: Bengaluru

Date: 27 April 2023

Peer reviewed Unit -bearing Unique Identification Number: I2002KR300400

Note: As per the guidance issued by the Institute of Company Secretaries of India (ICSI) for carrying out professional assignments, the Compliance Certificate on Corporate Governance in term of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V) was conducted by using appropriate Information Technology tools by virtual data sharing by way of the Company's cloud-based server - 'Mike Portal' to access and examine relevant documents and physical verification of records for completion of the audit.

CORPORATE GOVERNANCE

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) of Clause 10(i) of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

The Members,

MPHISIS LIMITED

Bagmane World Technology Center,
Marathahalli Outer Ring Road,
Doddanakundi Village, Mahadevapura,
Bengaluru-560048

CIN of Company : L30007KA1992PLC025294

Authorised Capital : ₹ 2,45,00,00,000/-

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MPHISIS LIMITED** (hereinafter referred to as 'the Company'), a Company incorporated under the Companies Act, 1956 vide Corporate Identity Number (CIN) L30007KA1992PLC025294 and having its Registered Office at Bagmane World Technology Center, Marathahalli Outer Ring Road, Doddanakundi Village, Mahadevapura, Bengaluru - 560048, produced before me for issuance of this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal - www.mca.gov.in) and on the basis of the written representation/declaration received from the directors to be taken on record by the Board of Directors and explanations furnished to me by the Company and its officers, I, hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl. No.	DIN	Name	Designation	Date of Appointment
1.	00007848	NARAYANAN KUMAR	Independent Director	15/02/2013
2.	00042261	NITIN RAKESH	Managing Director	29/01/2017
3.	00068502	DAVINDER SINGH BRAR	Independent Director	11/12/2015
4.	01798942	AMIT DIXIT	Director	01/09/2016
5.	05313886	AMIT DALMIA	Director	01/09/2016
6.	07360483	JAN KATHLEEN HIER	Independent Director	11/12/2015
7.	07593637	DAVID LAWRENCE JOHNSON	Director	01/09/2016
8.	08178748	MARSHALL JAN LUX	Director	07/08/2018
9.	05185378	PANKAJ SOOD	Director	20/12/2021
10.	08635072	KABIR MATHUR	Director	20/12/2021
11.	09380419	COURTNEY KARLAN dELLA CAVA	Director	20/12/2021
12.	09419036	MAUREEN ANNE ERASMUS	Independent Director	20/12/2021

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on the eligibility of for the appointment / continuity of every Director on the Board based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

S.P. NAGARAJAN

Company Secretary ACS Number : 10028

CP Number: 4738

UDIN: A010028E000212626

Place: Bengaluru

Date: 27 April 2023

Peer reviewed Unit -bearing Unique Identification Number: I2002KR300400

Note: As per the guidance issued by the Institute of Company Secretaries of India (ICSI) for carrying out professional assignments, the Certificate of Non-Disqualification of Directors in term of Regulation 34(3) of Clause 10(i) of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 was conducted by using appropriate Information Technology tools by virtual data sharing by way of the Company's cloud-based server - 'Mike Portal' to access and examine relevant documents and physical verification of records for completion of the audit.

INDEPENDENT AUDITORS' REPORT

To the Members of Mphasis Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Mphasis Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity, standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Evaluation of tax positions See note 22 and 30(a) to the standalone financial statement	
The key audit matter	How the matter was addressed in our audit
<p>The Company's operations in India are subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business, including direct tax and transfer pricing matters.</p> <p>Estimating the income tax expense also requires the Company to determine the probability of tax authorities accepting a particular tax treatment for potential tax exposures. These involve significant judgment by the Company to determine the possible outcome of the tax litigations and potential tax exposures, consequently having an impact on related accounting and disclosures in the standalone financial statements.</p>	<p>Our audit procedures on taxation included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of key tax litigations and potential tax exposures. • Evaluated the design, implementation and operating effectiveness of the internal controls relating to management's assessment of the possible outcome of tax litigations, potential tax exposures and related accounting and disclosures in the standalone financial statements. • The audit team, along with our internal tax experts: <ul style="list-style-type: none"> • read and analyzed select key correspondences and consultations done by the Company including with their external tax experts for key tax litigations and potential tax exposures. • inquired with the Company and external tax experts to evaluate key assumptions and grounds of appeal considered by the Company in estimating the provision in accordance with the applicable accounting standards. • evaluated the status of the recent tax assessments / inquiries, results of previous tax assessments, legal precedence / judicial rulings and changes in the tax environment. This is performed to assess and challenge the Company's estimate of the possible outcome of key tax litigations and potential tax exposures. • assessed and tested the presentation and disclosures in the standalone financial statements in compliance with the applicable accounting standards.

INDEPENDENT AUDITORS' REPORT (Continued)

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT (Continued)

Auditor's Responsibilities for the Audit of the Standalone Financial Statements (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 21, 22 and 30 to the standalone financial statements.
 - b. Provision has been made in the standalone financial statements, as required under the applicable law or Ind AS, for material foreseeable losses on derivative contracts. Refer Note 16 and 40 to the standalone financial statements in respect of such items as it relates to the Company. The Company did not have any material foreseeable losses on other long- term contracts.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 38b to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 38b to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

INDEPENDENT AUDITORS' REPORT (Continued)

Report on Other Legal and Regulatory Requirements (Continued)

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, which was declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 42 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Amit Somani

Partner

Membership No: 060154

ICAI UDIN:23060154BGXCZV3402

Place: Bengaluru

Date : 27 April 2023

INDEPENDENT AUDITORS' REPORT (Continued)

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Mphasis Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering information technology services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided security or granted any loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year. The Company has made investments in companies and other parties during the year, in respect of which the requisite information is as below. The Company has not made any investments in any firms and limited liability partnerships during the year. The Company has provided guarantees to companies during the year, in respect of which the requisite information is as below. The Company has not provided guarantees to firms, limited liability partnerships and other parties during the year. The Company has granted unsecured advances in the nature of loans to other parties during the year, in respect of which the requisite information is as below. The Company has not granted any secured advances in the nature of loans to other parties during the year. The Company has not granted advances in the nature of loans, secured or unsecured to any companies, firms and limited liability partnerships during the year.
- (a) (A) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided guarantees to subsidiaries as below. The Company does not hold any investment in any joint ventures or associates.

Particulars	Guarantees (₹ In millions)
Aggregate amount during the year	
- Subsidiaries	3,804.61
Balance outstanding as at the balance sheet date	
- Subsidiaries	1,984.76

- (B) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted advances in the nature of loans to other parties as below. The Company does not hold any investment in any joint ventures or associates.

Particulars	Advances in the nature of loans – Employee advances (₹ In millions)
Aggregate amount during the year	
- Other parties	298.15
Balance outstanding as at balance sheet date	
- Other parties	161.78

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided during the year and the terms and conditions of the grant of advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.

INDEPENDENT AUDITORS' REPORT (Continued)

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Mphasis Limited for the year ended 31 March 2023 (Continued)

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, in the case of loans and advances in the nature of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans and advances in the nature of loans given.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act") and the Company has not provided any security as specified under Section 186 of the Act. Further, in our opinion, the Company has complied with the provisions of Section 186 of the Act in relation to loans given, guarantees provided and investments made.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.
According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities.
According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess and other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service tax, Duty of Customs, Value added tax or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the Statute	Nature of the dues	Amount* (₹ In millions)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	Income tax	2,484.61	2006-07, 2008-09, 2009-10 and 2012-13	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	5,882.74	2004-05, 2009-10, 2010-11, 2011-12, 2013-14, 2014-15, 2015-16 and 2017-18	Commissioner of Income Tax, Appeals
Income Tax Act, 1961	Income tax	169.19	2003-04 and 2005-06	Supreme Court
Income Tax Act, 1961	Income tax	2,549.23	2004-05 and 2016-17	High Court
Income Tax Act, 1961	Withholding taxes	3,388.37	2008-09 to 2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961	Withholding taxes	2,111.19	2007-08, 2008-09, 2012-13, 2013-14, 2014-15 and 2015-16	Commissioner of Income Tax, Appeals
Finance Act, 1994	Service tax	132.89	2010-11	CESTAT, Karnataka
Finance Act, 1994	Service tax	18.74	October 2011 to March 2015	Commissioner (Appeals), Karnataka
Tennessee Sales and Use Tax Regulations, USA	Sales and Use Tax	470.97	December 2011 to April 2015	Department of Revenue, Tennessee
Provident Fund Act, 1952	Provident Fund	298.00	April 2017 to March 2019	Department of PF

* Net of amounts paid under protest amounting to ₹ 2,408 million.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

INDEPENDENT AUDITORS' REPORT (Continued)

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Mphasis Limited for the year ended 31 March 2023 (Continued)

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as defined in the Act. The Company does not hold any investment in any associate or joint venture (as defined in the Act) during the year ended 31 March 2023.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.

INDEPENDENT AUDITORS' REPORT (Continued)

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Mphasis Limited for the year ended 31 March 2023 (Continued)

- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in annual report is expected to be made available to us after the date of this auditor's report.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Amit Somani
Partner
Membership No: 060154
ICAI UDIN:23060154BGXCZV3402

Place: Bengaluru
Date : 27 April 2023

INDEPENDENT AUDITORS' REPORT (Continued)

Annexure B to the Independent Auditor's Report on the standalone financial statements of Mphasis Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mphasis Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INDEPENDENT AUDITORS' REPORT (Continued)

Annexure B to the Independent Auditors' report on the standalone financial statements of Mphasis Limited for the year ended 31 March 2023 (Continued)

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Amit Somani

Partner

Membership No: 060154

ICAI UDIN:23060154BGXCZV3402

Place: Bengaluru
Date : 27 April 2023

STANDALONE FINANCIAL STATEMENTS

STANDALONE BALANCE SHEET

(₹ million)

	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,447.26	1,789.65
Capital work-in-progress	3	43.35	-
Right-of-use assets	4	5,262.18	3,993.44
Other intangible assets	5	36.35	46.35
Financial assets			
Investments	6	14,636.93	15,355.97
Trade receivables	10	1,201.99	-
Loans	13	-	1,970.61
Other financial assets	7	627.06	916.32
Deferred tax assets (net)	22	1,602.36	933.71
Income tax assets (net)	22	4,599.36	4,532.22
Other assets	8	437.47	553.75
Total non-current assets		29,894.31	30,092.02
Current assets			
Financial assets			
Investments	9	6,298.94	7,593.91
Trade receivables	10	19,324.24	17,122.34
Cash and cash equivalents	11	6,356.89	4,856.65
Bank balances other than cash and cash equivalents	12	93.13	468.50
Loans	13	1,640.84	208.64
Other financial assets	7	1,809.55	2,717.11
Other assets	8	6,923.49	6,126.15
Total current assets		42,447.08	39,093.30
TOTAL ASSETS		72,341.39	69,185.32

STANDALONE FINANCIAL STATEMENTS

STANDALONE BALANCE SHEET

(₹ million)

	Notes	As at 31 March 2023	As at 31 March 2022
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14	1,884.07	1,878.25
Other equity	15	48,202.89	42,598.26
Total equity		50,086.96	44,476.51
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities		4,992.50	4,011.20
Other financial liabilities	16	326.35	76.01
Employee benefit obligations	17	334.62	1,150.76
Total non-current liabilities		5,653.47	5,237.97
Current liabilities			
Financial liabilities			
Borrowings	19	1,014.04	3,520.00
Lease liabilities		1,122.75	826.93
Trade payables	20		
- outstanding dues to micro and small enterprises		13.74	17.60
- outstanding dues to creditors other than micro and small enterprises		6,666.12	8,376.18
Other financial liabilities	16	3,625.96	2,643.54
Other liabilities	18	1,002.49	825.30
Provisions			
Employee benefit obligations	17	399.86	359.02
Others	21	798.71	732.82
Income tax liabilities (net)	22	1,957.29	2,169.45
Total current liabilities		16,600.96	19,470.84
TOTAL EQUITY AND LIABILITIES		72,341.39	69,185.32

Summary of significant accounting policies.

2

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number:
101248W/W-100022

Amit Somani
Partner
Membership No. 060154

Bengaluru
27 April 2023

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer & Managing Director
New York

Manish Dugar
Chief Financial Officer

Bengaluru
27 April 2023

Narayanan Kumar
Director
Chennai

Subramanian Narayan
Senior Vice President &
Company Secretary
Bengaluru

STANDALONE FINANCIAL STATEMENTS

STANDALONE STATEMENT OF PROFIT AND LOSS

(₹ million)

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	23	94,246.43	73,895.54
Other income	24	1,184.87	1,232.20
Total income (I)		95,431.30	75,127.74
Expenses			
Employee benefits expense	25	28,920.55	23,973.16
Finance costs	26	737.03	587.11
Depreciation and amortization expense	27	1,757.52	1,493.96
Other expenses	28	45,196.53	32,871.38
Total expenses (II)		76,611.63	58,925.61
Profit before tax (III) [(I)-(II)]		18,819.67	16,202.13
Tax expenses			
Current tax	22	4,578.44	3,908.69
Deferred tax		102.58	(59.09)
Total tax expenses		4,681.02	3,849.60
Profit for the year (A)		14,138.65	12,352.53
Other comprehensive income ('OCI')			
Items not to be reclassified to profit or loss in subsequent period			
Re-measurement gains / (losses) on defined employee benefit plans		15.13	(237.83)
Income tax effect on the above		(5.29)	83.11
Items to be reclassified to profit or loss in subsequent periods			
Net change in fair value of derivatives designated as cash flow hedges		(2,219.40)	399.96
Income tax effect on the above		775.55	(139.75)
Net change in fair value of investments in debt instruments carried at fair value through OCI		(2.76)	-
Income tax effect on fair value of investments in debt instruments		0.97	-
Total OCI/(losses) for the year, net of tax (B)		(1,435.80)	105.49
Total comprehensive income for the year (A+B)		12,702.85	12,458.02
Earnings per equity share (par value ₹ 10 per share)			
Basic (₹)	29	75.14	65.93
Diluted (₹)		74.56	65.27

Summary of significant accounting policies.

2

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number:
101248W/W-100022

Amit Somani
Partner
Membership No. 060154

Bengaluru
27 April 2023

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer & Managing Director
New York

Manish Dugar
Chief Financial Officer

Bengaluru
27 April 2023

Narayanan Kumar
Director
Chennai

Subramanian Narayan
Senior Vice President &
Company Secretary
Bengaluru

STANDALONE FINANCIAL STATEMENTS

STANDALONE STATEMENT OF CHANGES IN EQUITY

a. Equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. in million	₹ million
As at 1 April 2022	187.82	1,878.25
Changes in equity share capital due to prior period errors	-	-
Restated balance as at 1 April 2022	187.82	1,878.25
Issue of shares (refer note 15)	0.58	5.82
As at 31 March 2023	188.40	1,884.07
As at 1 April 2021	187.04	1,870.49
Changes in equity share capital due to prior period errors	-	-
Restated balance as at 1 April 2021	187.04	1,870.49
Issue of shares (refer note 15)	0.78	7.76
As at 31 March 2022	187.82	1,878.25

(₹ million)

	Attributable to the equity owners of the Company									Total
	Reserves and surplus							Items of OCI		
	a	b	c	d	e	f	g	h	i	
	Securities premium	General reserve	Retained earnings	Capital reserve	Capital redemption reserve	Special Economic Zone re-investment reserve	Share based payments reserve	Cash Flow hedging reserve	Investments in debt instruments	
As at 1 April 2022	1,155.61	2,012.19	35,386.71	265.16	246.91	1,556.74	1,114.81	860.13	-	42,598.26
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1 April 2022	1,155.61	2,012.19	35,386.71	265.16	246.91	1,556.74	1,114.81	860.13	-	42,598.26
Profit for the year	-	-	14,138.65	-	-	-	-	-	-	14,138.65
Other comprehensive income / (losses), net of tax	-	-	9.84	-	-	-	-	(1,443.85)	(1.79)	(1,435.80)
Total comprehensive income for the year	-	-	14,148.49	-	-	-	-	(1,443.85)	(1.79)	12,702.85
Transactions with owners of the Company										
Dividends	-	-	(8,652.35)	-	-	-	-	-	-	(8,652.35)
Issue of shares on exercise of stock options	617.58	13.72	-	-	-	-	(366.39)	-	-	264.91
Total contributions and distributions	617.58	13.72	(8,652.35)	-	-	-	(366.39)	-	-	(8,387.44)
Transfer to general reserve	-	-	-	-	-	-	-	-	-	-
Transferred to Special Economic Zone re-investment	-	-	(960.13)	-	-	960.13	-	-	-	-
Transferred from Special Economic Zone re-investment	-	-	304.90	-	-	(304.90)	-	-	-	-
Share based expenses	-	-	-	-	-	-	1,289.22	-	-	1,289.22
As at 31 March 2023	1,773.19	2,025.91	40,227.62	265.16	246.91	2,211.97	2,037.64	(583.72)	(1.79)	48,202.89
As at 1 April 2021	596.40	2,011.89	35,081.09	265.16	246.91	1,839.95	588.65	599.92	-	41,229.97
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1 April 2021	596.40	2,011.89	35,081.09	265.16	246.91	1,839.95	588.65	599.92	-	41,229.97
Profit for the year	-	-	12,352.53	-	-	-	-	-	-	12,352.53
Other comprehensive income / (losses), net of tax	-	-	(154.72)	-	-	-	-	260.21	-	105.49
Total comprehensive income for the year	-	-	12,197.81	-	-	-	-	260.21	-	12,458.02
Transactions with owners of the Company										
Dividends	-	-	(12,175.40)	-	-	-	-	-	-	(12,175.40)
Issue of shares on exercise of stock options	559.21	0.30	-	-	-	-	(125.56)	-	-	433.95
Total contributions and distributions	559.21	0.30	(12,175.40)	-	-	-	(125.56)	-	-	(11,741.45)

STANDALONE FINANCIAL STATEMENTS

STANDALONE STATEMENT OF CHANGES IN EQUITY (Continued)

(₹ million)

	Attributable to the equity owners of the Company									Total
	Reserves and surplus							Items of OCI		
	a	b	c	d	e	f	g	h	i	
	Securities premium	General reserve	Retained earnings	Capital reserve	Capital redemption reserve	Special Economic Zone re-investment reserve	Share based payments reserve	Cash Flow hedging reserve	Investments in debt instruments	
Transferred to Special Economic Zone re-investment	-	-	(650.66)	-	-	650.66	-	-	-	-
Transferred from Special Economic Zone re-investment	-	-	933.87	-	-	(933.87)	-	-	-	-
Share based expenses	-	-	-	-	-	-	651.72	-	-	651.72
As at 31 March 2022	1,155.61	2,012.19	35,386.71	265.16	246.91	1,556.74	1,114.81	860.13	-	42,598.26

Gain / (loss) of ₹ 9.84 and ₹ (154.72) on re-measurement of defined employee benefit plans (net of tax) is recognised as part of retained earnings for the years ended 31 March 2023 and 31 March 2022, respectively.

Pursuant to the requirements of Division II to Schedule III, below is the nature and purpose of each reserve:

- Securities premium** - Securities premium reserve is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.
- General reserve** - General reserve represents appropriation of profits. This represents a free reserve and is available for dividend distributions. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the statement of profit and loss.
- Retained earnings** - Retained earnings comprises of prior and current year's undistributed earnings after tax.
- Capital reserve** - Represents receipts, during the year ended 31 October 2012 upon termination of Mphasis Employee Welfare Trust, in accordance with the Declaration of Trust made for administration of share-based payment plan in relation to erstwhile employees of Mphasis Corporation. The net assets of the Trust were transferred to the Company upon completion of its objectives in accordance with the provisions of the said Declaration of Trust. The same will be utilised for the purposes as permitted by the Companies Act, 2013.
- Capital Redemption Reserve ('CRR')** - Capital Redemption Reserve is created to the extent of the nominal value of the share capital extinguished on buyback of Company's own shares in accordance with Section 69 of the Companies Act, 2013. The reserve will be utilized in accordance with the provisions of section 69 of the Companies Act, 2013.
- Special Economic Zone re-investment reserve** - The Special Economic Zone Re-investment Reserve has been created out of the profits of eligible SEZ units in accordance with the provisions of section 10AA(1)(ii) of Income Tax Act, 1961. The reserve is required to be utilized by the Company for acquiring eligible plant and machinery for the purpose of its business.
- Share based payments reserve** - Share based payments reserve is used to record the fair value of equity-settled share-based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees.
- Cash flow hedging reserve** - Cumulative changes in the fair value of financial instruments designated and effective as a hedge are recognized in this reserve through OCI (net of taxes). Amounts recognized in the hedging reserve are reclassified to the statement of profit and loss when the underlying transaction occurs.
- Investments in debt instruments** - This reserve represents the cumulative gains and losses arising on the revaluation of debt instruments (excluding interest income recognised in the statement of profit and loss) on the balance sheet date measured at fair value through OCI (net of taxes). The reserves accumulated will be reclassified to profit and loss when such instruments are disposed.

Summary of significant accounting policies. (Note 2)

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number:
101248W/W-100022

Amit Somani
Partner
Membership No. 060154

Bengaluru
27 April 2023

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer & Managing Director
New York

Manish Dugar
Chief Financial Officer

Bengaluru
27 April 2023

Narayanan Kumar
Director
Chennai

Subramanian Narayan
Senior Vice President &
Company Secretary
Bengaluru

STANDALONE FINANCIAL STATEMENTS

STANDALONE STATEMENT OF CASH FLOWS

(₹ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Operating activities		
Profit before tax	18,819.67	16,202.13
Adjustments to reconcile profit before tax to net cash provided by operating activities:		
Depreciation and amortization expense	1,757.52	1,493.96
Profit on sale of property, plant and equipment and intangible assets	(16.92)	(5.12)
Net gain on investments carried at fair value through profit and loss	(266.88)	(348.79)
Share based payment expenses	277.03	147.68
Provision for expected credit loss	306.72	77.92
Finance costs	737.03	587.11
Interest income	(282.75)	(258.16)
Gain on lease modifications	(16.66)	-
Unrealized exchange loss/(gain), net	88.32	(22.21)
Operating profit before changes in operating assets and liabilities	21,403.08	17,874.52
Changes in operating assets and liabilities		
Trade receivables	(3,612.31)	(6,188.07)
Loans	(282.98)	(196.16)
Other financial assets	786.19	613.79
Other assets	(681.06)	(3,438.54)
Trade payables	(1,724.68)	3,350.41
Other financial liabilities	313.26	1,798.20
Other liabilities	177.19	108.73
Provisions and employee benefit obligations	(758.58)	634.91
Total changes in operating assets and liabilities	(5,782.97)	(3,316.73)
Income tax paid (net of refunds)	(4,795.90)	(2,923.86)
Net cash flows generated from operating activities (A)	10,824.21	11,633.93

STANDALONE FINANCIAL STATEMENTS

STANDALONE STATEMENT OF CASH FLOWS (Continued)

(₹ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Investing activities		
Purchase of property, plant and equipment and intangible assets	(544.08)	(773.91)
Proceeds from sale of property, plant and equipment and intangible assets	43.78	6.01
Purchase of investments	(60,252.15)	(44,671.13)
Sale of investments	62,550.88	45,871.66
Loans given to related party	-	(2,820.74)
Loans repaid by related party	656.47	908.28
Interest received	238.42	233.75
Investments in bank deposits	(15.30)	(402.37)
Redemption / maturity of bank deposits	539.18	1,501.89
Net cash flows generated from/(used in) investing activities (B)	3,217.20	(146.56)
Financing activities		
Proceeds from issue of shares	270.73	441.71
Repayment of borrowings	(10,020.00)	(5,733.95)
Availment of borrowings	7,500.00	7,370.00
Interest paid	(340.55)	(202.75)
Repayment of lease liabilities	(905.91)	(836.13)
Interest on repayment of lease liabilities	(393.12)	(384.26)
Dividends paid	(8,652.32)	(12,176.78)
Net cash flows used in financing activities (C)	(12,541.17)	(11,522.16)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,500.24	(34.79)
Cash and cash equivalents at the beginning of the year	4,856.65	4,891.44
Cash and cash equivalents at the end of the year (refer note 11)	6,356.89	4,856.65

Refer note 19 for supplementary information on cash flow movements

Summary of significant accounting policies. (Note 2)

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number:
101248W/W-100022

Amit Somani
Partner
Membership No. 060154

Bengaluru
27 April 2023

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer & Managing Director
New York

Manish Dugar
Chief Financial Officer

Bengaluru
27 April 2023

Narayanan Kumar
Director
Chennai

Subramanian Narayan
Senior Vice President &
Company Secretary
Bengaluru

STANDALONE FINANCIAL STATEMENTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Mphasis Limited ('the Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The shares of the Company are listed on two recognised stock exchanges in India. The registered office of the Company is in Bengaluru, India.

Mphasis Limited, a global Information Technology (IT) solutions provider specializing in providing cloud and cognitive services, applies next-generation technology to help enterprises transform businesses globally. Customer centricity is foundational to Mphasis and is reflected in the Mphasis' Front2Back™ Transformation approach. Front2Back™ uses the exponential power of cloud and cognitive to provide hyper-personalized digital experience to clients and their end customers.

The standalone financial statements for the year ended 31 March 2023 have been approved by the Board of Directors on 27 April 2023.

The standalone financial statements comprise the financial statements of the Company and its controlled employee benefit trusts.

Mphasis Limited is the sponsoring entity of Employee Stock Option Plan ('ESOP') trusts. Management of the Company can appoint and remove the trustees and provide funding to the trust for buying the shares. Basis assessment by the management, it believes that the ESOP trusts are designed to be controlled by the Company as an extension arm of the Company and are hence included in these standalone financial statements.

List of Trusts that are consolidated.

- Mphasis Employees Benefit Trust.
- Mphasis Employees Equity Reward Trust.

Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis of accounting, except for the following assets and liabilities which have been measured at fair value.

- Derivative financial instruments.
- Investments classified as Fair Value Through Profit or Loss ('FVTPL') /Fair Value Through Other Comprehensive Income ('FVTOCI').
- Fair value of plan assets less present value of defined benefit obligations.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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 measurement date.

All assets and liabilities have been classified as current and non-current as per the Companies' normal operating cycle of 12 months. Current assets do not include assets which are not expected to be realised within 12 months and current liabilities include only items where the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The standalone financial statements are presented in INR ('₹ ') and all the values are rounded off to the nearest million (INR 000,000) except when otherwise indicated.

The statement of cash flows have been prepared under the indirect method.

The Company has consistently applied the following accounting policies to all periods presented in these standalone financial statements.

Use of estimates, assumptions, and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the standalone financial statements and the reported amounts of revenues and expenses for the year. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate change in estimates are made as management become aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised in the year in which the estimates are revised.

STANDALONE FINANCIAL STATEMENTS

Application of accounting policies that require critical accounting estimates involving judgements and the use of assumptions in the standalone financial statements have been disclosed below :

- **Taxes**

The Company's major tax jurisdictions is in India. Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income of the Company's operations in India. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates and reflects uncertainties relating to income taxes, if any. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile. A tax assessment could involve complex issues, which can only be resolved over extended time periods.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits.

- **Defined benefit plans**

The cost of the defined benefit gratuity plan, compensated absences and the present value of the defined benefit obligation are determined based on an actuarial valuation carried out by an independent actuary using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, future attrition rates and mortality rates. Due to the complexities involved in the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of Government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. These mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates.

- **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, the fair value is measured using appropriate valuation techniques. The inputs to these models are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- **Useful lives of property, plant, and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

- **Revenue recognition**

Use of the percentage-of completion method in accounting for revenue from fixed-price contracts requires the Company to exercise judgement in estimating the balance-to-go efforts or costs. Efforts or costs expended to date as a proportion of the total efforts or costs to be expended is used as a measure to determine the percentage-of completion. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

- **Expected credit loss ('ECL') on trade receivables**

The impairment provisions are based on an evaluation of the risk of default over the expected life of the receivables and expected timing of collection. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's credit-worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

- **Provisions and contingent liabilities.**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Judgements include estimating the probability of the cash outflows for the present obligations and accordingly provisions are determined and reviewed at the end of each reporting period and are adjusted to reflect current best estimates.

STANDALONE FINANCIAL STATEMENTS

The Company uses significant judgement to identify and measure contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities in relation to assessment/litigations can involve complex issues, which can only be resolved over extended time periods.

- **Leases**

The Company evaluates if an arrangement qualifies to be a lease based on the requirements of the relevant standard. Identification of a lease requires significant management judgement. Computation of the lease liabilities and right-to-use assets requires management to estimate the lease term (including anticipated renewals), and the applicable discount rate. Management estimates the lease term based on the non-cancellable lease-term, options for future renewals if the Company is reasonably certain to exercise and options to terminate the lease if the Company is reasonably certain not to exercise. In performing this assessment, the discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Revenue recognition

Revenue is recognized upon transfer of control of promised goods or services to customers in an amount that reflects the transaction price (net of variable consideration) allocated to a particular performance obligation.

The Company derives its revenues primarily from rendering application development and maintenance services, infrastructure outsourcing services, call centre and business & knowledge process outsourcing operations and licensing arrangements.

- Revenue from rendering application development and maintenance services comprise income from time-and-material, fixed monthly billings and milestone-based fixed price contracts. Revenues from call center, business & knowledge process outsourcing operations and infrastructure outsourcing services arise from time-based, unit-priced, fixed monthly billings and milestone-based fixed priced contracts.
- Revenue from time and material, unit-priced contracts is recognized on an output basis, measured by units delivered, efforts expended etc.
- Revenue from fixed price contracts is recognized using the percentage-of-completion method, calculated as the proportion of the cost of efforts incurred up to the reporting date to estimated cost of total efforts.
- Fixed Bid monthly milestone-based recognition – The practical expedient of revenue equals invoicing is applied as the amounts invoiced directly correspond with the value transferred to the customer.
- Revenue from fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognized based on time elapsed mode and revenue is straight-lined over the period of performance.
- Revenue from license transactions where customers are given a right to use intellectual property are recognised upfront at the point in time when the license is delivered to the customer, simultaneously with the transfer of control.
- Revenue from bundled contracts is recognized separately for each performance obligation based on their allocated transaction price (net of variable consideration).
- In cases where implementation and / or customisation services rendered significantly modifies or customises the license, these services and license are accounted for as a single performance obligation and revenue is recognised over time using the percentage-of-completion method, calculated as the proportion of the cost of effort incurred up to the reporting date to estimated cost of total efforts.
- Revenue from the sale of distinct third-party hardware is recognised at the point in time when control is transferred to the customer.

The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third-party goods are recorded at gross or net basis depending on whether the Company obtains control of the specified goods or services before it is transferred to the customer.

Revenue from sale of services is measured based on the transaction price, which is the consideration, adjusted for discounts and pricing incentives, if any, as specified in the contract with the customer. Sales tax / Value Added Tax (VAT) / Goods and Services Tax ('GST') is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity / service rendered by the seller on behalf of the Government. Accordingly, it is excluded from revenues.

The Company recognises an onerous contract provision when it is probable that the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract exceed the economic benefits to be received.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue ("contract liability") is recognised when there are billings in excess

STANDALONE FINANCIAL STATEMENTS

of revenues. The billing schedules agreed with customers could include periodic performance-based payments and/or milestone-based progress payments. Invoices are payable within contractually agreed credit period. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

Contract modifications: Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Use of significant judgements in revenue recognition.

- The Company's contracts with customers could include promises to transfer multiple goods and services to a customer. The Company assesses the goods / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration from the customer or variable consideration with elements such as volume discounts, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. The Company has applied the practical expedient provided by Ind AS 115, whereby the Company does not adjust the transaction price for the effects of the time value of money where the period between when the control on goods and services transferred to the customer and when payment thereof is due, is one year or less. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct goods or services from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct good or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost-plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how a customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such goods or services, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Use of the percentage-of completion method in accounting for revenue from fixed-price contracts requires the Company to exercise judgement in estimating the balance-to-go efforts or costs. Efforts or costs expended to date as a proportion of the total efforts or costs to be expended is used as a measure to determine the percentage-of completion. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.
- Contract fulfilment costs are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.
- Contract acquisition costs are generally expensed as incurred except for certain costs which meet the criteria for capitalization, in particular if such costs are expected to be recovered. Contract acquisition costs are amortized over the contract term, consistent with the pattern of transfer of goods or services to which the asset relates.

Interest income is recognized as it accrues in the standalone statement of profit and loss using effective interest rate method.

Dividend income is recognized when the right to receive the dividend is established.

The Company disaggregates revenue from contracts with customers by segment, geography, services rendered, delivery location and project type.

Property, plant and equipment and intangible assets

Property, plant and equipment are stated at the cost of acquisition or construction less accumulated depreciation and write down for, impairment if any. Direct costs are capitalised until the assets are ready to be put to use. Cost includes expenditure directly attributable to the acquisition. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Subsequent expenditure relating to property, plant and equipment is capitalized

STANDALONE FINANCIAL STATEMENTS

only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are recognised in the statement of profit and loss as incurred. Property, plant and equipment purchased in foreign currency are recorded at cost, based on the exchange rate on the date of purchase.

The Company identifies and determines cost of each component / part of property, plant and equipment separately, if the component/ part has a cost which is significant to the total cost of the property, plant and equipment and has useful life that is materially different from that of the remaining asset.

Intangible assets purchased are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any. The amortization period and the amortization method are reviewed at least at each financial year end. Internally developed intangible assets are stated at cost that can be measured reliably during the development phase and capitalised when it is probable that future economic benefits that are attributable to the assets will flow to the Company.

Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the assets. Freehold land is not depreciated.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed under 'other assets'. The cost of property, plant and equipment not ready to use before the balance sheet date is disclosed under 'Capital work in progress'.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of property, plant and equipment and intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment and are recognized in the statement of profit and loss when the property, plant and equipment is derecognized.

Depreciation and amortization

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by management. Intangible assets are amortised on a straight-line basis over the estimated useful economic life. Depreciation / amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate. The useful lives estimated by management are given below :

(In years)

Asset	Useful life as per Companies Act, 2013	Useful life estimated by management
Computer equipment	3	3
Furniture and fixtures	10	5
Buildings	20	20 or remaining lease term whichever is less
Lease hold improvements	Not Applicable	10 or remaining lease term whichever is less
Office equipment	5	5
Plant and equipment	15	4 to 7
Server and networks	6	6
Vehicles	8	5
Computer Software	As per Ind AS 38	3 to 7

In respect of plant and equipment, furniture and fixtures and vehicles, management, basis internal assessment of usage pattern believes that the useful lives as mentioned above best represent the period over which management expects to use these assets. Hence the useful lives in respect of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Project specific assets are depreciated over the period of contract or useful life of the asset, whichever is lower.

Leases

Company as a lessee

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

STANDALONE FINANCIAL STATEMENTS

- the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Company for the nature of asset taken on lease. Generally, the Company uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the standalone statement of profit and loss.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Company as a lessor

When the Company acts as a lessor at the inception, it determines whether each lease is a finance lease or an operating lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short -term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains a lease and non-lease components, the Company applies Ind AS 115-Revenue to allocate the consideration in the contract.

Investments in subsidiaries:

Investment in equity instruments of subsidiaries are measured at cost less impairment, if any.

STANDALONE FINANCIAL STATEMENTS

Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur.

Impairment

a. Financial assets (other than at fair value)

For financial assets measured at amortised cost, the Company assesses at each balance sheet date whether the asset is impaired. Ind AS 109 ('Financial instruments') requires expected credit losses to be measured through a loss allowance. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted using the effective interest rate. The Company recognises lifetime expected losses for all contract assets and/or all trade receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company provides for impairment upon the occurrence of the triggering event.

b. Non-financial assets

• Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit ('CGU') to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the standalone statement of profit and loss.

• Investment in subsidiaries

The Company assesses investments in subsidiaries for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the investment in subsidiary. The recoverable amount of such investment is the higher of its fair value less cost of disposal ("FVLCD") and its value-in-use ("VIU"). The VIU of the investment is calculated using projected future cash flows. If the recoverable amount of the investment is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the standalone statement of profit and loss.

Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments consist of the following:

- financial assets, which include cash and cash equivalents, deposits with banks, trade receivables, investments in equity and debt securities and eligible current and non-current assets;
- financial liabilities, which include loans and borrowings, finance lease liabilities, trade payables, eligible current and non-current liabilities.

Non-derivative financial instruments are recognised when the Company becomes a party to the contract that gives rise to financial assets and liabilities. Financial assets (excluding trade receivables) and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

a. Cash and cash equivalents

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks with an original maturity of less than or up to three months. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding overdrafts that are repayable on demand and are considered part of the Company's cash management system.

b. Financial assets at amortised cost

Financial assets (except for debt instruments that are designated at fair value through Profit or Loss (FVTPL) on initial recognition) are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

STANDALONE FINANCIAL STATEMENTS

c. Financial assets at fair value through other comprehensive income

Financial assets (except for debt instruments that are designated at fair value through Profit or Loss (FVTPL) on initial recognition) are measured at fair value through other comprehensive income ('FVTOCI') if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is recognized in the standalone statement of profit or loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognized in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in reserves is transferred to the standalone statement of profit and loss.

d. Financial assets at fair value through profit or loss

Financial assets are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in standalone statement of profit and loss. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in the standalone statement of profit and loss. The gain or loss on disposal is recognized in the standalone statement of profit and loss.

Interest income is recognized in the standalone statement of profit and loss for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognized when the Company's right to receive dividend is established.

e. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derivative financial instruments

The Company is exposed to foreign currency fluctuations on foreign currency assets and liabilities. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in standalone statement of profit and loss as expenses.

Subsequent to initial recognition, derivative financial instruments are measured as described below.

a. Cash flow hedges

The Company designates certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable cashflow forecast transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the standalone statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the standalone statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to the standalone statement of profit and loss.

b. Others

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges are recognized in the standalone statement of profit and loss and reported within foreign exchange gains, net.

Changes in fair value and gains/(losses) on settlement of foreign currency derivative instruments relating to borrowings, which have not been designated as hedges are recorded as foreign exchange gains/ (losses).

c. De-recognition of financial instruments

Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires. Trade receivables which are subject to non-recourse factoring arrangements are derecognized in accordance with Ind AS 109 and are offset in accordance with Ind AS 32.

STANDALONE FINANCIAL STATEMENTS

d. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amounts are presented in the standalone balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

e. Fair value of financial instruments

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 measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When a quote is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

f. Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Employee benefits

a. Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b. Compensated absences

The Company has a policy on compensated absences that is both accumulating and non-accumulating in nature. Non-accumulating compensated absences are measured on an undiscounted basis and are recognized in the period in which absences occur. The cost of short term compensated absences are provided for based on estimates. The expected cost of accumulating compensated absences is determined by actuarial valuation at each balance sheet date measured based on the amounts expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefits for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the standalone statement of profit and loss. The Company presents the entire obligation for compensated absences as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond 12 months from the reporting date.

c. Defined contribution plans

Employee benefits are accrued in the period in which the associated services are rendered by employees of the Company. Contributions to defined contribution schemes such as Provident Fund, Employee State Insurance Scheme, 401(k) and other social security schemes are charged to the standalone statement of profit or loss on an accrual basis.

STANDALONE FINANCIAL STATEMENTS

d. Provident fund

Mphasis Limited has established a Provident Fund Trust to which contributions towards provident fund are made on a monthly basis. The Provident Fund Trust, based on the Government specified minimum rates of return guarantees a specified rate of return on such contributions on a periodical basis. The contributions to the trust managed by the Company is accounted for as a defined benefit plan as the Company is liable for any shortfall in the fund assets based on the Government specified minimum rates of return.

e. Gratuity

The Company has a defined benefit gratuity plan that provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment in accordance with "The Payment of Gratuity Act, 1972". The amount is based on the respective employee's last drawn salary and the tenure of employment with the Company.

Gratuity, which is a defined benefit plan, is determined based on an independent actuarial valuation, which is carried out based on the projected unit credit method. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognised in OCI are not to be subsequently reclassified to standalone statement of profit and loss. As required under Ind AS read with Schedule III to Companies Act, 2013, the Company transfers it immediately to retained earnings. The discount rate is based on the yield of securities issued by the Government of India.

Share based payments

The Company measures compensation cost relating to share-based payments using the fair valuation method in accordance with Ind AS 102, Share-Based Payment. Compensation expense is amortized over the vesting period of the option on a graded basis. The units generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black-Scholes valuation model. The expected term of an option is estimated based on the vesting term and contractual life of the option. Expected volatility during the expected term of the option is based on the historical volatility of share price of the Company. Risk free interest rates are based on the government securities yield in effect at the time of the grant.

The cost of equity settled transactions is recognised, together with a corresponding increase in share-based payment reserve in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. Debit or credit in standalone statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

The dilutive effect of outstanding options is reflected in the computation of diluted earnings per share.

Foreign Currencies

Transactions and balances

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date.

Gains and losses arising on restatement of foreign currency denominated monetary assets and liabilities are included in the standalone statement of profit and loss. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at an exchange rate that approximates the rate prevalent on the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

STANDALONE FINANCIAL STATEMENTS

Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in standalone statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

- **Current income tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period and reflects the uncertainty related to income tax, if any. The tax rates and tax laws used to compute the amount are those that are enacted by the balance sheet date. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

- **Deferred income tax**

Deferred income tax assets and liabilities are recognised using the balance sheet approach. Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in the future to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available to allow in the future against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as an income or expense in the period that includes the enactment or substantive enactment date.

Deferred income taxes are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

For operations carried out in SEZ facilities, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that do not reverse during the tax holiday period(s).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity.

Provisions and contingent liabilities

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow embodying economic benefits of resources will be required to settle the obligation. Provisions are determined based on best estimates required to settle each obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

STANDALONE FINANCIAL STATEMENTS

Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the Company's owners for the year by the weighted average number of equity shares outstanding during the year adjusted for treasury shares held.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

Cash dividend to the equity holders of the Company

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. Final dividends on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

Government grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. When the grant relates to a capital asset, it is presented by deducting the grant in arriving at the carrying amount of the asset. Government grants related to revenue are recognized on a systematic basis in net profit in the standalone statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its standalone financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

STANDALONE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT

(₹ million)

	Plant and equipment	Computer equipment	Servers and networks	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvements	Total
Cost								
At 1 April 2021	145.03	1,350.27	639.81	224.38	132.48	22.20	690.86	3,205.03
Additions	14.37	690.28	65.13	25.36	1.94	-	5.27	802.35
Disposals/ written off	(5.87)	(0.02)	(1.26)	(0.61)	(2.09)	(10.61)	(0.01)	(20.47)
Translation exchange differences	0.02	-	-	0.04	0.01	-	-	0.07
At 31 March 2022	153.55	2,040.53	703.68	249.17	132.34	11.59	696.12	3,986.98
Additions	18.13	183.45	91.19	15.82	11.74	-	62.27	382.60
Disposals/ written off	(13.23)	(203.67)	(84.58)	(9.39)	(5.20)	-	-	(316.07)
Translation exchange differences	0.10	0.05	-	0.15	0.02	-	-	0.32
At 31 March 2023	158.55	2,020.36	710.29	255.75	138.90	11.59	758.39	4,053.83
Depreciation								
At 1 April 2021	83.49	822.94	323.99	112.39	58.68	20.00	200.01	1,621.50
Charge for the year	16.66	353.50	93.65	38.10	22.88	2.20	68.42	595.41
Disposals/ written off	(5.77)	(0.02)	(0.65)	(0.58)	(1.94)	(10.61)	(0.01)	(19.58)
At 31 March 2022	94.38	1,176.42	416.99	149.91	79.62	11.59	268.42	2,197.33
Charge for the year	17.89	473.04	86.24	38.66	22.26	-	68.72	706.81
Disposals/ written off	(12.31)	(196.64)	(74.98)	(9.33)	(4.35)	-	-	(297.61)
Translation exchange differences	0.02	(0.01)	-	0.03	(0.01)	-	0.01	0.04
At 31 March 2023	99.98	1,452.81	428.25	179.27	97.52	11.59	337.15	2,606.57
Net block								
At 31 March 2022	59.17	864.11	286.69	99.26	52.72	-	427.70	1,789.65
At 31 March 2023	58.57	567.55	282.04	76.48	41.38	-	421.24	1,447.26
Capital work-in-progress*								
At 31 March 2023								43.35
At 31 March 2022								-

* Nil (31 March 2022: ₹ 6.57 million) has been capitalised and transferred to Property, Plant & Equipment.

4. LEASES

RIGHT-OF-USE ASSETS

	Buildings	Plant and equipment	Servers and networks	Furniture and fixtures	Vehicles	Total
Cost						
At 1 April 2021	5,537.73	225.48	1.31	12.99	26.68	5,804.19
Additions	531.83	-	-	-	10.82	542.65
Retirement on completion of lease term	(49.72)	(207.88)	(0.36)	-	(8.65)	(266.61)
At 31 March 2022	6,019.84	17.60	0.95	12.99	28.85	6,080.23
Additions	2,297.92	-	-	-	28.52	2,326.44
Modifications / terminations	(81.98)	-	-	-	(0.69)	(82.67)
Retirement on completion of lease term	(609.66)	(15.28)	(0.83)	(12.22)	(6.59)	(644.58)
Translation exchange differences	7.92	-	-	-	(0.06)	7.86
At 31 March 2023	7,634.04	2.32	0.12	0.77	50.03	7,687.28
Depreciation						
At 1 April 2021	1,282.89	200.67	1.12	7.60	13.19	1,505.47
Charge for the year	813.96	22.37	0.19	3.10	8.31	847.93
Retirement on completion of lease term	(49.72)	(207.88)	(0.36)	-	(8.65)	(266.61)
At 31 March 2022	2,047.13	15.16	0.95	10.70	12.85	2,086.79

STANDALONE FINANCIAL STATEMENTS

4. LEASES (Continued)

(₹ million)

	Buildings	Plant and equipment	Servers and networks	Furniture and fixtures	Vehicles	Total
Charge for the year	998.81	2.39	-	2.29	11.09	1,014.58
Modifications / terminations	(31.96)	-	-	-	-	(31.96)
Retirement on completion of lease term	(609.66)	(15.28)	(0.83)	(12.22)	(6.59)	(644.58)
Translation exchange differences	0.28	-	-	-	(0.01)	0.27
At 31 March 2023	2,404.60	2.27	0.12	0.77	17.34	2,425.10
Net block						
At 31 March 2022	3,972.71	2.44	-	2.29	16.00	3,993.44
At 31 March 2023	5,229.44	0.05	-	-	32.69	5,262.18

During the year ended 31 March 2023, the Company incurred expenses amounting to ₹ 191.84 million (31 March 2022: ₹ 203.70 million) towards short-term leases and leases of low-value assets. For the year ended 31 March 2023, the total cash outflows for leases, including short-term leases and low-value assets amounted to ₹ 1,490.87 million (31 March 2022: ₹ 1,424.09 million).

Lease contracts entered into by the Company primarily pertains to buildings taken on lease to conduct its business in the ordinary course.

The following table presents the various components of lease costs:

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation	1,014.58	847.93
Interest on lease liabilities	393.12	384.26
	1,407.70	1,232.19

The Company has also subleased office space under cancellable operating lease agreements. The total sublease rental income under cancellable operating leases amounted to ₹ 58.44 million for the year ended 31 March 2023 (31 March 2022: ₹ 54.77 million).

5. OTHER INTANGIBLE ASSETS

	As at 31 March 2023	As at 31 March 2022
Computer Software		
Cost		
Balance as per previous financial statements	466.91	445.36
Additions	34.53	21.55
Disposals	(51.22)	-
	450.22	466.91
Amortization		
Balance as per previous financial statements	420.56	369.94
Amortization	36.13	50.62
Disposals	(42.82)	-
	413.87	420.56
Net block	36.35	46.35

STANDALONE FINANCIAL STATEMENTS

6. NON-CURRENT INVESTMENTS

	As at 31 March 2023			As at 31 March 2022		
	Shares	Par value per share	₹ million	Shares	Par value per share	₹ million
Investments measured at cost						
Investments in unquoted equity instruments						
Investments in subsidiaries						
Mphasis Corporation	3,187	US \$ 0.01	3,724.38	3,187	US \$ 0.01	3,724.38
Mphasis Australia Pty Limited	2,000	AUD 1	0.05	2,000	AUD 1	0.05
Mphasis Consulting Limited	7,953,393	£ 0.002	685.65	7,953,393	£ 0.002	685.65
Mphasis Ireland Limited	10,000	€ 1	0.59	10,000	€ 1	0.59
Mphasis Belgium BV	62	€ 100	0.39	62	€ 100	0.39
Mphasis Poland s.p.z.o.o.	200	PLN 500	2.07	200	PLN 500	2.07
Mphasis Lanka Private Limited	1,095,584	LKR112.10	55.78	1,095,584	LKR112.10	55.78
Less: Provision for impairment in value of investment			(55.78)			(55.78)
PT Mphasis Indonesia	99,000	US \$ 1	4.38	99,000	US \$ 1	4.38
Less: Provision for impairment in value of investment			(4.38)			(4.38)
Mphasis Deutschland GmbH (Nominal capital of 91,000 Deutch Mark)	-	-	2.52	-	-	2.52
Less: Provision for impairment in value of investment			(2.52)			(2.52)
Mphasis (Shanghai) Software & Services Company Limited(100% equity interest)	-	-	105.35	-	-	105.35
Mphasis Europe BV	3,381,654	€ 1	9,647.64	3,381,654	€ 1	9,647.64
Investment in subsidiaries (A)			14,166.12			14,166.12
	Units	NAV (₹)	₹ million	Units	NAV (₹)	₹ million
Investments measured at FVTPL						
Quoted debentures						
Rural Electricity Corporation Limited	-	-	-	250	1,100,000.00	275.00
HDB Non- Convertible Debentures - 2023	-	-	-	500	1,023,700.00	511.85
Kotak Mahindra Prime Limited - Non-convertible	-	-	-	400	1,007,500.00	403.00
Kotak Mahindra Investment Limited	2,500	101,140.00	252.85	-	-	-
Investments measured at FVTOCI						
Quoted State Development Loans						
7.19% GUJ 25JAN27	219	996,861.00	217.96	-	-	-
Investments other than subsidiaries (B)			470.81			1,189.85
Total non-current investments (A+B)			14,636.93			15,355.97
Aggregate value of unquoted non-current investments in subsidiaries			14,228.80			14,228.80
Aggregate value of quoted non-current investments			470.81			1,189.85
Market value of quoted non-current investments			470.81			1,189.85
Aggregate amount of impairment in value of investments in subsidiaries			(62.68)			(62.68)

STANDALONE FINANCIAL STATEMENTS

7. OTHER FINANCIAL ASSETS

(₹ million)

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Unsecured - considered good				
Bank deposits (refer note 12)*	0.22	159.67	10.97	0.03
Accrued interest	-	-	2.30	43.12
Recoverable from subsidiaries	-	-	516.11	366.39
Foreign exchange derivative assets	23.25	344.44	155.52	1,042.42
Deposits	603.59	412.21	1,121.77	1,249.05
Others	-	-	2.88	16.10
	627.06	916.32	1,809.55	2,717.11

* Includes restricted deposits of ₹ 11.18 million (31 March 2022: ₹ 11.18 million) placed as a lien against bank guarantees/ statutory registration purposes/ claims.

8. OTHER ASSETS

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Unsecured - considered good				
Contract assets	202.23	286.21	787.94	578.86
Contract fulfilment cost	0.80	3.98	3.19	3.19
Contract acquisition cost	4.61	29.07	373.58	76.19
	207.64	319.26	1,164.71	658.24
Less: Loss allowance	-	-	-	-
	207.64	319.26	1,164.71	658.24
Unsecured - considered good				
Travel advances	-	-	2.24	1.88
Prepaid expenses	23.46	28.12	703.30	610.60
Advances to suppliers	-	-	297.66	384.25
Indirect tax recoverable	206.37	206.37	4,755.58	4,471.18
	229.83	234.49	5,758.78	5,467.91
	437.47	553.75	6,923.49	6,126.15

STANDALONE FINANCIAL STATEMENTS

9. CURRENT INVESTMENTS

	As at 31 March 2023			As at 31 March 2022		
	Units	NAV (₹)	₹ million	Units	NAV (₹)	₹ million
Investments measured at FVTPL						
Quoted mutual funds						
Kotak Equity Arbitrage Fund Direct Growth	-	-	-	34,899,252	31.67	1,105.23
IDFC Arbitrage Fund	-	-	-	19,457,628	27.91	543.13
Kotak Savings Fund - Direct Plan - Growth	-	-	-	27,753,107	36.03	999.95
Nippon India Arbitrage Advantage Fund	-	-	-	26,557,921	22.83	606.26
Nippon India Money Market	76,169	3,547.52	270.21	298,442	3,350.56	999.95
Kotak Money Market Fund - Direct Plan - Growth	184,803	3,828.34	707.49	168,663	3,620.71	610.68
HDFC Overnight Fund - Direct Plan - Growth	66,107	3,328.44	220.03	217,103	3,157.45	685.49
UTI Money Market Fund - Direct Growth Plan	-	-	-	25,807	2,490.77	64.28
HDFC Ultra Short Term Fund - Direct Plan - Growth	31,739,528	13.11	415.98	-	-	-
IDFC Cash Fund - Direct Plan - Growth	855,476	2,718.58	2,325.68	-	-	-
SBI Magnum Ultra Short term Fund - Direct Plan - Growth	16,771	5,158.42	86.51	-	-	-
Quoted debentures *						
ICICI Home Finance Company Limited - 2022	-	-	-	700	542,050.00	379.44
HDB Non- Convertible Debentures	500	1,072,100.00	536.05	-	-	-
Rural Electricity Corporation Limited	250	1,143,600.00	285.90	-	-	-
ICICI Home Finance Company Limited - 2024	500	1,039,700.00	519.85	-	-	-
Kotak Mahindra Prime Limited	400	1,028,249.00	411.30	-	-	-
Investments measured at amortized cost						
Quoted Debentures						
5.4% HDFC Limited	250	1,030,031.01	257.51	-	-	-
7.2871% HDB financial services	250	1,049,704.82	262.43	-	-	-
Quoted bonds						
7.19% India Infrastructure Finance Company Limited	-	-	-	599,500	1,000.00	599.50
Unquoted inter corporate deposit						
HDFC Limited**	-	-	-	-	-	1,000.00
			6,298.94			7,593.91
Aggregate value of quoted current investments			6,298.94			6,593.91
Market value of quoted current investments			6,296.92			6,617.31
Aggregate value of unquoted current investments			-			1,000.00

* These instruments are market linked debentures and earn interest based on underlying index.

**These deposits earn a fixed rate of interest.

10. TRADE RECEIVABLES

(₹ million)

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Unsecured - considered good				
Trade receivables	-	-	8,909.23	8,380.94
Allowances for doubtful receivables	-	-	(89.16)	(52.41)
			8,820.07	8,328.53
Credit impaired				
Trade receivables	-	-	502.21	535.60
Allowances for doubtful receivables	-	-	(502.21)	(535.60)
			8,820.07	8,328.53
Unbilled receivables	1,201.99	-	10,504.17	8,793.81
	1,201.99	-	19,324.24	17,122.34

Information about the Company's exposure to credit and market risks, and impairment losses for trade receivables is included in note 37.

STANDALONE FINANCIAL STATEMENTS

Trade receivables ageing schedule

(₹ million)

Particulars (31 March 2023)	Outstanding for following periods from due date of payment						Unbilled Receivables	Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years		
Undisputed Trade receivables – considered good	4,220.54	4,400.38	135.84	129.40	6.60	16.40	10,504.17	19,413.33
Undisputed Trade receivables – credit impaired	-	-	-	-	3.18	194.90	-	198.08
Disputed Trade receivables – considered good	-	-	-	-	-	0.07	-	0.07
Disputed Trade receivables – credit impaired	-	-	-	-	0.33	303.80	-	304.13
	4,220.54	4,400.38	135.84	129.40	10.11	515.17	10,504.17	19,915.61
Allowances for doubtful receivables								(591.37)
	4,220.54	4,400.38	135.84	129.40	10.11	515.17	10,504.17	19,324.24

Particulars (31 March 2022)	Outstanding for following periods from due date of payment						Unbilled Receivables	Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years		
Undisputed Trade receivables – considered good	2,831.02	4,652.31	782.29	94.27	8.72	8.55	8,793.81	17,170.97
Undisputed Trade receivables – credit impaired	-	-	-	3.12	3.26	183.77	-	190.15
Disputed Trade receivables – considered good	0.51	3.27	-	-	-	-	-	3.78
Disputed Trade receivables – credit impaired	-	-	-	0.30	19.63	325.52	-	345.45
	2,831.53	4,655.58	782.29	97.69	31.61	517.84	8,793.81	17,710.35
Allowances for doubtful receivables								(588.01)
	2,831.53	4,655.58	782.29	97.69	31.61	517.84	8,793.81	17,122.34

Non-current trade receivables represent unbilled portion of trade receivables amounting to ₹ 1,201.99 (31 March 2022: ₹ nil). Hence no ageing has been separately disclosed.

Relationship with struck off companies

Name of struck off company (31 March 2023)	Nature of transactions	Transactions during the year	Balance outstanding	Relationship
Metadata Technologies Private Limited*	Receivables	-	25.28	Customer
Name of struck off company (31 March 2022)				
Metadata Technologies Private Limited*	Receivables	-	25.28	Customer

* The above amount have been fully provided for.

STANDALONE FINANCIAL STATEMENTS

11. CASH AND CASH EQUIVALENTS

(₹ million)

	As at 31 March 2023	As at 31 March 2022
In current accounts	5,969.91	4,175.65
Deposits with original maturity of less than 3 months	386.98	681.00
	6,356.89	4,856.65

12. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Deposits with remaining maturity of more than 12 months	0.22	159.67	-	-
Deposits with remaining maturity of more than 3 months and less than 12 months	-	-	81.57	446.03
Unclaimed dividend	-	-	22.53	22.50
	0.22	159.67	104.10	468.53
Disclosed under other financial assets (refer note 7)	(0.22)	(159.67)	(10.97)	(0.03)
	-	-	93.13	468.50

13. LOANS

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Unsecured - considered good				
Loans given to related party*	-	1,970.61	1,479.06	-
Employee advances	-	-	161.78	208.64
	-	1,970.61	1,640.84	208.64
Less: Loss allowance	-	-	-	-
	-	1,970.61	1,640.84	208.64

* Loan given to related party carries interest @ 180 days average SOFR (Secured overnight financing rate) + 4.40%. The loan was given for the purposes of the acquisition of Blink Interactive, Inc. The loan is repayable on or before 14 September 2023.

14. EQUITY SHARE CAPITAL

	As at 31 March 2023	As at 31 March 2022
Authorised share capital		
245,000,000 (31 March 2022: 245,000,000) equity shares of ₹ 10 each	2,450.00	2,450.00
Issued, subscribed and fully paid-up shares		
188,400,043 (31 March 2022: 187,817,716) equity shares of ₹ 10 each fully paid-up	1,884.00	1,878.18
Add: Amount originally paid-up on forfeited shares	0.07	0.07
Total issued, subscribed and fully paid-up share capital	1,884.07	1,878.25

STANDALONE FINANCIAL STATEMENTS

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	₹ million	Number of shares	₹ million
At the beginning of the year	187,817,716	1,878.18	187,042,033	1,870.42
Issue of shares upon exercise of employee stock options (refer note 15)	582,327	5.82	775,683	7.76
Outstanding at the end of the year	188,400,043	1,884.00	187,817,716	1,878.18

(b) Terms/rights and restrictions attached to equity shares.

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates

	As at 31 March 2023	As at 31 March 2022
BCP Topco IX Pte. Ltd (subsidiary of the ultimate holding company) *		
104,799,642 (31 March 2022: 104,799,642) equity shares of ₹ 10 each fully paid	1,048.00	1,048.00

* The ultimate holding company is BCP Asia (SG) Mirror Holding Pte Ltd

Shares held by promoters at the beginning of the year			
Promoter name	No. of shares	% of total shares	
BCP Topco IX Pte Ltd	104,799,642	55.80	
Shares held by promoters at the end of the year			% change during the year
Promoter name	No. of shares	% of total shares	
BCP Topco IX Pte. Ltd	104,799,642	55.63	0.17%

(d) Equity shares movement during five years immediately preceding 31 March 2023.

(i) Aggregate number of bonus shares and shares issued for consideration other than cash:

	As at 31 March 2023	As at 31 March 2022
Equity shares allotted as fully paid bonus shares by capitalization of securities premium / retained earnings	1,400	1,400

(ii) Equity shares extinguished / cancelled on buy back

- On 2 June 2017, the Company completed the buyback of 17,370,078 fully paid-up equity shares of face value of ₹ 10 each ("equity shares"), representing 8.26% of the total paid-up equity share capital of the Company, at a price of ₹ 635 per equity share for an aggregate consideration of ₹ 11,030.00 million. The shares accepted by the Company under the buyback scheme were extinguished on 7 June 2017 and the paid-up equity share capital of the Company has been reduced to that extent. Subsequent to completion of buyback, the Company has transferred ₹ 173.70 million to Capital Redemption Reserve representing face value of equity shares bought back.
- On 28 December 2018, the Company completed the buyback of 7,320,555 fully paid-up equity shares of face value ₹ 10 each ("equity shares"), representing 3.79% of the total paid-up equity share capital of the Company, at a price of ₹ 1,350 per equity share for an aggregate consideration of ₹ 9,882.75 million. In line with the requirements of the Companies Act, 2013, an amount of ₹ 176.59 million, ₹ 743.89 million and ₹ 8,962.27 million has been utilized from securities premium, general reserve and retained earnings respectively. The shares accepted under the buyback have been extinguished on 28 December 2018 and the paid-up equity share capital of the Company has been reduced to that extent. Subsequent to completion of the buyback, the Company has transferred ₹ 73.21 million to the Capital Redemption Reserve representing face value of equity shares bought back.

- Number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash:
31 March 2023: nil (31 March 2022: nil)

STANDALONE FINANCIAL STATEMENTS

(e) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% of holding	Number of shares	% of holding
BCP Topco IX Pte. Ltd	104,799,642	55.63	104,799,642	55.80

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(f) Shares reserved for issue under options

For details of shares reserved for issue under the ESOP and RSU plan of the Company, refer note 15.

15. OTHER EQUITY

(₹ million)

	As at 31 March 2023	As at 31 March 2022
Securities premium		
Balance as per previous financial statements	1,155.61	596.40
Premium received on issue of shares on exercise of options	264.91	433.95
Transferred from share based payment reserve, on exercise of options	352.67	125.26
Closing balance	1,773.19	1,155.61
General reserve		
Balance as per previous financial statements	2,012.19	2,011.89
Reversal on lapse of options granted	13.72	0.30
Closing balance	2,025.91	2,012.19
Retained earnings		
Balance as per previous financial statements	35,386.71	35,081.09
Re-measurement gains / (losses) on defined benefit plans	9.84	(154.72)
Profit for the year	14,138.65	12,352.53
Transferred to Special Economic Zone re-investment reserve	(960.13)	(650.66)
Transferred from Special Economic Zone re-investment reserve	304.90	933.87
Less: Appropriations		
Dividends	8,652.35	12,175.40
Total appropriations	8,652.35	12,175.40
Closing balance	40,227.62	35,386.71
Capital reserve		
Balance as per previous financial statements	265.16	265.16
Closing balance	265.16	265.16
Capital redemption reserve		
Balance as per previous financial statements	246.91	246.91
Closing balance	246.91	246.91
Share based payments reserve		
Balance as per previous financial statements	1,114.81	588.65
Expense for the year	1,289.22	651.72
Transferred to securities premium on exercise of options	(352.67)	(125.26)
Reversal on lapse of options granted	(13.72)	(0.30)
Closing balance	2,037.64	1,114.81

STANDALONE FINANCIAL STATEMENTS

15. OTHER EQUITY (Continued)

(₹ million)

	As at 31 March 2023	As at 31 March 2022
Special Economic Zone re-investment reserve		
Balance as per previous financial statements	1,556.74	1,839.95
Transfer from retained earnings	960.13	650.66
Utilization during the year	(304.90)	(933.87)
Closing balance	2,211.97	1,556.74
Cash flow hedging reserve		
Balance as per previous financial statements	860.13	599.92
Changes in fair value during the year, (net)	(2,219.40)	399.96
Income tax effect on the above	775.55	(139.75)
Closing balance	(583.72)	860.13
Debt instruments through OCI		
Balance as per previous financial statements	-	-
Transactions during the year	(2.76)	-
Income tax effect on the above	0.97	-
Closing balance	(1.79)	-
Total other equity	48,202.89	42,598.26

Dividend on equity shares paid during the year ended 31 March 2023

The Board of Directors, at its meeting held on 28 April 2022 had proposed the final dividend of ₹ 46 per share for the year ended 31 March 2022 which was approved by the shareholders at the Annual General meeting held on 21 July 2022. This resulted in a cash outflow of ₹ 8,652.35 million.

Dividend on equity shares paid during the year ended 31 March 2022

The Board of Directors, at its meeting held on 13 May 2021 had proposed the final dividend of ₹ 65 per share for the year ended 31 March 2021. The dividend proposed by the Board of Directors was approved by the shareholders in the Annual General meeting held on 29 September 2021. This resulted in a cash outflow of ₹ 12,175.40 million.

Employee Stock Option Plans - Equity settled

Employees Stock Option Plan-1998 (the 1998 Plan)

The Company instituted the 1998 Plan for all eligible employees in pursuance of the special resolution approved by the shareholders in the Annual General Meeting held on 31 July 1998. The 1998 Plan provides for the issuance of 3,720,000 options to eligible employees as recommended by the ESOP Committee constituted for this purpose. In accordance with the 1998 Plan, the Committee has formulated 1998 Plan - (Version I) and 1998 Plan - (Version II) during the years 1998 - 1999 and 1999 - 2000 respectively.

1998 Plan - (Version I): Each option granted under the 1998 Plan - (Version I), entitles the holder thereof with an option to apply for and be issued one equity share of the Company at an exercise price of ₹ 34.38 per share. The equity shares covered under these options vest at various dates over a period ranging from six to sixty-six months from the date of grant based on the length of service completed by the employee to the date of grant. The options are exercisable any time after their vesting period irrespective of continued employment with the Company and its subsidiaries.

The movements in the options granted under the 1998 Plan - (Version I) are set out below:

	Year ended 31 March 2023		Year ended 31 March 2022	
	No. of options	Weighted Average Exercise Price (₹)	No. of options	Weighted Average Exercise Price (₹)
1998 Plan (Version I)				
Options outstanding at the beginning	47,000	34.38	47,000	34.38
Exercised	496	34.38	-	-
Options outstanding at the end	46,504	34.38	47,000	34.38
Exercisable at the end	46,504	34.38	47,000	34.38

The weighted average share price as at the date of exercise of stock option was ₹ 2,165.44. The options outstanding as at 31 March 2023 have an exercise price of ₹ 34.38 (31 March 2022: ₹ 34.38).

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Employees Stock Option Plan - 2016 (the 2016 Plan)

Effective 4 November 2016, the Company instituted the 2016 Plan. The Board of Directors of the Company and shareholders approved the 2016 Plan at its meeting held on 27 September 2016 and 4 November 2016 respectively. The 2016 plan provides for the issue of options to certain employees of the Company and its subsidiaries.

The 2016 Plan is administered by the Mphasis Employees Equity Reward Trust. As per the ESOP 2016 Plan, the stock options are granted at the market price subject to a discount up to twenty per cent (20%) as may be determined by the Compensation Committee at the time of Grant. The equity shares covered under these options vest over 60 months from the date of grant. The exercise period is sixty months from the respective date of vesting or within six months from the resignation of employee whichever is earlier.

The movements in the options under the 2016 plan are set out below:

2016 Plan	Year ended 31 March 2023		Year ended 31 March 2022	
	No. of options	Weighted Average Exercise Price (₹)	No. of options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning	3,790,300	1,203.55	3,803,951	591.76
Granted	188,550	2,221.81	853,275	3,397.00
Forfeited	93,393	2,313.92	89,303	1,624.73
Lapsed	105,096	514.41	1,940	523.20
Exercised	494,142	546.08	775,683	569.43
Options outstanding at the end	3,286,219	1,351.31	3,790,300	1,203.55
Exercisable at the end	2,291,232	776.57	2,420,910	558.93

The weighted average share price as at the date of exercise of stock option was ₹ 2,327.74 (31 March 2022: ₹ 2,817.05) The options outstanding as at 31 March 2023 have an exercise price ranging from ₹ 500.00 to ₹ 3,397.00 (31 March 2022: ₹ 500.0 to ₹ 3,397.00) and the weighted average remaining contractual life is of 4.17 years (31 March 2022: 4.61 years).

The weighted average fair value of stock options granted during the year was ₹ 956.96 (31 March 2022: ₹ 1,314.77). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Year ended 31 March 2023	Year ended 31 March 2022
Weighted average share price on the date of grant (₹)	2,190.61	3,306.18
Exercise Price (₹)	2,000.00 to 3,397.00	3,397.00
Expected Volatility	34.40% to 37.39%	34.47% to 35.97%
Life of the options granted in years	1-10 years	1-10 years
Average risk-free interest rate	7.17% to 7.48%	6.34% to 6.36%
Expected dividend rate	2.04% to 2.07%	2.07%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price. The expected term of the instruments has been based on historical experience and general option holder behaviour.

Total employee compensation cost pertaining to 2016 Plan during the year is ₹ 98.60 million, (31 March 2022: ₹ 57.81 million) net of cross charge to subsidiaries.

During the current year, the Company granted nil options (31 March 2022: 285,337) to key management personnel under 2016 plan.

Restricted Stock Unit Plan-2021 ("RSU Plan-2021")

Effective 22 October 2021, the Company instituted the Restricted Stock Unit Plan-2021. The Board and the shareholders of the Company approved RSU Plan-2021 on 22 October 2021. The RSU Plan-2021 provides for the issue of restricted units to employees and directors of the Company and its subsidiaries.

The RSU Plan-2021 is administered by the Mphasis Employees Equity Reward Trust. Each unit, granted under the RSU Plan-2021, entitles the holder thereof with an option to apply for and be issued one equity share of the Company at an exercise price of ₹ 10.00 per share. The equity shares covered under this plan vest over a period ranging from twelve to sixty months from the date of grant. The exercise period is sixty months from the respective date of vesting or within six months from the resignation of the employee whichever is earlier.

Pursuant to the approvals obtained from the Board of Directors and the Shareholders of the Company, during the previous year, the Company has adopted a new Restricted Units Plan, 2021 ('RSU 2021') under which a total of 3,000,000 RSUs can be granted to the eligible employees of the Company and its subsidiaries.

During the current year, the Company granted nil units (31 March: 2022: 359,189) to key management personnel under 2021 plan.

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The movements in the units under the RSU Plan -2021 are set out below:

RSU 2021 Plan	Year ended 31 March 2023		Year ended 31 March 2022	
	No. of options	Weighted Average Exercise Price (₹)	No. of options	Weighted Average Exercise Price (₹)
Units outstanding at the beginning	1,036,818	10.00	-	-
Granted	33,550	10.00	1,075,188	10.00
Forfeited	64,319	10.00	38,370	10.00
Exercised	87,689	10.00	-	-
Units outstanding at the end	918,360	10.00	1,036,818	10.00
Exercisable at the end	10,737	10.00	-	-

The weighted average share price as at the date of exercise of stock option was ₹ 2,037.37 (31 March 2022: nil). The options outstanding as at 31 March 2023 have an exercise price of ₹ 10.00 (31 March 2022: ₹ 10.00) and the weighted average remaining contractual life is of 7.47 years (31 March 2022: 8.19 years).

The weighted average fair value of stock options granted during the year was ₹ 1,746.74 (31 March 2022: ₹ 2,971.23). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Year ended 31 March 2023	Year ended 31 March 2022
Weighted average share price on the date of grant (₹)	2,085.58	3,306.24
Exercise Price (₹)	10.00	10.00
Expected Volatility	34.40% to 34.72%	34.47% to 35.97%
Life of the options granted in years	1-10 years	1-10 years
Average risk-free interest rate	7.17% to 7.48%	6.34% to 6.36%
Expected dividend rate	2.04% to 2.07%	2.07%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price. The expected term of the instruments has been based on historical experience and general option holder behaviour.

Total employee compensation cost pertaining to 2021 Plan during the year is ₹ 178.42 million (31 March 2022: is ₹ 89.86 million), net of cross charge to subsidiaries.

16. OTHER FINANCIAL LIABILITIES

(₹ million)

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Salary related costs	148.45	63.33	2,282.37	2,356.60
Capital creditors	-	-	8.03	91.63
Other payables	0.49	0.46	439.57	123.52
Unclaimed dividend*	-	-	22.53	22.50
Foreign exchange derivative liabilities	177.41	12.22	873.46	49.29
	326.35	76.01	3,625.96	2,643.54

* Unclaimed dividends when due shall be credited to Investor Protection and Education Fund.

17. EMPLOYEE BENEFIT OBLIGATIONS

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Provision for gratuity [refer note 35 (a)]	334.62	1,150.76	-	-
Provision for employee compensated absences	-	-	399.86	359.02
	334.62	1,150.76	399.86	359.02

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18. OTHER LIABILITIES

(₹ million)

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Unearned revenue	-	-	409.68	303.10
Statutory dues	-	-	592.81	522.20
	-	-	1,002.49	825.30

19. BORROWINGS

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Unsecured				
Loan from related party*	-	-	1,014.04	990.00
Pre-shipment loan from bank **	-	-	-	2,530.00
	-	-	1,014.04	3,520.00
			As at 31 March 2023	As at 31 March 2022
Balance as per previous financial statements			3,520.00	1,881.10
Cash flow movement			(2,520.00)	1,636.05
Non-cash changes relating to foreign exchange movements			14.04	2.85
Closing balance			1,014.04	3,520.00

* Loan from subsidiary carries interest @ 6 months State Bank of India MCLR (Marginal cost of funds Lending Rate) + 1.75%. The loan is repayable on or before 31 July 2023.

** Pre-shipment loans of nil (31 March 2022: ₹ 2,530.00 million) carried interest ranging from 4.00% to 5.76% (31 March 2022: 4.00% to 4.15%). The loans were repaid over the period from 22 April 2022 to 27 October 2022.

Refer note 37 for the Company's exposure to interest rate, foreign currency and liquidity risks.

20. TRADE PAYABLES

	As at 31 March 2023	As at 31 March 2022
Outstanding dues to micro and small enterprises ('MSME')	13.74	17.60
Outstanding dues to creditors other than MSME	6,666.12	8,376.18
	6,679.86	8,393.78

Trade payables ageing schedule

Particulars	Outstanding for following periods from due date of payment					Accrued expenses	Total
	Not due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years		
31 March 2023							
MSME	7.77	0.88	0.62	-	4.47	-	13.74
Others	427.92	556.59	4.92	0.58	51.65	5,604.61	6,646.27
Disputed dues others	-	2.83	-	0.64	16.38	-	19.85
	435.69	560.30	5.54	1.22	72.50	5,604.61	6,679.86
31 March 2022							
MSME	12.37	0.43	-	-	4.47	-	17.27
Others	2,583.88	1,383.36	28.43	14.35	43.58	4,305.54	8,359.14
Disputed dues MSME	-	-	-	-	0.33	-	0.33
Disputed dues others	-	-	0.65	13.95	2.44	-	17.04
	2,596.25	1,383.79	29.08	28.30	50.82	4,305.54	8,393.78

STANDALONE FINANCIAL STATEMENTS

20. TRADE PAYABLES (Continued)

Relationship with struck off companies (₹ million)

Name of struck off company	Nature of transactions	Transactions during the year	Balance outstanding	Relationship
31 March 2023				
Human Interface Consulting India Pvt Ltd	Payables	-	0.56	Vendor
Pan Cyber Infotech Pvt Ltd	Payables	0.37	-	Vendor
31 March 2022				
Human Interface Consulting India Pvt Ltd	Payables	-	0.56	Vendor

The Company has amounts due to Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31 March 2023 and 31 March 2022. The details in respect of such dues are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount	13.74	17.60
- Interest	1.21	0.67
The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed date during the year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	2.29	0.56
The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	23.69	20.19

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

21. PROVISIONS

(₹ million)

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Provisions	-	-	798.71	732.82
	-	-	798.71	732.82
			As at 31 March 2023	As at 31 March 2022
Balance as per previous financial statements			732.82	408.42
Additions			65.89	331.71
Utilised / paid			-	(7.31)
Closing Balance			798.71	732.82
Current			798.71	732.82

22. TAXES

Income tax expenses in the statement of profit and loss consist of the following:

	Year ended 31 March 2023	Year ended 31 March 2022
Taxes		
Current taxes	4,578.44	3,908.69
Deferred taxes	102.58	(59.09)
Total taxes	4,681.02	3,849.60

STANDALONE FINANCIAL STATEMENTS

22. TAXES (Continued)

Under the Indian Income Tax Act, 1961, the Company is liable to pay Minimum Alternate Tax ('MAT') in the tax holiday period if the tax payable under normal provisions is less than tax payable under MAT. Excess tax paid under MAT over tax under normal provision can be carried forward for a period of 15 assessment years and can be set off against the future tax liabilities.

The Company has units at Bengaluru, Hyderabad, Chennai and Pune registered as Special Economic Zone ('SEZ') units which are entitled to a tax holiday under Section 10AA of the Income Tax Act, 1961. The Company also has STPI units at Bengaluru, Pune and other locations which are registered as a 100 percent Export Oriented Unit, which were earlier entitled to a tax holiday under Section 10B / 10A of the Income Tax Act, 1961.

A portion of the profits of the Company's India operations are exempt from Indian income taxes being profits attributable to export operations from undertakings situated in SEZ. Under the Special Economic Zone Act, 2005 scheme, units in designated special economic zones providing service on or after 1 April 2005 will be eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50 percent of such profits and gains for a further five years. The tax benefits are also available for a further five years post the initial ten years subject to the creation of SEZ Reinvestment Reserve which is required to be spent within 3 financial years in accordance with requirements of the tax regulations in India.

The interest / dividend income from certain category of investments is exempt from tax. The difference between the reported income tax expense and income tax computed at statutory tax rate is primarily attributable to income exempt from tax, reversal of tax expense pertaining to previous years (net), tax effect on allowances / disallowances (net) and tax differentials on income from Capital Gains.

The Company is also subject to tax on income attributable to its permanent establishment in certain foreign jurisdictions due to operation of its foreign branches and subsidiaries.

Mphasis Limited has entered into international and specified domestic transactions with its associated enterprises within the meaning of Section 92B and Section 92BA respectively of the Income Tax Act, 1961. The Company is of the view that all the aforesaid transactions have been made at arms' length terms.

Deferred tax for the year ended 31 March 2023 and 31 March 2022 relates to origination and reversal of temporary differences.

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

	Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax	18,819.67	16,202.13
Applicable tax rates in India	34.944%	34.944%
Computed tax charge (A)	6,576.35	5,661.67
Tax effect on exempt operating income	(1,772.71)	(1,634.49)
Tax effect on exempt non - operating income	(11.10)	(15.06)
Tax effect on non - deductible expenses	112.34	98.64
Tax effect on differential domestic/overseas tax rate and other disallowances	(6.75)	(6.55)
Reversal of tax expenses pertaining to prior period*	(216.81)	(253.81)
Others, net	(0.30)	(0.80)
Total adjustments (B)	(1,895.33)	(1,812.07)
Total tax expenses (A+B)	4,681.02	3,849.60

* Income tax expense for the year ended 31 March 2023 and 31 March 2022 includes reversal (net of provisions) of ₹ 216.81 million and ₹ 253.81 million, respectively.

	As at 31 March 2023	As at 31 March 2022
Income tax assets (net)		
Advance income-tax (net of provision for taxation)	4,599.36	4,532.22
	4,599.36	4,532.22
Income tax liabilities (net)		
Provision for taxation	1,957.29	2,169.45
	1,957.29	2,169.45
Net income tax asset	2,642.07	2,362.77

STANDALONE FINANCIAL STATEMENTS

22. TAXES (Continued)

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities are as follows: (₹ million)

	As at 31 March 2023	As at 31 March 2022
Deferred tax asset (net)		
Property, plant and equipment and other intangible assets	247.85	287.44
Provision for doubtful debts and advances	412.87	303.06
Provision for employee benefits	426.61	577.92
On carried forward long term capital loss	1.42	11.70
Derivative (assets) / liabilities	314.50	(462.02)
Others	199.11	215.61
	1,602.36	933.71

Significant components of net deferred tax assets and liabilities are as follows:

	As at 1 April 2022	Statement of Profit and loss	OCI	As at 31 March 2023
Deferred tax asset (net)				
Property, plant and equipment and other intangible assets	287.44	(39.59)	-	247.85
Provision for doubtful debts and advances	303.06	109.81	-	412.87
Provision for employee benefits	577.92	(146.02)	(5.29)	426.61
On carried forward long term capital loss	11.70	(10.28)	-	1.42
Derivative (assets) / liabilities	(462.02)	-	776.52	314.50
Others	215.61	(16.50)	-	199.11
Total	933.71	(102.58)	771.23	1,602.36

	As at 1 April 2021	Statement of Profit and loss	OCI	As at 31 March 2022
Deferred tax asset (net)				
Property, plant and equipment and other intangible assets	276.94	10.50	-	287.44
Provision for doubtful debts and advances	275.84	27.22	-	303.06
Provision for employee benefits	418.00	76.81	83.11	577.92
On carried forward long term capital loss	40.82	(29.12)	-	11.70
Derivative (assets) / liabilities	(322.27)	-	(139.75)	(462.02)
Others	241.93	(26.32)	-	215.61
Total	931.26	59.09	(56.64)	933.71

23. REVENUE FROM OPERATIONS

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of services	94,705.29	72,909.64
Profit / (loss) on cash flow hedges reclassified to revenue	(458.86)	985.90
	94,246.43	73,895.54

Information in relation to revenue disaggregation is disclosed in note 33.

Reconciliation of revenue recognised with contracted price is as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Contracted price	95,837.00	73,794.48
Reductions towards variable consideration components*	(1,131.71)	(884.84)
Revenue as per statement of profit and loss	94,705.29	72,909.64

* The reduction towards variable consideration comprises of discounts and amortization of contract acquisition cost.

STANDALONE FINANCIAL STATEMENTS

23. REVENUE FROM OPERATIONS (Continued)

A. Contract balances

The following table discloses the movement in contract assets:

(₹ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Balance as per previous financial statements	865.07	221.64
Revenue recognized during the year	571.48	748.06
Invoiced during the year	(580.74)	(129.08)
Exchange gain / (loss)	134.36	24.45
Closing balance	990.17	865.07

The following table discloses the movement in unearned revenue balances:

	Year ended 31 March 2023	Year ended 31 March 2022
Balance as per previous financial statements	303.10	299.59
Revenue recognised that was included in the unearned revenue balance at the beginning of the year	(204.78)	(269.79)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	310.13	271.41
Exchange (gain) / loss	1.23	1.89
Closing balance	409.68	303.10

B. Remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as revenue as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Unsatisfied or partially satisfied Performance obligations are subject to variability due to several factors such as termination, changes in contract scope, re-validation of estimates and economic factors.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value transferred to the customer, typically those contracts where invoicing is on time and material, unit price basis and fixed monthly billing.

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2023 is ₹ 11,998.00 million (31 March 2022: ₹ 12,713.00 million). Out of this, the Company expects to recognize revenue of around 47% (31 March 2022: 42%) within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

24. OTHER INCOME

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income on		
Bank deposits	31.92	64.00
Debentures and long term bonds	83.62	95.38
Others	167.21	98.78
Net gain on investments measured at FVTPL *	266.88	348.79
Foreign exchange gain / (loss), (net)	474.91	520.75
Profit on sale of fixed assets, (net)	16.92	5.12
Sublease income	58.44	54.77
Miscellaneous income	84.97	44.61
	1,184.87	1,232.20

*Includes profit on sale of investments amounting to ₹ 269.09 million (31 March 2021: ₹ 497.44 million).

STANDALONE FINANCIAL STATEMENTS

25. EMPLOYEE BENEFITS EXPENSE

(₹ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and bonus	26,433.03	22,022.69
Contribution to provident and other funds	1,768.60	1,330.23
Employee share based payments	277.03	147.68
Staff welfare expenses	441.89	472.56
	28,920.55	23,973.16

26. FINANCE COSTS

	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on borrowings	343.91	202.85
Interest expense on lease liabilities	393.12	384.26
	737.03	587.11

27. DEPRECIATION AND AMORTIZATION EXPENSE

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of property, plant and equipment (refer note 3)	706.81	595.41
Amortization of intangible assets (refer note 5)	36.13	50.62
Depreciation of right-of-use assets (refer note 4)	1,014.58	847.93
	1,757.52	1,493.96

28. OTHER EXPENSES

	Year ended 31 March 2023	Year ended 31 March 2022
Subcontracting charges	39,609.37	27,850.97
Legal and professional charges	620.09	975.63
Software support and annual maintenance charges	1,498.35	1,084.52
Facility expenses	384.49	417.71
Travel	310.54	141.30
Communication expenses	397.58	344.52
Recruitment expenses	557.43	657.97
Power and fuel	214.57	204.69
Insurance	101.76	100.37
Rates and taxes	46.97	16.46
Repairs and maintenance - others	92.50	98.93
Provision for expected credit loss	306.72	77.92
Sales support and marketing expenses	164.63	180.23
Corporate Social Responsibility expense (refer note 41)	323.98	282.08
Miscellaneous expenses	548.02	419.47
Auditor's remuneration (refer details below)	19.53	18.61
	45,196.53	32,871.38
Auditor's remuneration *		
Statutory audit fee	17.60	16.70
Other services (certification fees)	1.50	1.50
Reimbursement of expenses	0.43	0.41
	19.53	18.61

*excluding Goods and Services Tax.

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29. EARNINGS PER SHARE ('EPS')

Reconciliation of basic and diluted shares used in computing earnings per share:

(₹ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Profit for the year (₹ in million)	14,138.65	12,352.53
Number of weighted average shares considered for calculation of basic earnings per share	188,164,920	187,349,367
Add: Dilutive effect of stock options	1,472,200	1,901,005
Number of weighted average shares considered for calculation of diluted earnings per share	189,637,120	189,250,372
Earnings per equity share (par value ₹ 10 per share)		
Basic	75.14	65.93
Diluted	74.56	65.27

30. CONTINGENT LIABILITIES AND COMMITMENTS

- a. The Company has disputes with income tax authorities in India and other jurisdictions where they operate. The ongoing disputes pertain to various assessment years from 2005-06 to 2018-19. The matters under dispute pertain to transfer pricing, tax treatment of certain expenses claimed as deductions, or allowances, characterization of fees for services paid and applicability of withholding taxes. Claims against the Company in relation to direct taxes, transfer pricing matters not acknowledged as debts amount to ₹ 11,886.67 million (31 March 2022: ₹ 12,916.45 million). Claims against the Company in relation to indirect tax matters not acknowledged as debts amount to ₹ 167.87 million (31 March 2022: ₹ 167.94 million).

In relation to other tax demands not included above, the Company has furnished bank guarantees amounting to ₹ 5,097.42 million (31 March 2022: ₹ 6,661.95 million). These demands are being contested by the Company based on management evaluation, advice of tax consultants and legal advice obtained. No provision has been made in the books of accounts. The Company has filed appeals against such orders with the appropriate authorities.

The Company has received notices and inquiries from income tax authorities related to the Company's operations in the jurisdictions it operates in. The Company has evaluated these notices, responded appropriately, and believes there are no financial statement implications as on date.

- b. Other outstanding bank guarantees as at 31 March 2023: ₹ 147.72 million (31 March 2022: ₹ 146.59 million) pertains to guarantees issued on behalf of the Company to regulatory authorities.
- c. The Company has given a financial guarantee amounting to ₹ 1,984.76 million (31 March 2022: ₹ 2,742.42 million) in relation to a working capital loan availed by a wholly owned subsidiary.
- d. In addition to the above matters, the Company has other claims not acknowledged as debts amounting to ₹ 489.82 million (31 March 2022: ₹ 489.82 million).
- e. Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided for as at 31 March 2023: ₹ 123.52 million (31 March 2022: ₹ 242.32 million).

31. RELATED PARTY TRANSACTIONS

In accordance with the requirements of Indian Accounting Standard (Ind AS) -24 'Related Party Disclosures' the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year-end balances are given below.

Change in control

For the period upto 9 August 2021, the holding Company and ultimate holding Company were Marble II Pte Ltd. and Blackstone Capital Partners (Cayman II) VI L.P respectively. On 10 August 2021, Marble II Pte Ltd. sold the shares held in the Company to BCP Topco IX Pte. Ltd. This consequently led to a change of control. Accordingly, with effect from 10 August 2021, the holding Company and ultimate holding Company are BCP Topco IX Pte. Ltd and BCP Asia (SG) Mirror Holding Pte Ltd respectively.

Entities where control exists:

BCP Asia (SG) Mirror Holding Pte Ltd	Ultimate holding company (from 10 August 2021)
BCP Topco IX Pte Ltd	Intermediate holding company (from 10 August 2021)
Blackstone Capital Partners (Cayman II) VI L.P.	Ultimate holding company (upto 9 August 2021)
Blackstone Capital Partners (Singapore) VI Holding Co Pte Ltd	Intermediate holding company (upto 9 August 2021)
Marble I Pte Ltd.	Intermediate holding company (upto 9 August 2021)
Marble II Pte Ltd.	Holding company (upto 9 August 2021)

STANDALONE FINANCIAL STATEMENTS

31. RELATED PARTY TRANSACTIONS (Continued)

Subsidiaries where control exists:

Msource (India) Private Limited ('Msource India')	Mphasis Europe BV ('Mphasis Europe')
Mphasis Corporation ('Mphasis USA')	Mphasis Pte Limited ('Mphasis Singapore')
Mphasis Infrastructure Services Inc.	Mphasis Deutschland GmbH ('Mphasis GmbH')
Digital Risk, LLC	Mphasis Belgium BV ('Mphasis Belgium')
Digital Risk Mortgage Services, LLC	Mphasis Poland s.p.z.o.o
Digital Risk Valuation Services, LLC	Mphasis Ireland Limited ('Mphasis Ireland')
Digital Risk Europe, OOD	Wyde Solutions Canada Inc.
Investor Services, LLC	Mphasis Wyde SASU
Wyde Corporation Inc.	PT. Mphasis Indonesia ('Mphasis Indonesia')
Mphasis Wyde Inc.	Msource Mauritius Inc. ('Msource Mauritius')
Mphasis UK Limited ('Mphasis UK')	Mphasis Philippines Inc.
Mphasis Consulting Limited ('Mphasis Consulting')	Mphasis Lanka Private Limited ('Mphasis Lanka')
Mphasis Software and Services (India) Private Limited ('Mphasis India')	Stelligent Systems LLC
Mphasis (Shanghai) Software & Services Company Limited ('Mphasis China')	Mphasis Australia Pty Limited ('Mphasis Australia')
Datalytx Limited	Datalytx MSS Limited (w.e.f 19 November 2020)
Dynamyx Limited	Blink Interactive (w.e.f 21 September 2021)
Mphasis Digi Information Technology (Shanghai) Limited (w.e.f 26 May 2021)	Mrald Services Limited (w.e.f 23 December 2021)
Mrald Limited (w.e.f 23 December 2021)	Mrald Services Private Limited (w.e.f 12 March 2023)
Mphasis Solutions Services Corporation (w.e.f 28 December 2021)	

Post-employment benefit trusts:

Mphasis Group Employees Provident Fund Trust
Mphasis Limited Employees Group Gratuity Fund Trust

Key management personnel

Davinder Singh Brar	Independent Director and Chairman of the Board
Narayanan Kumar	Independent Director
Jan Kathleen Hier	Independent Director
David Lawrence Johnson	Director
Marshall Jan Lux	Director
Amit Dixit	Director
Amit Dalmia	Director
Maureen Anne Erasmus	Independent Director – Appointed w.e.f. 20 December 2021
Kabir Mathur	Director – Appointed w.e.f. 20 December 2021
Pankaj Sood	Director – Appointed w.e.f. 20 December 2021
Courtney Della Cava	Director – Appointed w.e.f. 20 December 2021
Nitin Rakesh	Chief Executive Officer and Executive Director till 30 September 2021
	Chief Executive Officer and Managing Director w.e.f 1 October 2021
Manish Dugar	Chief Financial Officer
Subramanian Narayan	Senior Vice President & Company Secretary

The following is the summary of significant transactions with related parties by the Company:

(₹ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Rendering of services	5,335.42	5,750.65
Mphasis USA	1,450.12	1,798.52
Mphasis UK	1,326.21	1,326.57
Mphasis Belgium BV	859.92	761.23
Mphasis Europe BV	106.45	356.66
Others	1,592.72	1,507.67

STANDALONE FINANCIAL STATEMENTS

31. RELATED PARTY TRANSACTIONS (Continued)

(₹ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Purchase of property, plant and equipment	30.09	-
Msource India	0.43	-
Digital Risk LLC	29.66	-
Sale of property, plant and equipment	25.95	0.59
Msource India	18.92	0.59
Mphasis USA	7.03	-
Subcontracting charges	36,891.74	25,729.88
Mphasis USA	34,602.23	24,111.19
Msource India	436.03	423.07
Others	1,853.48	1,195.62
Sales support and marketing expenses	164.63	180.23
Mphasis UK	164.63	180.23
Dividend paid (on cash basis)	4,343.67	6,131.00
BCP Topco IX Pte. Ltd [Net of withholding taxes amounting to: ₹ 482.02 (31 March 2022: ₹ 681.20)]	4,338.71	6,130.78
Others	4.96	0.22
Remuneration / Commission to key management personnel	104.64	81.42
Directors and others	104.64	81.42
Sub-lease rental expense from entities where control exists	3.82	16.70
Digital Risk LLC	3.82	16.70
Sub-lease rental income	58.44	54.77
Msource India	36.46	34.39
Digital Risk Mortgage Services, LLC	21.98	20.38
Corporate Guarantee Commission received from entities where control exists	34.11	42.01
Mphasis USA	34.11	42.01
Unsecured loans given to entities where control exists	-	2,820.74
Mphasis USA	-	2,820.74
Unsecured loans repaid by entities where control exists	656.47	908.28
Mphasis USA	656.47	908.28
Unsecured borrowings from entities where control exists	3,000.00	2,000.00
Msource India	3,000.00	2,000.00
Unsecured borrowings repaid to entities where control exists	2,990.00	1,010.00
Msource India	2,990.00	1,010.00
Interest income from unsecured loans given to entities where control exists	102.66	57.55
Mphasis USA	102.66	57.55
Interest expenses on unsecured borrowings from entities where control exists	138.78	64.71
Msource India	138.78	64.71

In addition to the above, the Company and its subsidiaries incur reimbursable expenses on behalf of each other in the normal course of business.

	Year ended 31 March 2023	Year ended 31 March 2022
Expenses incurred on behalf of related parties	1,117.41	607.77
Mphasis USA	892.19	457.05
Msource India	22.56	21.89
Mphasis UK	95.06	54.23
Others	107.60	74.60
Expenses incurred by related parties on Company's behalf	166.52	118.30
Mphasis USA	166.52	118.30

STANDALONE FINANCIAL STATEMENTS

31. RELATED PARTY TRANSACTIONS (Continued)

Managerial remuneration*

Expenses include the following remuneration to the key management personnel:

(₹ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Short-term employee benefits	41.80	38.18
Share based payment	20.96	14.09
Commission to directors	40.99	28.29
Other benefits	0.89	0.86
	104.64	81.42

* This does not include remuneration paid to certain directors by the ultimate parent Company and its affiliates as they are not employees of the Company. Post-employment benefit comprising gratuity and compensated absences have not been disclosed as these are determined for the Company as a whole.

Marble II Pte Ltd. ('Marble') (being the erstwhile Promoter of the Company) has covered certain identified employees of the Company under an Exit Return Incentive Plan ('the ERI Plan') of Marble, under which Marble could make direct payments upon satisfaction of specified conditions therein, at Marble's discretion. The ERI Plan was approved by the Board of Directors of the Company on 25 May 2017 and the shareholders of the Company at the Annual General Meeting held on 26 July 2017, as required under Regulation 26(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. There is no financial impact / burden to the Company for the payments to be made pursuant to the ERI Plan by Marble. During the previous year Marble has, since its exit as a shareholder of the Company, made payments of ₹ 41.30 million in aggregate under the ERI Plan to the key management personnel of the Company.

BCP Topco IX Pte. Ltd. ('Topco') being the holding Company and the promoter of the Company, through its related entities –BCP Asia (SG) Mirror Holding Pte Ltd and BCP Asia Mirror CYM Ltd ("Cayco"), has covered certain identified employees of the Company under the Exit Return Incentive Plan, 2021 ('ERI 2021'), under which direct payments will be made upon satisfaction of specified conditions therein, at their discretion. The ERI 2021 Plan was approved by the Board of Directors of the Company on 31 August 2021 and the shareholders of the Company at the Annual General Meeting held on 29 September 2021, as required under Regulation 26(6) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. There is no financial impact / burden to the Company for the payments to be made pursuant to ERI 2021.

The balances receivable from and payable to related parties are as follows:

	As at 31 March 2023	As at 31 March 2022
Trade receivables	3,532.85	4,386.54
Mphasis USA	1,331.97	1,340.73
Mphasis UK	920.83	1,661.46
Mphasis Belgium BV	589.93	455.75
Others	690.12	928.59
Trade payables	4,756.06	6,563.13
Mphasis USA	4,052.69	5,968.75
Others	703.37	594.38
Remuneration / Commission payable to key management personnel	10.42	7.50
Davinder Singh Brar	1.93	1.46
Narayanan Kumar	1.82	1.34
David Lawrence Johnson	1.65	1.18
Jan Kathleen Hier	1.72	1.24
Marshall Lux	1.65	1.18
Maureen Anne Erasmus	1.65	1.10
Other receivables	516.11	366.39
Mphasis USA	371.14	242.69
Msource India	18.36	17.31
Wyde Corporation	-	0.04
Mphasis Wyde SASU	26.66	14.36
Others	99.95	91.99

STANDALONE FINANCIAL STATEMENTS

31. RELATED PARTY TRANSACTIONS (Continued)

The balances receivable from and payable to related parties are as follows:

(₹ million)

	As at 31 March 2023	As at 31 March 2022
Unsecured loans given to entities where control exist	1,479.06	1,970.61
Mphasis USA	1,479.06	1,970.61
Unsecured borrowings from entities where control exists	1,014.04	990.00
Msource India	1,014.04	990.00
Corporate Guarantee given on behalf of entities where control exists	1,984.76	2,742.42
Mphasis USA	1,984.76	2,742.42
Interest receivable on unsecured loans given to entities where control exists	-	15.05
Mphasis USA	-	15.05
Interest payable on unsecured borrowings from entities where control exists	-	6.58
Msource India	-	6.58

32. SEGMENT REPORTING

The Company publishes the standalone financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating segments, the Company has disclosed the segment information in the consolidated financial statements and is exempt from disclosing segment information in the standalone financial statements.

33. DISAGGREGATION OF REVENUE

Business verticals	Year ended 31 March 2023	Year ended 31 March 2022
Banking and Financial Services	51,171.26	39,146.20
Logistics and Transportation	15,621.38	13,080.89
Technology Media and Telecom	7,691.95	5,583.16
Insurance	9,372.65	7,551.00
Others	10,848.05	7,548.39
Unallocated - hedge	(458.86)	985.90
Total	94,246.43	73,895.54

Geographic revenues	Year ended 31 March 2023	Year ended 31 March 2022
Americas	77,827.11	57,670.97
India	7,066.08	5,915.60
EMEA	7,365.15	7,188.48
ROW	2,446.95	2,134.59
Unallocated - hedge	(458.86)	985.90
Total	94,246.43	73,895.54

Services rendered	Year ended 31 March 2023	Year ended 31 March 2022
Application Services	72,784.64	54,204.68
Business Process Services	9,437.04	8,529.70
Infrastructure Services	12,483.61	10,175.26
Unallocated - hedge	(458.86)	985.90
Total	94,246.43	73,895.54

Delivery location	Year ended 31 March 2023	Year ended 31 March 2022
Onsite	34,598.73	24,817.56
Offshore	60,106.56	48,092.08
Unallocated - hedge	(458.86)	985.90
Total	94,246.43	73,895.54

STANDALONE FINANCIAL STATEMENTS

33. DISAGGREGATION OF REVENUE (Continued)

(₹ million)

Services rendered	Year ended 31 March 2023	Year ended 31 March 2022
Project type		
Time and material	56,716.05	43,927.68
Fixed price	32,619.71	24,093.22
Transaction based	5,369.53	4,888.74
Unallocated - hedge	(458.86)	985.90
Total	94,246.43	73,895.54
Market		
Direct	89,361.51	67,087.99
DXC	3,040.09	3,751.38
Others	2,303.69	2,070.27
Unallocated - hedge	(458.86)	985.90
Total	94,246.43	73,895.54

34. CAPITAL MANAGEMENT

The Company's objective is to maintain a strong capital base to ensure sustained growth in business. The Capital Management policy focusses on maintaining an optimal structure that balances growth and maximizes shareholder value.

	As at 31 March 2023	As at 31 March 2022
Total equity attributable to the share holders of the Company (A)	50,086.96	44,476.51
Borrowings (B)	1,014.04	3,520.00
Total capital C (A+B)	51,101.00	47,996.51
Total borrowings as a percentage of capital (B / C)	1.98%	7.33%
Total equity as a percentage of total capital (A / C)	98.02%	92.67%

The Company is predominantly equity financed as evident from the capital structure table above. The Company is not subject to any externally imposed capital restrictions.

35. EMPLOYEE BENEFITS

a. Gratuity

In accordance with Indian laws, the Company and its subsidiaries in India operate a scheme of Gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The Company manages the plan through a trust. The trust is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives.

The following tables set out the status of the gratuity plan.

	Year ended 31 March 2023	Year ended 31 March 2022
Changes in present value of defined benefit obligations		
Obligations at beginning of the year	1,511.05	1,249.85
Service cost	244.05	172.34
Interest cost	86.73	69.10
Benefits paid	(243.01)	(207.37)
Re-measurement (gain) / loss (through OCI)	(27.36)	227.13
Obligations at end of the year	1,571.46	1,511.05

STANDALONE FINANCIAL STATEMENTS

35. EMPLOYEE BENEFITS (Continued)

(₹ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Change in plan assets		
Plan assets at beginning of the year, at fair value	360.29	546.17
Expected return on plan assets	32.19	41.66
Re-measurement gain / (loss) (through OCI)	(12.23)	(10.70)
Employer contributions	1,103.38	0.30
Benefits paid	(243.01)	(207.37)
Administration charges	(3.78)	(9.77)
Plan assets at end of the year	1,236.84	360.29
Present value of defined benefit obligation at the end of the year	1,571.46	1,511.05
Fair value of plan assets at the end of the year	1,236.84	360.29
Net liability recognised in the balance sheet	(334.62)	(1,150.76)
Expenses recognised in statement of profit and loss		
Service cost	244.05	172.34
Interest cost (net)	54.54	27.44
Net gratuity cost	298.59	199.78
Re-measurement (gains) / losses in OCI		
Actuarial (gain) / loss due to financial assumption changes	(61.17)	(13.69)
Actuarial (gain) / loss due to experience adjustments	33.81	240.82
Re-measurement - return on plan assets (greater) less than discount rate	12.23	10.70
Total (gains) / losses routed through OCI	(15.13)	237.83
Assumptions		
Discount rate	7.36%	6.38%
Expected rate of return on plan assets	7.36%	6.38%
Salary increase	4.00%	4.00%
Attrition rate	20.00%	20.00%
Retirement age	60 years	60 years
Future payouts (year ended 31 March)		
Year-1	236.83	227.73
Year-2	206.24	198.31
Year-3	184.33	177.25
Year-4	159.19	153.07
Year-5	143.19	137.68
Year-6-10	421.46	405.26
Year-10 and above	220.22	211.75

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Expected return on plan assets is computed based on prevailing market rate.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Year ended 31 March 2023		Year ended 31 March 2022	
Insurer managed funds			100%	100%
Sensitivity analysis	1% increase	1% decrease	1% increase	1% decrease
Change in discount rate				
Effect on the defined benefit obligation	(62.47)	57.81	(61.47)	56.75
Change in salary increase rate				
Effect on the defined benefit obligation	60.16	(57.54)	58.50	(62.27)

STANDALONE FINANCIAL STATEMENTS

35. EMPLOYEE BENEFITS (Continued)

b. Provident Fund

In accordance with Indian law, all eligible employees of the Company in India are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to a Trust set up by the Company to manage the investments and distribute the amounts entitled to employees. This plan is a defined benefit plan as the Company is obligated to provide its members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. A part of the Company's contribution is transferred to Government administered pension fund. The contributions made by the Company and the shortfall of interest, if any, are recognised as an expense in the statement of profit or loss under employee benefit expenses. In accordance with an actuarial valuation of provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no shortfall in the interest obligations as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

The Company has carried out actuarial valuation only for defined benefit plan as at 31 March 2023. The actuary has provided a valuation for provident fund liabilities and based on the assumptions mentioned below, there is no shortfall in plan assets as at 31 March 2023 and 31 March 2022.

The amount of plan assets disclosed below have been restricted to the extent of present value of benefit obligation at the year end.

The details of the fund and plan asset position are given below:

(₹ million)

	As at 31 March 2023	As at 31 March 2022
Plan assets at the year end	14,386.72	12,213.51
Present value of benefit obligation at year end	14,386.72	12,213.51
Asset recognized in balance sheet	-	-

The plan assets have been primarily invested in Government and Debt Securities in the pattern specified by Employee's Provident Fund Organisation.

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach.

Government of India (GOI) bond yield	7.30%	6.38%
Remaining term of maturity (in years)	8	8
Guaranteed rate of return	8.15%	8.10%

The Company contributed ₹ 1,315.94 million during the year ended 31 March 2023 (31 March 2022: ₹ 994.74 million).

c. Social Security

The Code on Social Security 2020 ('Code'), which received the Presidential Assent on 28 September 2020, subsumes nine regulations relating to social security, retirement, and employee benefits. The Code will have an impact on the contributions towards gratuity and provident fund made by the Company. The Ministry of Labour and Employment ('Ministry') has released draft rules for the Code on 13 November 2020 and has invited suggestions from stake holders. The suggestions received are under consideration by the Ministry. The effective date of the Code has not yet been notified and the related rules to ascertain the financial impact are yet to be finalized and notified. The Company will assess the impact once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

36. FINANCIAL INSTRUMENTS

The carrying value of financial instruments by categories is as follows:

Particulars (as at 31 March 2023)	FVTPL	FVTOCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortized cost	Total
Financial assets						
Cash and cash equivalents	-	-	-	-	6,356.89	6,356.89
Bank balances other than cash and cash equivalents	-	-	-	-	93.13	93.13
Investments (other than investment in subsidiaries)	6,031.85	217.96	-	-	519.94	6,769.75
Trade receivables	-	-	-	-	20,526.23	20,526.23
Loans	-	-	-	-	1,640.84	1,640.84
Derivative assets	-	-	151.92	26.85	-	178.77
Other financial assets	-	-	-	-	2,257.84	2,257.84

STANDALONE FINANCIAL STATEMENTS

36. FINANCIAL INSTRUMENTS (Continued)

(₹ million)

Particulars (as at 31 March 2023)	FVTPL	FVTOCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortized cost	Total
Total	6,031.85	217.96	151.92	26.85	31,394.87	37,823.45
Financial liabilities						
Borrowings	-	-	-	-	1,014.04	1,014.04
Lease liabilities	-	-	-	-	6,115.25	6,115.25
Trade payables	-	-	-	-	6,679.86	6,679.86
Derivative liabilities	-	-	1,049.19	1.68	-	1,050.87
Other financial liabilities	-	-	-	-	2,901.44	2,901.44
Total	-	-	1,049.19	1.68	16,710.59	17,761.46
Particulars (as at 31 March 2022)	FVTPL	FVTOCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortized cost	Total
Financial assets						
Cash and cash equivalents	-	-	-	-	4,856.65	4,856.65
Bank balances other than cash and cash equivalents	-	-	-	-	468.50	468.50
Investments (other than investment in subsidiaries)	7,184.26	-	-	-	1,599.50	8,783.76
Trade receivables	-	-	-	-	17,122.34	17,122.34
Loans	-	-	-	-	2,179.25	2,179.25
Derivative assets	-	-	1,357.57	29.29	-	1,386.86
Other financial assets	-	-	-	-	2,246.57	2,246.57
Total	7,184.26	-	1,357.57	29.29	28,472.81	37,043.93
Financial liabilities						
Borrowings	-	-	-	-	3,520.00	3,520.00
Lease liabilities	-	-	-	-	4,838.13	4,838.13
Trade payables	-	-	-	-	8,393.78	8,393.78
Derivative liabilities	-	-	35.44	26.07	-	61.51
Other financial liabilities	-	-	-	-	2,658.04	2,658.04
Total	-	-	35.44	26.07	19,409.95	19,471.46

Fair value hierarchy

Particulars	As at 31 March 2023				As at 31 March 2022			
	Fair value measurements at reporting date using				Fair value measurements at reporting date using			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets								
Investments	6,249.81	4,243.86	2,005.95	-	7,184.26	5,614.97	1,569.29	-
Derivative assets	178.77	-	178.77	-	1,386.86	-	1,386.86	-
Liabilities								
Derivative liabilities	1,050.87	-	1,050.87	-	61.51	-	61.51	-

Valuation techniques and significant unobservable inputs

Level 2:

Forward exchange contracts: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on yield curves in the respective currencies.

Non-convertible debentures: The fair value is estimated considering quoted prices of securities with similar maturity and credit rating that are traded in active markets.

Offsetting financial assets with liabilities

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

STANDALONE FINANCIAL STATEMENTS

36. FINANCIAL INSTRUMENTS (Continued)

The quantitative information about offsetting financial asset is as follows:

(₹ million)

	As at 31 March 2023	As at 31 March 2022
Gross amount of recognised trade receivables (net of provision for ECL) - Billed	13,361.49	11,163.16
Gross amount of factored trade receivables and volume discount set off in the balance sheet	(4,541.42)	(2,834.63)
Net amount presented in balance sheet	8,820.07	8,328.53

37. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to the following risks:

- Credit risk
- Interest rate risk
- Liquidity risk
- Foreign currency exchange rate risk

The Company has a risk management policy/ framework which covers risks associated with the financial assets and liabilities. The risk management policy/ framework is approved by the Treasury Committee. The focus of such framework is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

CREDIT RISK

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract leading to a financial loss. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities including deposits with banks and financial institutions, investments, derivative financial instruments and other financial instruments.

The Company is also exposed to credit risk on account of financial guarantee given on behalf on of its subsidiaries [Refer note 30(c)].

Trade receivables

Credit risk is managed by each business unit subject to the Company's established policies, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored. Five customer groups individually accounted for more than 10% of the trade receivable for the years ended 31 March 2023 (31 March 2022: Three customer groups).

Credit risk exposure

The Company's credit period generally ranges from 30 – 60 days. The particulars are as below:

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables	20,526.23	17,122.34
Contract assets	990.17	865.07
Total	21,516.40	17,987.41

The concentration risk with respect to trade receivables is low since they are spread across multiple customers, geographies and industries.

The allowance for lifetime expected credit loss for the years ended 31 March 2023 and 31 March 2022 was ₹ 306.72 million and ₹ 77.92 million respectively. The reconciliation is as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Balance as per previous financial statements	725.27	643.69
Charge for the year	306.72	77.92
Translation exchange differences	5.06	3.66
Closing balance	1,037.05	725.27

Financial instruments and deposits with banks

Credit risk is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investments in liquid mutual fund units, State Development Loans, deposits and bonds issued by Government owned entities and highly rated financial institutions. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. Three banks individually accounted for more than 10% of the Company's deposits and bank balances for the year ended 31 March 2023 (31 March 2022: Three banks).

STANDALONE FINANCIAL STATEMENTS

37. FINANCIAL RISK MANAGEMENT (Continued)

INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company's borrowings are short term / working capital in nature. The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

LIQUIDITY RISK

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company's principal sources of liquidity are cash and cash equivalents, bank balances other than cash and cash equivalents, current investments and the cash flow that is generated from operations. The Company believes that these sources are sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The break-up of cash and cash equivalents, deposits and investments is as below.

(₹ million)

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents	6,356.89	4,856.65
Bank balances other than cash and cash equivalents	93.13	468.50
Current investments	6,298.94	7,593.91
Total	12,748.96	12,919.06

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date. The amounts are based on contractual financial liabilities.

Financial liabilities (As at 31 March 2023)	On demand	0-180 days	180-365 days	365 days and above	Total
Trade payables	7.64	6,672.22	-	-	6,679.86
Borrowings	-	1,014.04	-	-	1,014.04
Lease liabilities	-	766.65	774.25	5,824.45	7,365.35
Other financial liabilities	29.96	3,596.00	-	326.35	3,952.31
Total financial liabilities	37.60	12,048.91	774.25	6,150.80	19,011.56
Financial liabilities (As at 31 March 2022)	On demand	0-180 days	180-365 days	365 days and above	Total
Trade payables	6.02	8,387.76	-	-	8,393.78
Borrowings	-	3,520.00	-	-	3,520.00
Lease liabilities	-	630.06	523.85	4,868.85	6,022.76
Other financial liabilities	26.83	2,616.71	-	76.01	2,719.55
Total financial liabilities	32.85	15,154.53	523.85	4,944.86	20,656.09

FOREIGN CURRENCY EXCHANGE RATE RISK

The fluctuation in foreign currency exchange rates may have a potential impact on the standalone statement of profit and loss and other comprehensive income, where transactions are denominated in a currency other than functional currency. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in United States Dollars ('USD')). The Company also has exposures to Great Britain Pound ('GBP') and Euros ('EUR')). The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities and financing activities (when revenue or expense is denominated in a foreign currency).

The Company uses derivative financial instruments, such as foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its forecasted cash flows and trade receivables.

STANDALONE FINANCIAL STATEMENTS

37. FINANCIAL RISK MANAGEMENT (Continued)

Below is the summary of foreign currency exposure of Company's financial assets and liabilities:

(₹ million)

As at 31 March 2023					₹ million
Financial assets	USD	GBP	EUR	Others	Total
Trade receivables	15,897.76	1,397.98	1,172.95	724.97	19,193.66
Cash and cash equivalents	4,137.70	-	-	-	4,137.70
Loans	1,479.06	-	-	-	1,479.06
Other financial assets	47.86	1.32	13.11	1.34	63.63
Total financial assets	21,562.38	1,399.30	1,186.06	726.31	24,874.05
Financial liabilities					
Trade payables	4,217.53	101.82	17.61	372.28	4,709.24
Other financial liabilities	166.66	-	-	-	166.66
Total financial liabilities	4,384.19	101.82	17.61	372.28	4,875.90
Net financial assets	17,178.19	1,297.48	1,168.45	354.03	19,998.15
As at 31 March 2022					₹ million
Financial assets	USD	GBP	EUR	Others	Total
Trade receivables	11,905.38	1,987.40	1,064.86	574.85	15,532.49
Cash and cash equivalents	2,725.36	-	-	-	2,725.36
Loans	1,970.61	-	-	-	1,970.61
Other financial assets	51.84	36.73	0.32	0.52	89.41
Total financial assets	16,653.19	2,024.13	1,065.18	575.37	20,317.87
Financial liabilities					
Trade payables	6,155.44	186.46	53.96	228.43	6,624.29
Other financial liabilities	35.64	-	-	-	35.64
Total financial liabilities	6,191.08	186.46	53.96	228.43	6,659.93
Net financial assets	10,462.11	1,837.67	1,011.22	346.94	13,657.94

The counter party for these transactions are banks. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

Forward contracts outstanding against financial assets are as below:

Currency	As at 31 March 2023		As at 31 March 2022	
	Amount (million)	Amount in (₹ million)	Amount (million)	Amount in (₹ million)
Balance sheet hedges				
USD	223.40	18,357.00	129.60	9,822.71
GBP	11.27	1,145.87	19.14	1,904.06
EUR	11.80	1,055.09	12.17	1,025.25
CAD	2.94	178.11	2.08	125.82
AUD	4.90	269.64	3.98	225.94
SGD	3.74	231.17	1.93	107.85
SEK	4.90	38.87	3.40	27.67

Forward contracts outstanding against financial liabilities are as below:

GBP	-	-	1.61	160.54
CAD	4.00	242.67	1.47	89.16

Sensitivity analysis

For every 1% appreciation/depreciation of the respective foreign currencies, the Company's profit before taxes will be impacted by approximately ₹ 5.69 million for the year ended 31 March 2023 (31 March 2022: ₹ 4.78 million).

STANDALONE FINANCIAL STATEMENTS

38. ADDITIONAL REGULATORY INFORMATION

a. ANALYTICAL RATIOS

Ratios	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	% Variance
Current ratio (in times) *	Current assets	Current liabilities	2.56	2.01	27.35%
Debt equity ratio (in times)	Debt (borrowings + lease liabilities)	Shareholders equity	0.14	0.19	-24.26%
Debt service coverage ratio (in times) **	Earnings for Debt Service (Profit after tax+Depreciation+finance cost+Profit on sale of property,plant and equipment)	Debt Service (Interest and lease payments + Principal repayments)	1.43	2.0	-29.23%
Return on equity ratio (in %)	Net Profit for the year	Average shareholders equity	29.90%	28.21%	6.00%
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	4.86	5.18	-6.18%
Trade payables turnover ratio	Other expenses	Average trade payables	6.00	4.89	22.57%
Net capital turnover ratio	Revenue from operations	Working Capital (current assets - current liabilities)	3.65	3.77	-3.17%
Net profit ratio (in %)	Net Profit for the year	Revenue from operations	15.00%	16.72%	-10.26%
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed (Net worth + borrowings + lease liabilities)	32.11%	29.44%	9.05%
Return on investment (in %)	Income generated from treasury investments	Average invested funds in treasury investments	5.20%	4.50%	15.56%

* due to decrease in borrowings and trade payables.

** due to repayment increase in repayment of principal

b. OTHERS

There are no funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

There have been no funds that have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

39. FAIR VALUES

Financial instruments carried at amortised cost such as cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, unbilled revenue, borrowings, trade payables and other financial liabilities are considered to be same as their fair values, due to the short-term nature of these instruments.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted investments are based on price quotations at the reporting date.
- The Company holds derivative financial instruments such as foreign exchange forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. Foreign exchange forward contracts & non-convertible debentures are valued using valuation techniques, which employs the use of market observable inputs. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognized at fair value.

STANDALONE FINANCIAL STATEMENTS

40. HEDGING ACTIVITIES AND DERIVATIVES

The Company's revenue is denominated in various foreign currencies given the nature of business, a large part of the costs are denominated in INR. This exposes the Company to currency fluctuations. The counterparty, for all derivative financial instruments is a bank.

During the years ended 31 March 2023 and 31 March 2022, the Company has designated certain foreign exchange forward as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable cashflow forecast transactions. The related hedge transactions for balance in cash flow hedge reserve as at March 31, 2023 are expected to occur and reclassified to statement of profit and loss within 2 years.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of its forecasted cash flows. Hedge effectiveness is determined at the inception of hedge relationship, and through periodic prospective effectiveness assessments to ensure than an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items. Designated cash flow hedges are measured at FVTOCI. Other derivatives which are not designated as hedge are measured at FVTPL.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

The following are outstanding forward contracts which has been designated as cash flow hedges:

Currency	As at 31 March 2023			As at 31 March 2022		
	Number of contracts	Notional amount (million in respective currencies)	Fair value gain / (loss) (₹ million)	Number of contracts	Notional amount (million in respective currencies)	Fair value gain / (loss) (₹ million)
USD	472	782.00	(924.62)	515	801.00	1,072.53
GBP	50	14.48	14.20	65	14.37	81.89
EUR	49	23.73	(7.45)	71	26.75	163.84
CAD	10	2.89	5.47	39	5.77	3.04
AUD	14	4.51	15.13	52	12.06	0.83
Total			(897.27)			1,322.13

The Company has entered into derivative instruments not in hedging relationships by way of foreign exchange forwards. As at 31 March 2023 and 31 March 2022, the notional amount of outstanding contracts aggregated to ₹ 21,033.07 million and ₹ 12,989.60 million, respectively and the respective fair value of these contracts have a net gain of ₹ 25.17 million and ₹ 3.22 million respectively.

The movement in cash flow hedging reserve for derivatives designated as cash flow hedge is as follows: (₹ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Balance as per previous financial statements	860.13	599.92
Change in fair value of effective portion of cash flow hedges	(2,678.26)	1,385.86
(Gain)/loss transferred to statement of profit and loss on occurrence of forecasted hedges	458.86	(985.90)
Income tax effect on the above	775.55	(139.75)
Total	(583.72)	860.13

Sensitivity analysis

For every 1% appreciation/depreciation of the respective underlying foreign currencies, the Company's OCI will decrease or increase approximately by ₹ 655.27 million for the year ending 31 March 2023 (31 March 2022: ₹ 639.92 million).

STANDALONE FINANCIAL STATEMENTS

41. CORPORATE SOCIAL RESPONSIBILITY ('CSR')

Pursuant to the requirement of Section 135 of the Companies Act, 2013, CSR committee has been formed by the Company. The primary function of the CSR Committee is to assist the Board of Directors in formulating a CSR Policy and review the implementation and progress of the same from time to time. The CSR Policy focuses on creating opportunities for the disadvantaged with emphasis on persons with disabilities and technology driven community development. (₹ million)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Amount required to be spent by the company during the year	323.81	281.58
Amount of expenditure incurred on :		
Construction / acquisition of any asset	-	-
On purposes other than above	323.98	282.08
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reasons for shortfall	-	-
Nature of CSR activities	Promoting education, Livelihood enhancement, Disaster relief, COVID 19 relief, Entrepreneurship, Promoting accessibility for persons with disabilities.	

42. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on 27 April 2023 have proposed a final dividend of ₹ 50 per equity share for the year ended 31 March 2023 which is subject to the approval of shareholders at the ensuing Annual General Meeting and if approved, would result in a cash outflow of approximately ₹ 9,420.98 million.

As per our report of even date attached.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number:
101248W/W-100022

Amit Somani
Partner
Membership No. 060154

Bengaluru
27 April 2023

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer & Managing Director
New York

Manish Dugar
Chief Financial Officer

Bengaluru
27 April 2023

Narayanan Kumar
Director
Chennai

Subramanian Narayan
Senior Vice President &
Company Secretary
Bengaluru

GROUP OFFICE LOCATIONS

INDIA

Bengaluru

- Bagmane Laurel, No. 65/2, Block-A, 1st Floor
Bagmane Technology Park, Byrasandra Village, C V Raman Nagar, Bengaluru - 560 093
Tel : 080 - 4004 4444
- Global Technology Village SEZ
Survey Nos. 12/1,12/2, 29 & 30
Mylandsandra & Patanegere Villages
RVCE Post, Kengeri Hobli
Bengaluru - 560 059
Tel: 080 - 6732 5000
- Tower E, G, 1st, 2nd and 3rd Floor,
G V Tech Park Private Limited SEZ,
Mylandsandra - Patanegere Villages,
Kengeri Hobli, Off Bangalore Mysore
Express Way RVCE Post,
Bangalore, Karnataka - 560 059
- Tower F, 3rd Floor,
G V Tech Park Private Limited SEZ
Mylandsandra - Patanegere Villages,
Kengeri Hobli, Off Bangalore Mysore
Express Way RVCE Post,
Bangalore, Karnataka - 560059
- Bagmane World Technology Center,
W.T.C. 2, K.R. Puram, Marathahalli
Outer Ring Road, Mahadevapura,
Bengaluru - 560 048 India
Tel: 080 - 6750 1000
- Bagmane World Technology Center
Special Economic Zone,
W.T.C. 3, Block A & B, Level 1,
Block A Level 3 and Level 7,
Bengaluru - 560 048
Tel: 080 - 6750 1000
- Bagmane World Technology Center
Special Economic Zone, W.T.C. 4,
Level 4, Mahadevapura, K R Puram,
Bengaluru - 560 048
Tel: 080 - 6750 1000
- Mascot 90, 2nd & 3rd Floor,
EPIP Industrial Area, No. 80, Block II,
Whitefield, Bengaluru - 560 066
- Primal Projects Pvt Ltd (Pritech Park
(SEZ), 2nd Floor, Wing A, Block 5, SY
No.51 to 64/4, Outer Ring Road,
Bellandur Village, Bengaluru-560103

Chennai

- DLF IT PARK, Block 8 & 10,
4th, 6th, 8th, 9th & 10th Floor, 1/124,
Sivaji Gardens, Moonlight Stop,
Mount Poonamalle Road,
Chennai - 600 089
- DLF SEZ IT Park, Tower 1B
Level 1-4, 1/124, Sivaji Garden
Manapakkam, Mount Poonamalle
Road, Chennai - 600 089
Tel : 044-6637 0000

Hyderabad

- Sundew Properties Limited
Building No. 12C, Mindspace
Cyberabad, Survey No. 64 (Part),
TSSIC Software Layout,
Madhapur, Hyderabad - 500 081
Tel: 040 - 6788 0000, 4813 6000
- Units 1801 and 1802, Skyview 20,
Tower-9,C/o Divija Commercial
Properties (P) Ltd, SEZ Developer,
Hyderabad Knowledge City,
Serilingampally Mandal,
Rangareddy Dist., Raidurgam,
Hyderabad-500032 Telangana

Mangalore

Techbay in village, No-92
Manglore Thota, G Floor, Jeppur Ward,
Hobli, Mangalore - 575 001

Mumbai

Infinity IT Park, Unit No. 102,
'B' Wing, Building No. 4, 239, General A K
Vaidya Marg, Dindoshi,
Malad (East), Mumbai - 400 097
Tel: 022 - 6788 4000

Pune

- Cybercity, Tower IV, Magarpatta
Hadapsar, Pune - 411 013
Tel: 020 - 4014 1000
- EON free Zone. Cluster C
Kharadi Knowledge Park
EON Kharadi Infrastructure Pvt. Ltd
SEZ Plot No.1, Survey No.77 MIDC,
Kharadi, Pune - 411 014
Tel : 020 - 4074 0000, 020-6617 0000
- 12th Floor, Level 1,
Tower B of EOZ SEZ,
Phase II, Survey No.72, Kharadi,
Pune, Maharashtra, 411014

Noida

Fusion Square, 4th Floor 5A & 5B,
SECTOR-126, NOIDA, UP-201303

AMERICAS

Canada

- 2828, Boulevard Laurier Suite 700
Quebec City, G1V 0B9
- 5925, Airport Road,
Suite 200, Mississauga,
Ontario, L4V, 1W1, Canada
- 301-1195 RUE Wellington
Montreal Quebec H3C1W1
Canada
- 90 University Avenue Charlottetown,
Prince Edward Island, C1A4K9
- 1500, 407 2nd Street Sw,
Calgary, T2P 2Y3
- First Tower, A Suite 2000,
First Tower, 411 1st Street
S.E. Calgary Alberta T2G 5E7

USA

- 41 Madison Avenue, 35th Floor
New York-10010
- C/o Corporate Creations Network,
3411, Silverside Road,
Tatnall Bldg, Suite 104,
Willmington, New Castle County
Delaware 19810
- 2301 Maitland Center Parkway,
Suite 165, Maitland, Florida 32751
Tel: 407-215-2900
- 660 Century Point, Suite 1000,
Lake Mary, Florida 32746
Tel: 407-708-0693
- 5201 Congress Avenue, Suite 250
Boca Raton, Florida 33487
Tel: 561-208-7489
- 5353, North 16th Street, Suite 400,
Phoenix, Arizona 85016
Tel : 1 - 602 - 604 - 3100
- Suite 340, South Wind Office
Center D Building, 8295,
Tournament Drive Memphis,
Tennessee - 38215
- National Crop Research LTD 615
South Dupont Highway Dover,
DE 19901
- 226, Airport Parkway, San Jose,
California - 95110.
- 3600, American Blvd West, Suite 110,
Bloomington, Eagan,
Minneapolis 55431

- 8900 freedom Parkway, Building 100
Suite 110, Jacksonville, FL 32256.
- Regus Dallas, Signature Exchange
Preston Road, Dallas Texas - 75251
- Digital Risk LLC,4120, International
Parkway, Suite 2300, Carrollton,
Dallas, Texas 75007
- 11710, Plaza America,
DR STE 2000 Reston VA 20190
- 1011 Western AVE, Suite 600, Seattle,
WA, 98104-3624, United States
- 436 Seventh Ave., Suite 200
Pittsburgh, PA 15219

Costa Rica

EBC Corporate Center,
8th Floor, Sfera Legal offices
Zip Code: 10203

Mexico

- Paseo de los virreyes 45. Puerta de
hierro, the landmark guadalajara,
zapopan, jalisco, 45116
- Camino de los Cardenales 102,
Suite 7 piso PB Monterrey, Nuevo León,
C.P. 64630 México

Argentina

- Rivadavia N° 256, Floor 7, Mendoza
- Conesa 2028, PB, Belgrano R, CABA,
Argentina 1428

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France

- 103-105, Rue Anatole France 92300
Levallois-Perret
- 32, Allee de Boutart Regus,
Bordeaux Raveziez 33070,
Bordeaux CEDEX

Hungary

33 Váci Street, Budapest,
H -1134, Hungary

Germany

- Koblenzer, Street 34,
Postfach 1221, D 56130 Bad Ems,
Germany Tel : 49-2603504151
- Hansaallee 299, 3rd floor
Dusseldorf, North Rhine-Westphalia
40549

Belgium

Leonardo Da
Vincilaan 9, B-1930
Zaventem, Belgium

The Netherlands

Saturnusstraat 46,
Hoofddorp,
2132 HB, Netherlands

Ireland

Boole House,Beech Hill Office Campus,
Clonskeagh,
Dublin 4, D04A563

Poland

- ul. Grodzka 9
50-137 Wroclaw
- KGHM Kuprum
Ul.Gen.W.Sikorskiego,
2-8 Wroclaw

Sweden

C/o Hellstrom Advokatbyra
KB Box 7305,103 90 Stockholm
Sweden

Switzerland

C/o Amicorp Switzerland AG,
Baarerstrasse 75, 6300 Zug

UK

- 1 Ropemaker Street,
London,United Kingdom,
EC2Y 9HT
- 15 Bishopsgate Tenant Limited,
We Work London ECN 3AR
- Regus Slough UK Spaces- Slough,
The Porter Building 1, Brunei way,
Slough SL11FQ, UK
- Regus House,
Herons Way Chestier
Business Park, Chestier,
Cheshire, CH49QR
- Bank House, Leeds , 27 king street,
Leeds West Yorkshire, LS1 2HL

ASIA PACIFIC AND JAPAN

Japan

Kabutocho Daiichi Heiwa Building,
3rd Floor, 5-1,
Nihonbashi Kabutocho,
Chuo-ku, Tokyo, 1030026, Japan

Singapore

6 Battery Road, Level 42
'The Executive Center',
Singapore 049909

Malaysia

A4 - 11 - 1112, Leisure Commerce
Square, 9 Jalan PJS 8/9, Bandar Sunway,
Petaling Jaya, Selangor, Malaysia, 46150

Taiwan

Regus Landmark, No.68, Section 5,
Zhongxiao East Road, 29/F, Taipei,
Taiwan, 11065

China

- Shanghai Chamtime Plaza,
Office No. 641, 6/F Office Tower C,
Chamtime Plaza, No. 3,
Pudong New District,
Shanghai, 201203
- Room 1006, 1st Floor, Building C2,
Area C, No.36 Jintian Park Road,
Chaoyang District, Beijing
- Room N252, Building C4, No.888
Southwest Road, Shahekou District,
Dalian City, Liaoning Province
- Suite 259, Building 25, No. 80, Lane
280, Xiujiang Road, Zhujing Town,
Jinshan District, Shanghai
- Room1162,11F, No.21 Huanghe Rd,
Huangpu District, Shanghai, P.R.C

Philippines

20th Floor of Picadilly Star Building,
4th Avenue corner 27th Street, Bonifacio
Global City, Taguig City, Metro Manila

OCEANIA

Australia

- Shop 5, 17-19, East Parade
Sutherland, New South Wales 2232,
Australia
- MELBOURNE, 120 Collins Street,
Level 31 & 50, 120 Collins Street,
Melbourne, 3000 Australia

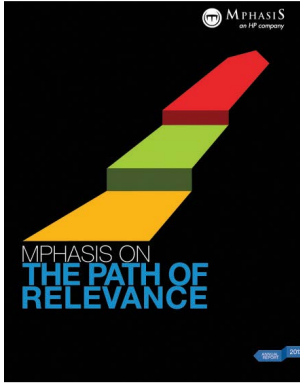
New Zealand

C/o Amicorp New Zealand Limited, Level
11, 2 Kitchener Street, Auckland Central,
Auckland, 1010, NZ

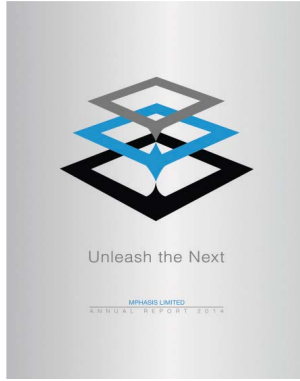
AFRICA

Mauritius

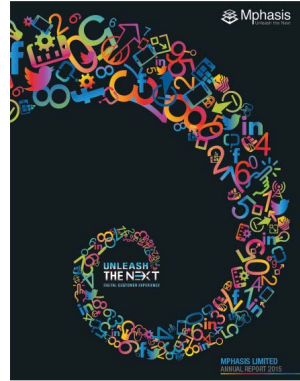
C/o SGG Corporate Services (Mauritius)
Ltd, 33 Edith Cavell Street, Port Louis,
11324, Mauritius



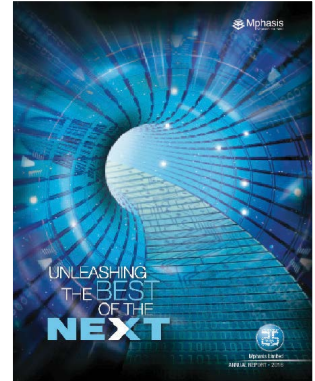
2013 Path of Relevance



2014 Unleash the Next...



2015 Unleash the Next Digital Customer Experience



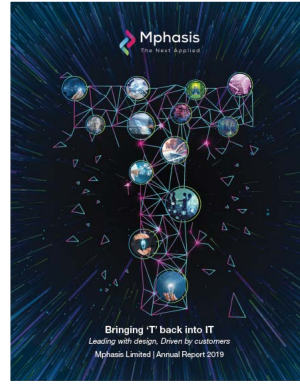
2016 Unleashing the Best of the Next



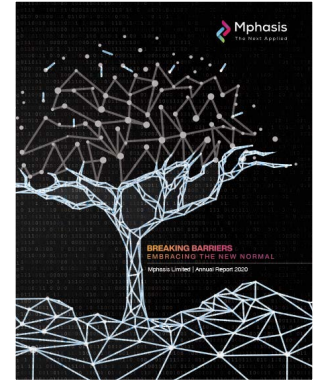
2017 The Perfect Balance



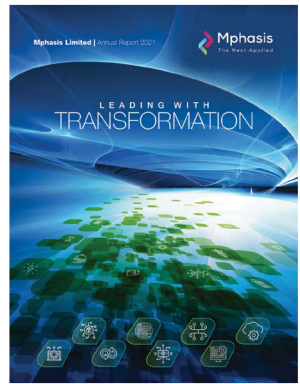
2018 The Next Applied



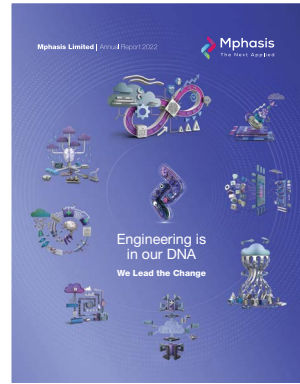
2019 Bringing 'T' back into IT



2020 Breaking Barriers



2021 Leading with Transformation



2022 Engineering is in our DNA



2023 The New Era - Mphasis.ai

It is said that if a butterfly flaps its wings in the Amazonian rain forest, under just the right conditions, it can change the weather halfway across the world. The emergence of AI, in that sense, has ignited a ripple of transformation across the global business ecosystem. As the world enters this new era of exponential change, our focus sharpens to empower enterprises to drive their transformation. Through our deep industry expertise and 'platform-and-solution' approach, we enable organizations to enhance productivity, reduce time-to-market and elevate customer experiences to unlock cascades of unprecedented value.



About Mphasis

Mphasis' purpose is to be the *"Driver in the Driverless Car"* for Global Enterprises by applying next-generation design, architecture and engineering services, to deliver scalable and sustainable software and technology solutions. Customer centricity is foundational to Mphasis and is reflected in the Mphasis' Front2Back™ Transformation approach. Front2Back™ uses the exponential power of cloud and cognitive to provide hyper-personalized ($C = X2C^{\infty} = 1$) digital experience to clients and their end customers. Mphasis' Service Transformation approach helps 'shrink the core' through the application of digital technologies across legacy environments within an enterprise, enabling businesses to stay ahead in a changing world. Mphasis' core reference architectures and tools, speed and innovation with domain expertise and specialization, combined with integrated sustainability and purpose-led approach across its operations and solutions are key to building strong relationships with marquee clients. To know more, please visit www.mphasis.com

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023 (₹ in Lacs)			
Sr. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
	Cash and Cash Equivalents as at the end of the year	1,12,65,445	1,19,75,822
	Components of Cash and Cash equivalents		
D	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	Cash and Balances with RBI (including FC notes)	46,11,589	37,88,571
	Balances with Banks and Money at call	73,64,233	46,87,762
	Net cash and cash equivalents at the beginning of the year	1,19,75,822	84,76,334
E	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	Cash and Balance with RBI (including FC notes)	50,25,811	46,11,589
	Balances with Banks and Money at call	62,39,634	73,64,233
	Net cash and cash equivalents at the end of the year	1,12,65,445	1,19,75,822

Previous Year's figures have been regrouped/recasted wherever considered necessary to correspond with the year ended classification/presentation.

(PANKAJ KUMAR)	(PRAFULLA KUMAR SAMAL)	(RAMASUBRAMANIAN S.)	(NIDHU SAXENA)
Dy. General Manager	Chief Financial Officer	Executive Director	Executive Director
(NITESH RAMJAN)	(ARUN KUMAR SINGH)	(SURAJ SRIVASTAVA)	(LAXMAN S UPPAR)
Executive Director	Director	Director	Director
(JAYADEV MADUGULA)	(PRITI JAY RAO)		
Director	Director		
(A. MANIMEKHALAI)	(SRINIVASAN VARADARAJAN)		
Managing Director & CEO	(Chairman)		

Auditors Certificate : We, the undersigned Statutory Auditors of the Union Bank of India, have verified the above consolidated Cash Flow Statement of the Bank for the year ended 31.03.2023. The statement has been prepared in Indirect Method in accordance with the AS-3, "Cash Flow Statement" issued by the Institute of Chartered Accountants of India and with the requirements of the SEBI (Listing Obligations & Disclosure Requirements), 2015 and is based on and in agreement with the corresponding Consolidated Profit & Loss Account and the Consolidated Balance Sheet of the Bank covered by our report of the May 06, 2023 to the members.

Place :	Mumbai	Date :	6 th May 2023
FOR M/S R G N PRICE & CO. CHARTERED ACCOUNTANTS FRN 0027855 CA P M VEERANANI PARTNER M.No. 0239393 UDIN: 230239338GVFVC3602	FOR M/S SARDAR PAREEK LLP CHARTERED ACCOUNTANTS FRN 109262V/100673 CA NIRANJAN JOSHI PARTNER M.No. 5012789 UDIN: 23102789BGRWC1919	FOR M/S C R SAGDEE & Co. CHARTERED ACCOUNTANTS FRN 108959W CA SACHIN V. LUTHRA PARTNER M.No. 109127 UDIN: 23109127BGVQVHS4391	FOR M/S P V A R & ASSOCIATES CHARTERED ACCOUNTANTS FRN 005223C CA. RUCHI AGARWAL PARTNER M.No. 504134 UDIN: 23504134BGWTPQ8986
FOR M/S GOPAL SHARMA & CO. CHARTERED ACCOUNTANTS FRN 002803C CA ABHISHEK SHARMA PARTNER M.No. 079224 UDIN: 23079224BGTQKQP5499	FOR M/S N B S & CO. CHARTERED ACCOUNTANTS FRN 110100W CA PRADEEP J. SHETTY PARTNER M.No. 046940 UDIN: 23046940BGTPT2512		

दि मध्यप्रदेश स्टेट माइनिंग कार्पोरेशन लि.
(मध्यप्रदेश शासन का उपक्रम)
पंजीकृत कार्यालय : पर्यावास भवन, ब्लॉक नं.-1 (E), द्वितीय तल
जेल रोड, अरेरा हिल्स, भोपाल-462011
दूरभाष : 2763391, 2763392, 2763393, फैक्स : 0755-2763394,
E-mail : info.mpsmc@mp.gov.in, Website : www.mpsmc.mp.gov.in
CIN : U01410MP1962SGC000937

रेत खनिज की ई-निविदा सह नीलामी (E-TENDER CUM AUCTION) के पूर्व रेत समूहों में सम्मिलित खदानों का विवरण

क्र. : ई-निविदा सूचना क्रमांक-रेत/निविदा/2023/286 दिनांक 23 जून 2023
राज्य शासन द्वारा प्रदेश की समस्त घोषित रेत खदानों का उत्खननपत्र, 10 वर्ष की अवधि के लिये, दि मध्यप्रदेश स्टेट माइनिंग कार्पोरेशन लि. (निगम) के पक्ष में स्वीकृत किया गया है। मध्यप्रदेश रेत (खनन, परिवहन, भण्डारण एवं व्यापार) नियम, 2019 के अंतर्गत इन खदानों से रेत खनन एवं विक्रय हेतु ई-निविदा सह नीलामी के माध्यम से चयनित माईन डेवलपर कम ऑफरेर (एम.डी.ओ.) अधिकृत होगा।
रेत खनिज की ई-निविदा सह नीलामी के पूर्व रेत समूहों में सम्मिलित खदानों का विस्तृत विवरण यथा जिला, तहसील, ग्राम, खसरा क्रमांक, रकबा एवं अनुमानित मात्रा, संचालनालय, भूमिकी तथा खनिकर्म म.प्र. के पोर्टल <https://ekhanij.mp.gov.in> एवं मध्यप्रदेश राज्य खनिज निगम के वेबसाइट <https://www.mpsmc.mp.gov.in> पर, ई-निविदा सह नीलामी में भाग लेने के इच्छुक प्रतिभागियों के अवलोकन एवं अन्य सुसंगत कार्यवाही हेतु दिनांक 24.06.2023 से प्रदर्शित किया जायेगा।
ई-निविदा सह नीलामी वास्तु विस्तृत निविदा आमंत्रण सूचना पृथक से प्रकाशित की जाएगी।
म.प्र. माध्यम/110534/2023 प्रबंध संचालक

SHRIRAM Finance Ltd.
Registered Off: Sri Towers, Plot No. 14A, South Phase Industrial Estate, Guindy, Chennai 600 032
Branch Off: No. 194, 1st Floor, 7th Cross, CMH Road, 1st Stage, Indiranagar, Bangalore - 560038
Website: www.shriramfinance.in

SYMBOLIC POSSESSION NOTICE

Note: It is informed that "SHRIRAM CITY UNION FINANCE LIMITED" has been amalgamated with "SHRIRAM TRANSPORT FINANCE LIMITED" as per order of NCLT, Chennai. Subsequently the name of "SHRIRAM TRANSPORT FINANCE LIMITED" was changed as "SHRIRAM FINANCE LIMITED" with effect from 30.11.2022 vide Certificate of Incorporation pursuant to change of name dated 30-11-2022.

Whereas, The undersigned being the Authorised Officer of M/s. Shriram Finance Limited, under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (said Act) and in exercise of powers conferred under Section 13(12) of the said Act read with Rule 3 of the Security Interest (Enforcement) Rules, 2002 (said Rules) issued Demand Notice to the Borrowers details of which are mentioned in the table below to repay the amount mentioned in the said Demand Notice. The Borrowers having failed to repay the amount, Notice is hereby given to the Borrowers and the public in general that the undersigned has taken Physical Possession of the property described herein below in exercise of powers conferred on him/her under Section 13(4) of the said Act read with rule 8 of the said Rules, on this 22nd Day of June 2023.

The Borrower in particular and the public in general is hereby cautioned not to deal with the property and any dealing with the property will be subject to the charge of Shriram City Union Finance Ltd./Shriram Finance Ltd. for an amount as mentioned herein below with interest thereon.

The borrower's attention is invited to the provisions of the sub section 8 of sec 13 of the Act, in respect of time available to redeem the secured assets.

Borrower Name and address	Amount due as per Demand Notice	Description of Property
1. M/s. Ridhi Enterprises, Rep. by its Authorised Signatory Sy. No. 42/2, Bichanahalli Village, Thirumalapura Gate, N.H. 75, Billigunda Post, Belluru Hobali, Nagamangala Tq., Mandya - 571418.	Rs. 33,99,256/- (Rupees Thirty Three Lakhs Ninety Nine Thousand Two Hundred Fifty Six Only) in Loan A/c.	All that Piece and Parcel of the Property Bearing No. 26, Property No. 152100500602320006 formed in Sy. No. 42/3, measuring 25.08 guntas and Sy. No. 42/5 measuring 1 Acre situated at Bichanahalli Grama, Kalingahalli Grama Panchayat, Belluru Hobali, Nagamangala Taluk, Mandya District - Vide DC Conversion order bearing ALN.SR.No.143/2015-16 and bounded on: EAST BY : Connecting Road and L.H. No.2 WEST BY: Thirumalapura Border and Site No.24/3 and 24/1 NORTH BY: N.H. 75 Road SOUTH BY: Thirumalapura Boundary and L.H. No. 44 Measuring East to West : (52+56)/2 and North to South (73+73)/2 Ft., in total 6575.08 Sq. Mts.
2. Mr. Jagadeesh M S	Eight Hundred Sixty-Five Only) in Loan A/c.	
3. Mrs. Shruthi Jagadeesh		
Above 2 and 3 residing at : No. 201, KV Gardania, 1st Cross, Banagrinagara, Yellappa Garden, Banashankari 3rd Stage, Bangalore - 560085	BANNCFT17103100 03 as on 09-03-2023 R s . 6,93,865/- (Rupees Six Lakhs Ninety-Three Thousand Five Only) in Loan A/c. BANNCFT21062900 02 as on 09-03-2023 Demand Notice Dated : 09-03-2023 Physical Possession Dated: 22-06-2023	

This notice is also hereby to caution the general public at large that the Authorised Officer of Shriram Finance is in the lawful Physical Possession of the immovable property mentioned herein above and the Borrowers or any person shall not after receipt of this notice transfer by way of sale, lease or otherwise deal with/ alienate any of the above mentioned secured assets referred to in this notice, without prior written consent of Shriram Finance.

Place: Mandya/Bangalore Sd/- Authorised Officer
Date : 22-06-2023 Shriram Finance Limited

Mphasis Limited
Regd. Office: Bagmane World Technology Centre, Marathahalli Outer Ring Road, Doddanahundi Village, Mahadevapura, Bengaluru - 560048. CIN: L30007KA1992PLC025294
Tel: 91 80 6750 1000
Website: www.mphasis.com
email: investor.relations@mphasis.com / 32.agm@mphasis.com

Notice

32nd Annual General Meeting to be held over Video Conference, Record Date and Dividend information

Notice is hereby given that the thirty second Annual General Meeting ("AGM") of Mphasis Limited will be held at 9:00 am (IST) on Thursday, 20 July 2023, through Video Conferencing ("VC") in compliance with General Circulars No. 10/2022 issued by the Ministry of Corporate Affairs (MCA) dated December 28, 2022 and SEBI circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5 January 2023 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as the "Circulars"), to transact the ordinary business contained in the Notice of the thirty second AGM (the "Notice") together with the additional information in respect of the Directors seeking re-appointment and the explanatory statement pursuant to the Companies Act, 2013.

Notice is further hereby given that the thirty second Annual Report for the financial year ended 31 March 2023 together with the Notice of the AGM, is being dispatched physically or through electronically, individually to the members of the Company at their registered addresses/ e-mail IDs which are registered with the Company/Depositories, in accordance with the Circulars, to those members whose names appear in the register of members/list of beneficial owners as at 9 June 2023. The Annual Report and the Notice of the AGM is available on the website of the Company, www.mphasis.com and also on the website of the National Stock of India Limited (NSE) www.nseindia.com and the BSE Limited, www.bseindia.com.

The Company is pleased to provide e-voting facility to the Members to exercise their right to vote through electronic means (remote e-voting) on all resolutions as set out in the said Notice and has engaged National Securities Depository Limited (NSDL) as the agency to provide the e-voting facility. The manner of voting remotely for shareholders holding shares in dematerialized mode, physical mode and for shareholders who have not registered their email addresses is provided in the Notice being sent to the shareholders.

Those members who are present in the AGM through VC and had not cast their votes on resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to e-vote during the AGM.

Shareholders holding shares in demat mode are requested to contact their Depository Participant ("DP") and register their e-mail address as per the process advised by their DP. Shareholders holding shares in physical mode are requested to furnish their e-mail address and mobile number with the Company's Registrar and Share Transfer Agent viz., Integrated Registry Management Services Private Limited at giri@integratedindia.in. Members holding shares in physical form or who have not registered their e-mail address with the Company can cast their vote through remote e-voting or e-vote during AGM by following the below process for obtaining the e-voting credentials:

- In case shares are held in physical mode, provide the folio No., name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to 32.agm@mphasis.com.
 - In case shares are held in demat mode, provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name of shareholder, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to 32.agm@mphasis.com.
 - Alternatively, member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by providing the details mentioned in Point (1) or (2) as may be.
- In compliance with Section 108 of the Companies Act, 2013 and rules thereunder, as amended, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. S P Nagarajan (PCS No. 4738), Practicing Company Secretary, has been appointed as the scrutineer to scrutinize the voting process in a fair and transparent manner.

The following is the schedule of events for e-voting:

Date of completion of dispatch of Notice	Monday, 26 June 2023
Cut-off date for remote e-voting	Thursday, 13 July 2023
The date and time of commencement of remote e-voting	Saturday, 15 July 2023 at 9.00 AM
Closing of remote e-voting	Wednesday, 19 July 2023 at 5.00 PM
Declaration of results of voting	The results will be declared forthwith, upon receipt of scrutineer's report within 48 hours from the date of the AGM i.e. before Saturday, 22 July 2023, before 5 pm and placed at the registered office of the Company, Mphasis Limited, Bagmane World Technology Centre, Marathahalli Outer Ring Road, Doddanahundi Village, Mahadevapura, Bengaluru - 560 048 and also at the Corporate Office of the Company "Bagmane Laurel", Bagmane Technology Park, Byrasandra Village, C V Raman Nagar, Bengaluru - 560 093. Further the results will be hosted on the website of the Company at www.mphasis.com despite of being hosted on the website of the Stock Exchanges.

The Notice of the AGM is uploaded on the website of the Agency, NSDL at <https://www.evoting.nsdl.com/>. Notice is also hereby given that the Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 6 July 2023 to Thursday, 20 July 2023 (both days inclusive).

Shareholders may note that the Board of Directors in their meeting held on 27 April 2023 has recommended a dividend of ₹50 per equity share. The dividend once approved by the shareholders in the ensuing AGM will be paid (subject to deduction of taxes at source as per the Income-tax Act, 1961) electronically to those shareholders who have updated their bank account details. Members holding shares in electronic form, who have not registered their bank particulars are requested to update the same with their respective Depositories and members holding shares in physical form are requested to update their bank particulars to the Company's Registrar and Share Transfer Agents at giri@integratedindia.in to enable the Company to disburse the dividend to your bank account directly.

In respect of the shareholders who have not updated their bank account details, the dividend warrants/ demand drafts / cheques will be dispatched to the shareholders at their registered addresses. However, if the postal facility is not fully functional in the Country due to any pandemic, the same will be dispatched when the postal facility is fully functional.

Shareholders may note that the Income-tax Act, 1961 (Act), as amended by the Finance Act, 2020, mandates that the dividends paid or distributed by a Company, on or after April 1, 2020, shall be taxable in the hands of shareholders. The Company shall therefore deduct tax at source (TDS) at the time of making the payment of final dividend. The shareholders are requested to note the following in this regard.

For Resident Shareholders, taxes shall be deducted at source under Section 194 of the Act, as follows -

Shareholders having valid PAN	10% or as notified by the Government of India
Shareholders not having PAN / valid PAN	20% or as notified by the Government of India as per section 206AA of the Income Tax Act
Shareholders who have not filed the Income Tax Returns for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired and aggregate of tax deducted at source is ₹ 50,000 or more in the said Financial Year	Higher rate of tax as notified by the Government of India as per section 206AB of the Income Tax Act

However, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total dividend to be received by them during Financial Year 2023-24 does not exceed Rs. 5,000 in aggregate across all holdings in the Company and also in cases where shareholders provide Form 15G/ Form 15H (applicable to an individual resident shareholder with age of 60 years or more) subject to conditions specified in the Act. Resident shareholders may also submit any other document as prescribed under the Act to claim a lower Nil withholding tax. PAN is mandatory for shareholders providing Form 15G/15H or any other document as mentioned above.

For Non-resident Shareholders (excluding FPIs/FILs), taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by Government of India on the amount of dividend payable. Non-resident shareholders (including FPIs / FILs), have the option of being governed by the provisions of the Double Taxation Avoidance Agreement (DTAA) between India and their country of tax residence, if the provisions of the DTAA are more beneficial to them. For this purpose, i.e., to avail the benefits under the DTAA, non-resident shareholders will have to provide the following:

- Copy of the PAN Card allotted by the Indian Income Tax Authorities duly attested by the shareholder.
- Copy of Tax Residency Certificate (TRC) for FY 2023-24, obtained from the revenue authorities of the country of tax residence, duly attested by shareholder.
- Self-declaration in Form 10F for FY 2023-24.
- Declaration to establish the genuineness of applicability of treaty provisions including provisions of General Anti-Avoidance Rules and Multilateral Instruments.
- Self-declaration by the shareholder of having no Permanent Establishment in India in accordance with the applicable Tax Treaty.
- In case of foreign company/entity, self-declaration that you do not have a permanent establishment in India, nor do you have a place of effective management in India for FY 2023-24.

Shareholders are requested to upload the aforementioned documents at <https://www.integratedindia.in/ExemptionFormSubmission.aspx> on or before 6 July 2023 before 5:00 pm. No communication would be accepted from shareholders after 6 July 2023 regarding the tax withholding matters.

For Mphasis Limited
Sd/-
Subramanian Narayan
Senior Vice President and Company Secretary

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PURSUANT TO THE MCA CIRCULARS, PROVISION FOR APPOINTMENT OF PROXIES BY THE MEMBERS ARE NOT AVAILABLE FOR THE AGM HELD THROUGH VC. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXY FOR THIS AGM HAS NOT BEEN PROVIDED TO THE MEMBERS AND THE PROXY FORM IS NOT ANNEXED TO THE NOTICE.
- Any person who acquires shares and becomes a member of the Company after dispatch of the Notice may obtain the login ID and password by sending a request to evoting@nsdl.co.in or giri@integratedindia.in and shall be entitled for availing remote e-voting facility or e-voting at the AGM. However, the vote of member will be considered only if such person is a member of the Company as at the cut-off date i.e., 13 July 2023. A person who is not a member as at the cut-off date should read this Notice for information purposes only.
- Any queries or grievances connected with the remote e-voting process, may please be addressed to Mr. Subramanian Narayan, Senior Vice President and Company Secretary, Mphasis Limited, Bagmane World Technology Centre, Marathahalli Outer Ring Road, Mahadevapura, Doddanahundi Village, Bengaluru - 560 048, Ph:+91-080-67504613 or e-mailed to subramanian.narayan@mphasis.com or 32.agm@mphasis.com.
- The remote e-voting module shall be forthwith blocked by NSDL at 5.00 pm on Wednesday, 19 July 2023 and remote e-voting shall not be allowed beyond the aforesaid date and time.
- A member may participate at the AGM through VC facility even after exercising their right to vote through remote e-voting but shall not be entitled to vote again at the AGM.

CARE Ratings Limited
(CIN: L67190MH1993PLC071691)
Regd. Office: 4th Floor, Godrej Colleiseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400022. Tel: 022-67543456, Fax: 022-67543457
Email: investor.relations@careedge.in Website: www.careedge.in

NOTICE TO THE MEMBERS REGARDING 30th ANNUAL GENERAL MEETING TO BE HELD THROUGH VIDEO CONFERRING / OTHER AUDIO-VISUAL MEANS AND DIVIDEND

Members may please note that the 30th Annual General Meeting ("AGM") of CARE Ratings Limited ("the Company") will be held on Friday, July 28, 2023 at 3.30 p.m. (IST) through Video Conferencing ("VC") facility / Other Audio- Visual means ("OAVM"), without the physical presence of the Members at a common venue in compliance with the provisions of the Companies Act, 2013 ("the Act") and the Rules framed thereunder and the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with General Circulars dated April 8, 2020, April 13, 2020, May 5, 2020, December 31, 2020, January 13, 2021, December 14, 2021, May 5, 2022 and December 28, 2022, issued by the Ministry of Corporate Affairs (collectively referred to as "MCA Circulars"), Circular Nos. SEBI/HO/CFD/CMD2/CIRP/2022/62 dated May 13, 2022 read with SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, issued by SEBI and other applicable circulars issued in this regard to transact the businesses that will be set forth in the Notice of the AGM.

In compliance with MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report for the financial year ended 2022-23 will be sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Registrar and Transfer Agent / Depository Participant(s) ("DP"). The Notice of the AGM and the Annual Report for Financial Year ended 2022-23 will be made available on the Company's website at www.careedge.in and can also be accessed on the websites of the Stock Exchanges i.e. at www.nseindia.com and www.bseindia.com and National Securities Depository Limited (NSDL) at www.evoting.nsdl.com.

Members can attend and participate in the AGM through the VC facility / OAVM only, the details of which will be provided by the Company in the Notice of the AGM. Members attending the Meeting through VC facility / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. The Company will be providing remote e-voting facility ("remote e-voting") to all its members to cast their votes on all resolutions set out in the Notice of AGM, additionally, the Company is providing the facility of voting through e-voting system during the AGM ("e-voting"). Detailed procedure for remote e-voting / e-voting will be provided in the Notice of the AGM.

Manner of registering/ updating email addresses, mobile number & change of address and manner of registering mandate of bank accounts for receiving dividend:

Physical Holding	SEBI vide its circular dated November 3, 2021, has mandated registration of PAN, KYC details and Nomination. Members holding shares in physical form are, therefore, requested to submit their PAN, KYC details including Bank details and nomination details to the Registrar and Transfer Agent of the Company KFin Technologies Limited ("KFinTech") at einward.nis@kfintech.com by sending duly filled form ISR-1 and other relevant forms available on the website of the Company i.e. www.careedge.in
Demat Holding	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.

NOTICE IS FURTHER GIVEN that pursuant to Section 91 of the Act read with Rule 10 of the Companies (Management and Administration) Rules, 2014 and Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the record date for the purpose of payment of Final and Special Dividend will be Friday, July 7, 2023. The Final and Special Dividend, if approved by the Members, shall be paid on or before Sunday, August 27, 2023.

Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrars and Share Transfer Agent i.e. KFin Technologies Limited cannot act on any request received directly from the Members holding shares in demat form for any change of Bank particulars / Bank mandates or address details. Such changes are to be communicated only to the Depository Participant(s) of the Members. Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to KFin Technologies Limited, Registrar and Share Transfer Agent of the Company by sending a request on e-mail at einward.nis@kfintech.com.

For CARE Ratings Limited
Sd/-
Place: Mumbai Nehal Shah
Date: June 26, 2023 Company Secretary & Compliance Officer

ADITYA BIRLA CAPITAL
ADITYA BIRLA HOUSING FINANCE LIMITED
Registered Office- Indian Rayon Compound, Veraval, Gujarat - 362266
Branch Office- G Corporation Tech Park, Kasarvadavali, Ghodbunder Road, Thane -400607 (MH)

DEMAND NOTICE
(under Rule 3 (1) of Security Interest (Enforcement) Rules, 2002)
SUBSTITUTED SERVICE OF NOTICE U/s 13 (2) OF SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002.

Notice is hereby given to the borrowers as mentioned below that since they have defaulted in repayment of the Credit facility availed by them from Aditya Birla Housing Finance Limited (ABHFL), their loan accounts have been classified as Non-Performing Assets in the books of the Company as per RBI guidelines thereto. Thereafter, ABHFL, has issued demand notices under section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) on the last known addresses of the said borrowers thereby calling upon and demanding from them to repay the entire outstanding amount together with further interest at the contractual rate on the aforesaid amount and incidental expenses, cost, charges etc. as stated in the said demand notices. However, the demand notice is also being served by way of publication, as per Rule 3 of the Security Interest (Enforcement) Rules, 2002 (SARFAESI Rules).

Sl. No.	Name and Address Borrower/Co-Borrower and Guarantor / Co-Guarantor / Loan A/C No.	NPA Date	Date of Demand Notice	Amount due as per Demand Notice (as on Date)
1	1. NASEEMUNISSA, Property Bearing No. 477 And 478, 6th Block, Kormangala Extension, 80 Feet Road, Bangalore Urban District, Karnataka- 560095. 2. MIR ALTAF HUSSAIN Property Bearing No. 477 And 478, 6th Block, Kormangala Extension, 80 Feet Road, Bangalore Urban District, Karnataka- 560095. 3. SYED TABRAZ ALTAF Property Bearing No. 477 And 478, 6th Block, Kormangala Extension, 80 Feet Road, Bangalore Urban District, Karnataka- 560095. 4. SYED KHALID ALTAF, Property Bearing No. 477 And 478, 6th Block, Kormangala Extension, 80 Feet Road, Bangalore Urban District, Karnataka- 560095. 5. ELIXIR INDUSTRIES Property Bearing No. 477 And 478, 6th Block, Kormangala Extension, 80 Feet Road, Bangalore Urban District, Karnataka- 560095. 6. NASEEMUNISSA Villas Goolimangala Village, A.P.M.C. Fruit Market Sarjapur Hobli, No 139/4/3n A5 Diamonds, Anekal Taluk Gulimangala Bangalore, Bangalore Urban District, Karnataka- 560099. 7. MIR ALTAF HUSSAIN Villas Goolimangala Village, A.P.M.C. Fruit Market Sarjapur Hobli, No 139/4/3n A5 Diamonds, Anekal Taluk Gulimangala Bangalore, Bangalore Urban District, Karnataka- 560099. 8. SYED TABRAZ ALTAF Villas Goolimangala Village, A.P.M.C. Fruit Market Sarjapur Hobli, No 139/4/3n A5 Diamonds, Anekal Taluk Gulimangala Bangalore, Bangalore Urban District, Karnataka- 560099. 9. SYED KHALID ALTAF Villas Goolimangala Village, A.P.M.C. Fruit Market Sarjapur Hobli, No 139/4/3n A5 Diamonds, Anekal Taluk Gulimangala Bangalore, Bangalore Urban District, Karnataka- 560099. 10. ELIXIR INDUSTRIES Villas Goolimangala Village, A.P.M.C. Fruit Market Sarjapur Hobli, No 139/4/3n A5 Diamonds, Anekal Taluk Gulimangala Bangalore, Bangalore Urban District, Karnataka- 560099. 11. NASEEMUNISSA No 3/ 7n C Main 3rd Cross Koramangala 3rd Block Bangalore South, Koramangala, Bangalore, Karnataka- 560034. 12. MIR ALTAF HUSSAIN No 3/ 7n C Main 3rd Cross Koramangala 3rd Block Bangalore South, Koramangala, Bangalore, Karnataka- 560034. 13. SYED KHALID ALTAF N/A Five Diamonds Villas, Villa- 06, 5 No 139/0, Gulimangala Village Electronic City Phase- 2 Opp Apmc Fruit Market Bangalore South Electronics City Bengaluru Karnataka- 560100. 14. SYED TABRAZ ALTAF No 3/ 7n C Main 3rd Cross Koramangala 3rd Block Bangalore South Koramangala Bangalore Karnataka 560034. 15. NASEEMUNISSA C/O Elixir Industries 100 4th B Cross 5th Block Bangalore State- Karnataka Pin- 560095. 16. ELIXIR INDUSTRIES 100 4th B Cross 5th Block Koramangala Bangalore State- Karnataka Pin- 560095. Loan Account No. LNBANPNO-09190058003, LNBANPNO-09190058004 and LNBANPNO-11200077634	08-06-2023	19-06-2023	Rs. 5,03,38,382.2/- (Rupees Five Crore Three Lakh Thirty Eight Thousand Three Hundred Eighty Two and Two Paise Only) by way of outstanding principal, arrears (including accrued late charges) and interest till 12.06.2023

DESCRIPTION OF IMMOVABLE PROPERTY/PROPERTIES MORTGAGED



26 June 2023

The Manager
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, MUMBAI - 400 001

The Manager
National Stock Exchange of India Limited
Exchange Plaza, Plot No.C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051

Dear Sir,

Sub:- Business Responsibility and Sustainability Report for the year ended 31 March 2023

We refer to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and enclose the Business Responsibility and Sustainability Report under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for year ended 31 March 2023. The same is also uploaded on the website of the Company at <https://www.mphasis.com/content/dam/mphasis-com/global/en/investors/annual-reports/business-responsibility-report-2023.pdf>.

We request you to kindly take the above on record as per the provisions of Listing Regulations.

Thanking You,

Yours faithfully,

For Mphasis Limited



Subramanian Narayan
Senior Vice President and Company Secretary

Encl: As above

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The New Era Mphasis.ai

Mphasis Limited
Business Responsibility and Sustainability Report 2023

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT 2023

SECTION A: GENERAL DISCLOSURES

Details

1	Corporate Identity Number (CIN) of the Company	L30007KA1992PLC025294
2	Name of the Company	Mphasis Limited
3	Year of incorporation	1992
4	Registered office address	Bagmane World Technology Center, Marathahalli Outer Ring Road, Doddanakundi Village, Mahadevapura, Bengaluru- 560 048, India
5	Corporate address	Bagmane World Technology Center, Marathahalli Outer Ring Road, Doddanakundi Village, Mahadevapura, Bengaluru- 560 048, India
6	E-mail	subramanian.narayan@mphasis.com
7	Telephone	+91 8067504613
8	Website	www.mphasis.com
9	The financial year for which reporting is being done	FY 2022-23
10	Name of the stock exchange(s) where shares are listed	The National Stock Exchange of India Limited (NSE) BSE Limited (BSE)
11	Paid-up capital	₹ 1,888 million
12	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Mr. Subramanian Narayan Senior Vice President & Company Secretary Telephone: +918067504613 E-mail id: Subramanian.Narayan@mphasis.com
13	Reporting boundary	Disclosures made in this report are on a standalone basis and pertain to Mphasis Limited.

Products/services

14. Details of business activities (accounting for 90% of the turnover):

Description of the main activity	Description of business activity	% of turnover
Computer programming and related activities	Computer programming and related activities (IT consultancy, Information and communication services, etc.)	100%

15. Products/services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Description of the main activity	NIC Code	% of turnover contributed
1	Computer programming and related activities	6,201	100%

Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	Not applicable	21	7
International		39	20

*Please note these facilities/offices and locations include Mphasis Ltd and all its subsidiaries.

17. Markets served:

a. Number of locations:

Locations	Number
National (No. of states)	7
International (No. of countries)	20

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT 2023

Mphasis has business activities in:

- ♦ **National locations:** Bengaluru, Chennai, Hyderabad, Mangalore, Mumbai, Noida, and Pune.
- ♦ **International locations:** Australia, Argentina, Belgium, Canada, China, Costa Rica, France, Germany, Hungary, Ireland, Japan, Malaysia, Mexico, New Zealand, Netherlands, Poland, Singapore, Sweden, Switzerland, Taiwan, the United Kingdom, and The United States of America.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Mphasis Limited's export sales percentage is 92% for FY23.

c. A brief on types of customers

Customer centricity is foundational to Mphasis and is reflected in our 'Front2BackTransformation' approach. Front2Back uses the exponential power of cloud and cognition to provide hyper-personalized digital experience to clients and their end customers. We provide next-generation design, architecture, and engineering services, to deliver scalable and sustainable software and technology solutions to clients.

Our service transformation approach streamlines operations and enables our customers in banking, capital markets, insurance, healthcare, life sciences and airlines sectors ahead of the dynamic market.

Note: For more information on our customers is available on our company website: www.mphasis.com

Employees

18. Details as of the end of the financial year:

a. Employees and workers (including differently-abled)

S.No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	12,484	9,308	74.5%	3,176	25.4%
2.	Other than permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	12,484	9,308	74.5%	3,176	25.4%
Workers						
4.	Permanent (F)	14,493	8,096	55.8%	6,397	44.1%
5.	Other than permanent (G)	641	447	69.7%	194	30.2%
6.	Total workers (F + G)	15,134	8,543	56.4%	6,591	43.5%

b. Differently-abled employees and workers

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Differently abled Employees						
1.	Permanent (D)	21	17	80.95%	4	19.05%
2.	Other than permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	21	17	80.95%	4	19.05%
Differently abled Workers						
4.	Permanent (F)	23	18	78%	5	22%
5.	Other than permanent (G)	-	-	-	-	-
6.	Total workers (F + G)	23	18	78%	5	22%

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT 2023

19. Participation/inclusion/representation of women

	Total (A)	No. and % of females	
		No. (B)	% (B/A)
Board of Directors	12	3	25%
Key Management Personnel ^{refer note}	3	0	0

Note: Mphasis Executive Committee has one woman member.

20. Turnover rate for permanent employees and workers

Mphasis has implemented various strategies to maintain its workforce, including offering opportunities for upskilling, promotions, benefits and rewards, and long-term incentives to its identified critical talents. As an outcome of relentless efforts, Mphasis has been successful in retaining and attracting skilled employees. Despite the high rate of turnover in the Indian IT sector, Mphasis has managed to maintain a turnover rate that is on par with the industry average.

Holding, subsidiary and associate companies (including joint ventures)

21. (a) As of March 31, 2023

Sr No.	Name	Holdings/subsidiary/ associate/ joint venture	% of shares held by the listed entity
1	BCP Topco IX Pte. Ltd	Holding	55.63%
2	Mphasis Software and Services (India) Private Ltd.	Subsidiary	100%
3	Msource (India) Private Limited	Subsidiary	100%
4	Mphasis Corporation	Subsidiary	100%
5	Mphasis Deutschland GmbH	Subsidiary	91%
6	Mphasis Australia Pty. Ltd	Subsidiary	100%
7	Mphasis (Shanghai) Software and Services Co. Ltd.	Subsidiary	100%
8	Mphasis Consulting Limited	Subsidiary	100%
9	Mphasis Europe B.V.	Subsidiary	100%
10	Mphasis UK Limited	Subsidiary	100%
11	Mphasis Pte Ltd	Subsidiary	100%
12	Msource Mauritius Inc.	Subsidiary	100%
13	Mphasis Ireland Ltd	Subsidiary	100%
14	Mphasis Belgium BVBA	Subsidiary	100%
15	Mphasis Lanka (Private) Limited	Subsidiary	100%
16	Mphasis Poland Sp.zoo	Subsidiary	100%
17	Mphasis Infrastructure Services Inc.	Subsidiary	100%
18	PT. Mphasis Indonesia	Subsidiary	100%
19	Mphasis Wyde Inc	Subsidiary	100%
20	Wyde Corporation	Subsidiary	100%
21	Wyde Solutions Canada Inc.	Subsidiary	100%
22	Mphasis Wyde SASU	Subsidiary	100%
23	Mphasis Philippines Inc.	Subsidiary	100%
24	Digital Risk, LLC	Subsidiary	100%
25	Digital Risk Mortgage Services, LLC	Subsidiary	100%
26	Digital Risk Services, LLC	Subsidiary	100%
27	Investor Services, LLC	Subsidiary	100%

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT 2023

Sr No.	Name	Holdings/subsidiary/ associate/ joint venture	% of shares held by the listed entity
28	Stelligent Systems LLC	Subsidiary	100%
29	Datalytx Limited	Subsidiary	100%
30	Dynamyx Limited	Subsidiary	100%
31	Datalytx MSS Limited	Subsidiary	100%
32	Mphasis Digi Information Technology Services (Shanghai) Limited	Subsidiary	100%
33	Blink Interactive, Inc.	Subsidiary	100%
34	Mrald Limited	Subsidiary	51% with 100% economic benefits
35	Redshift Digital, Inc.	Subsidiary	100%
36	Redshift Canada ULC	Subsidiary	100%
36	Mrald Services Limited	Subsidiary	100%
37	Mphasis Solutions Services Corporation	Subsidiary	100%
38	Mrald Services Private Limited	Subsidiary	100%

(b) Do the entities indicated in the above table participate in the business responsibility initiatives of the listed entity? (Yes/No)

Yes, Mphasis has extended its business responsibility and ESG policies to its subsidiaries, which are actively involved and participate in ESG initiatives. The subsidiaries are an integral part of the 'One Mphasis' culture, which ensures a consistent set of values, policies and practices across all entities.

CSR details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 : Yes
 (ii) Turnover (in ₹) : 94,246.43 million
 (iii) Net worth (in ₹) : 50,086.96 million

Transparency and disclosures compliances

23. Complaints/grievances on any of the principles (principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGBRC):

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanism in Place (Yes/ No)	FY 2022-23		FY 2021-22	
	If Yes, then provide web-link for the grievance redress policy	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year
Communities*	Yes	Nil	Nil	Nil	Nil
Investors (other than shareholders)	Yes, investor grievances can be sent through email to the following designated email id: investor.relations@mphasis.com	Nil	Nil	Nil	Nil
Shareholders	Yes	7	Nil	3	Nil

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT 2023

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanism in Place (Yes/ No)	FY 2022-23		FY 2021-22	
	If Yes, then provide web-link for the grievance redress policy	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year
Employees and workers	<p>Yes, Mphasis has a Whistleblower Policy to enable our stakeholders who observe unethical practices (whether or not a violation of the law), to approach the whistleblower custodian without revealing their identity if they choose to do so.</p> <p>There are various channels to report actual or suspected fraud or violation of the company's Code of Conduct or Ethics Policy i.e., through:</p> <p>E-mail to the whistleblower office at whistleblower@mphasis.com</p> <p>Written complaints can be dropped off at the whistleblower drop box at the respective company location</p> <p>Complaints can be recorded through the whistleblower hotline</p> <p>The policy is available on the Mphasis website: https://www.mphasis.com/home/corporate/whistleblower.html</p>	17	0	25	Nil
Customers**		Nil	Nil	Nil	Nil
Value chain partners		Nil	Nil	2	Nil
Others (violation of code of business conduct and ethics)	<p>Mphasis has an empowered corporate investigation team that supports all the above functionaries in investigating most of the complaints thoroughly and professionally. The investigation team is staffed with qualified investigators and has its forensic lab.</p>	29	0	Nil	Nil

* Mphasis directly works with the implementation partners who address the grievances of the communities we work with.

** Mphasis conducts regular CSAT surveys. We also have a contact us form on the website, where we can receive feedback or requests for responses.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT 2023

24. Overview of the entity's material responsible business conduct issues.

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

Mphasis carried out its initial all-inclusive materiality assessment to determine our material ESG aspects in FY21. The primary objective of this assessment was to recognize how the determined ESG aspects impact our business and our stakeholders and vice versa. We have identified and assigned KPIs against the high-priority material aspect to enhance our business operations/performance, and stakeholder engagement and strengthened our ESG strategy.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	The rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Data privacy/ Cyber / IT System Security and Resilience	Risk	<ul style="list-style-type: none"> Being a leading IT services provider, Mphasis is expected to implement policies, systems and practices to secure and protect data and build resilience against cyber attacks as the IT services sector is a highly targeted sector year after year. Additionally, India ranked fifth on the list of countries most hit by cyberattacks according to a 2022 report by Surfshark, a Netherlands-based VPN company. Improper data and systems management can have a major reputational impact on Mphasis, as employees and other stakeholders lose trust in the Company's ability to safeguard sensitive information. Additionally, data breaches can have significant financial impacts. IBM's Cost of a Data Breach report (2021) estimates that the average total cost of a data breach increased by 10%, from US\$3.86 million to USD 4.24 Million, the highest average total cost in the 17-year history of this report. 	Risk mitigation approach: <ul style="list-style-type: none"> Data Privacy Officer (DPO) is appointed and will address queries, when required, with regards to the "Data Subject Access Requests (DSAR)", "stakeholder grievances" and "breaches" etc. in the context of personal data. Data Privacy Office conducts internal audits at least annually and facilitates Audits conducted by external bodies to validate the effectiveness of the data privacy controls deployed. Annual training is made available to all the employees to raise awareness on safeguarding their information and company-wide security/privacy practices. 	Negative: Mphasis has access to sensitive data, such as personal information of stakeholders, customer data etc. Poor data security management could thus result in legal and reputational risks for Mphasis in addition to being a breach of trust imposed by the data owners in Mphasis.
2	Business ethics	Risk and Opportunity	<p>It is important for businesses to be transparent, accountable, and ethical to build trust with stakeholders.</p> <p>By adhering to ethical principles, IT companies can protect customer data and privacy, treat employees and other stakeholders fairly, be transparent in their business operations and management, and promote overall innovations and social responsibility.</p>	Risk mitigation approach: <ul style="list-style-type: none"> The Board of Directors along with the Chief Ethics and Compliance Officer provides oversight and promotes responsible governance practices across the Company The Board Committees ensure adherence to the highest standards of corporate governance 	Positive: Companies that prioritize ESG and ethical practices may experience cost savings through increased efficiency, reduced risk, and improved Moreover,

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT 2023

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	The rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				<p>by setting internal policies on responsible business conduct which has been effective. Such policies include <u>CoBC</u>, <u>Anti-bribery and Anti-corruption Policy</u>, <u>Anti-Slavery Policy</u>, and the <u>Whistleblower Policy</u>.</p> <p>The Company whistle-blower mechanism enables all our stakeholders to report any suspicious eventualities that come to their attention, by writing to whistleblower@mphasis.com. Written complaints can also be dropped into the whistle-blower drop box present at the company's location.</p>	<p>companies that incorporate ethical practices in their business strategies may be more likely to identify new business opportunities, thereby driving long-term growth and value creation.</p> <p>Negative: Likelihood of costly litigation, fines, and reputational damage.</p>
3	Customer centricity/ satisfaction	Risk and Opportunity	<p>The transparency, accuracy, and comprehensibility of marketing statements, / service descriptions, service terms and processes play an important role in the relationship between customers and companies.</p> <p>Customers should have access to accurate and adequate information to make an informed purchasing decision. In the case of Mphasis, this is linked to the disclosure of reliable information regarding the services.</p>	<p>Risk mitigation approach: The company has a well-defined process to proactively measure the levels of customer satisfaction and obtain feedback from various perspectives, including, the satisfaction of the customer with the present work, growth of the account, and innovative and cost-effective solutions offered by the Company. The CSAT surveys are conducted half yearly with both Operational and Strategic stakeholders of the customer. For a CSAT score less than 4.5, the service improvement plan is established by the delivery team, and actions are agreed upon with the customer and tracked to closure. CSAT Score is measured on a scale of 1 to 5. The CSAT scores are closely monitored by the Company Board.</p>	<p>Positive: Customer satisfaction and loyalty have a significant positive influence on the Company's profitability. Improved customer satisfaction can also lead to better business opportunities and growth.</p> <p>Negative: Consumers can lose trust in Mphasis's reliability to provide proposed quality services, which can lead to loss of business opportunities.</p>

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT 2023

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	The rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Protection of human rights	Risk	<p>Mphasis operates in multiple geographies across the globe and it is our responsibility to protect core human rights in the communities in which we operate.</p> <p>Additionally, human rights issues may pose a business risk to tech/IT companies. In 2011, the United Nations Human Rights Council (UNHRC) passed the Guiding Principles on Business and Human Rights (UNGPs) which recognize the role of the state and businesses in protecting human rights, which is widely followed by businesses globally and Mphasis recognizes its role in protecting human rights and identifies it as a potential material aspect to the company.</p> <p>Tech/IT companies have been battling controversies on issues such as censorship, data protection, digital security, and protection against surveillance amongst others. Additionally, child labour, forced labour, modern slavery etc are increasingly drawing attention globally.</p>	<p>Risk mitigation approach: Our publicly available CoBC, Anti-bribery and Anti-corruption Policy and Anti-Slavery Policy encourage our people to conduct business lawfully, ethically and in the best interest of Mphasis. These policies explicitly forbid violations of human rights. Mphasis takes responsibility to address workplace issues such as working hours, child labour, forced labour, non-discrimination, health and safety, and the environment.</p> <p>Mphasis has a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policies and the human rights issues.</p>	<p>Negative: Human rights violations can be a business risk, and employee risk and conversely, a good record on human rights can also be a competitive advantage. Any accusation of a violation of rights is seen as a breach of trust and erodes customer confidence in the company. Additionally, this could have potential financial impacts on the company and brand reputation.</p>

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT 2023

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies, and processes put in place towards adopting the NGRBC principles and core elements.

S. No.	Principle description
P1	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all their stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses when engaging in influencing public and regulatory policy should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes								
c. Web-link of the policies, if available.	CSR Policy: https://bit.ly/corporate-social-responsibility-policy Remuneration and Nomination Policy (Directors): https://bit.ly/directors-remuneration-policy Remuneration and Nomination Policy (Executive): https://bit.ly/executive-remuneration-policy Whistle-Blower Policy: https://bit.ly/whistleblower-policy Standard of Business Ethics: https://bit.ly/code-of-business-conduct-policy EHS Policy: https://bit.ly/EHS-policy Data Privacy Policy: https://bit.ly/dataprivacy-policy Anti-slavery Policy: https://bit.ly/3MPnI6K PoSH Policy (Global): https://bit.ly/41v9dDF PoSH Policy (India): https://bit.ly/40dIXOe Anti-bribery and Anti-corruption Policy: https://bit.ly/3UGsrny								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes								

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT 2023

<p>3. Do the enlisted policies extend to your value chain partners? (Yes/No)</p>	<p>Yes, adherence to Mphasis policy requirements such as <u>CoBC</u>, <u>Anti-bribery and Anti-corruption Policy</u> and <u>Anti-Slavery Policy</u> are included in their agreements with their value chain partners. Compliance and ethical requirements are communicated periodically to our suppliers covering aspects such as <u>POSH</u>, ethical and legal dealings and the company's <u>Whistle-blower Policy</u>.</p>
<p>4. Name of the national and international codes/certifications/labels/standards (e.g. Forest stewardship council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.</p>	
<p>Principle 1: Ethics, transparency</p>	<p>Our <u>CoBC</u>, which is accessible to the public, promotes ethical and responsible business practices that are in the best interest of Mphasis and we encourage our workforce to comply with this code.</p> <p>To safeguard the interests of our shareholders and protect the tangible and intangible assets of the company, Mphasis has established an <u>Anti-bribery and Anti-corruption Policy</u> and necessary training to effectively manage and mitigate associated risks.</p> <p>ISO Standards: Mphasis is certified with <u>ISO 22301</u> (International Standard for Business Continuity Management System), <u>ISO 37001</u> (Anti-bribery management systems), <u>ISO 31000</u> (Risk Management), and the Indian Prevention of Corruption Act (PCA).</p>
<p>Principle 2: Product and service responsibility</p>	<p>Mphasis creates, builds and sustains applications for its clients globally. We work closely with our customers to ensure that the products that we deliver are of the highest quality by adhering to the <u>Quality Management System</u> which is <u>ISO 9001</u> certified.</p>
<p>Principle 3: Human resources</p>	<p>Mphasis complies with the standard <u>CoBC</u>, <u>Diversity and Inclusion Policy</u>, <u>POSH</u>, <u>Health and Safety of Employees and ISO 45001(OHS)</u> certified.</p> <p>Mphasis also has pioneering policies and initiatives such as gender-neutral bathrooms, health insurance for same-gender couples and women in technology</p>
<p>Principle 4: Responsive to stakeholders, particularly the marginalized</p>	<p>Mphasis <u>CoBC</u> outlines the values and standards that the company expects its employees and other stakeholders to uphold in their interactions with each other and this code enables us to conduct our operations responsibly.</p>
<p>Principle 5: Respect for human rights</p>	<p>Mphasis has a publicly available <u>CoBC</u>, <u>Anti-bribery and Anti-corruption Policy</u>, <u>Anti-Slavery Policy</u> and <u>POSH</u> promotes ethical and responsible business practices that are in the best interest of the company as well as our stakeholders while prohibiting violations of human rights. We place a strong emphasis on corporate responsibility, with efforts focused on addressing workplace issues such as working hours, child labour, forced labour, non-discrimination, health and safety, and environmental concerns.</p>
<p>Principle 6: Environmental responsibility</p>	<p>ISO Standards: Mphasis is certified with <u>ISO 14001:15</u> certification for the facility to strengthen our commitment to reducing the environmental impacts within the operations. Also, the building is Leadership in Energy and Environmental Design (LEED) Gold standard certified.</p>
<p>Principle 7: Public policy advocacy</p>	<p>Our <u>CoBC</u> complies with Principle 7.</p>
<p>Principle 8: Inclusive growth</p>	<p>Mphasis' <u>CSR policy and Health safety and environment policy</u> are the major policy frameworks that promote inclusive growth and equitable development. While the CSR policy outlines our commitment to operate in a socially responsible and ethical manner, the EHS policy outlines our company's commitment to protect the environment, promote health and safety in the workplace, and comply with relevant regulations and standards.</p>

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Principle 9: Customer engagement	Mphasis Information Security Management System (ISMS) complies with ISO 27001 standards which set necessary guidelines and best practices for identifying, assessing, and mitigating risks associated with confidentiality, integrity, and availability of the organization's information assesses and it assures all concerned stakeholders that the company has implemented adequate data protection and information security measures to mitigate information and cyber security threats.
5. Specific commitments, goals, and targets set by the entity	<ol style="list-style-type: none"> 1. Emissions Reduction and Energy Management <ul style="list-style-type: none"> • Reduce GHG emissions (Scope 1 & 2) year-on-year • Pledged carbon neutrality by 2030 • Reduce the carbon footprint of the Company year-on-year • Reduce energy consumption by year-on-year 2. Diversity, Equity & Inclusion <ul style="list-style-type: none"> • Prioritize gender diversity and increase the representation of women in the workforce by 0.5% by FY 2026 • Improve representation of Women on the Board of Directors • Increase supplier (minorities, women-owned, veterans, LGBT, and People with disabilities (PWD)) diversity year-on-year • Improve the participation of persons with disability in the workforce 3. Customer Satisfaction <ul style="list-style-type: none"> • Improve the CSAT score by enhancing the delivery alignment, innovation, responsiveness and improving trust with customers by 2024 4. Community Involvement <ul style="list-style-type: none"> • Increase the number of hours volunteered by the employees by 10% by 2025
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	<ol style="list-style-type: none"> 1. Emissions Reduction and Energy Management <ul style="list-style-type: none"> • In FY 23 Scope 1 emissions increased by 121.61% and Scope 2 emissions increased by 3.48% • Carbon footprint increased by 2.62% • Energy consumption increased by 3.47% 2. Diversity, Equity & Inclusion <ul style="list-style-type: none"> • The gender ratio in FY23 was Ratio 35:65 (F: M) • 8.57% of supplier belongs to the diverse supplier category • Representation of Women Board of Directors in FY 2023 is 25% • % of persons with disability in the workforce in FY 2023 is 0.3% 3. Customer Satisfaction <ul style="list-style-type: none"> • CSAT score in FY 2023 is 4.40/5/0 4. Community Involvement <ul style="list-style-type: none"> • The number of hours volunteered by the workforce in FY 2023 is 2,054 hours

Governance, leadership, and oversight

7. Executive chairperson's statement Refer to the 'Message from our CEO' page- Mphasis - ESG	
8. Details of the highest authority responsible for implementation and oversight of the business responsibility policy/policies	Nitin Rakesh Chief Executive Officer and Managing Director (CEO and MD) DIN:00042261
9. Does the entity have a specified committee of the Board/ Director responsible for decision-making on sustainability-related issues? (Yes/ No). If yes, provide details.	Yes. The CEO and MD, Mr. Nitin Rakesh, steered the implementation of the ESG vision of the company. The Risk Governance and Management Committee (RGMC) of the Board is responsible for overseeing the ESG-related initiatives of the Company.

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10. Details of review of NGRBCs by the Company:

Subject for review	<ul style="list-style-type: none"> - Indicate whether the review was undertaken by the Director/Committee of the Board/ any other Committee - Frequency (Annually/half-yearly/quarterly any other – please specify)
Performance against the above policies and follow-up action	The ESG updates are discussed with the Risk Governance and Management Committee every half year and update the Board periodically. The department/division heads, business heads and the Managing Director regularly review the company's business responsibility and ESG/Sustainability policies. They evaluate the effectiveness of these policies and make necessary modifications to policies, procedures and internal controls. The RCMG reviews the ESG policies bi-annually.
Compliance with statutory requirements of relevance to the principles, and the rectification of any non-compliances	The Company complies with the existing regulations, as applicable. There have been no instances of non-compliance.

11. Has the entity carried out an independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.

Independent Assessment or evaluation of the working of the policies has not been conducted by an external agency. However, the policies are reviewed as a part of the entity-level controls under the review of the Internal Financial Control audit carried out by an external agency.

12. If the answer to question (1) above is "No" i.e., not all principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	Mphasis considers all the principles material to the business.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA								
It is planned to be done in the next financial year (Yes/No) Any other reason (please specify)	NA								

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SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in the respective category covered by the awareness programmes
Board of Directors	In FY23, the Directors attended training programs covering roles, rights, responsibilities and the business model of the Company for an average of over 13 hours. <i>(The cumulative hours since FY 2016 till FY22 is 50 hours)</i>	Training on strategies, statutory duties and responsibilities and compliance updates are provided to the Directors.	100%
Key Managerial Personnel, Employees other than BoD and KMPs, Workers	The below-mentioned pieces of training are provided to all mentioned segments annually.	The Mphasis COBC serves to guide our actions, which are governed by integrity, honesty, fair dealing, and compliance with all applicable laws.	100%
	COBC (1 Hour)	The mandatory certification on COBC is designed to provide a framework against which conduct and behaviour can be measured. It covers in detail the expected code as but is not limited to the equal opportunity employer, data and people privacy, conflict of interest, insider trading, bribery, and improper payment, compliance and sanction obligations, intellectual property, human rights, safe and secure work environment, POSH, etc.	
	POSH (1 Hour)	Training on POSH covers Mphasis commitment to providing a safe and secure work environment, what is sexual harassment, types of sexual harassment, workplace and extended workplace, various case studies, redressal mechanisms, the principles/Values, consequences and roles and responsibilities of employees and employer.	100%
	Intellectual Property (IP)	IP is a legal concept that refers to creations of the mind for which exclusive rights are recognized. This training on IP asset management familiarizes employees with the definition of IP, their various elements, and business benefits. This course covers those forms of IP that are relevant to an information technology organization.	99.86%
	Information Security Management System (ISMS)	Mphasis provides training to all the employees to raise awareness on safeguarding their information and company-wide practices. The training covers aspects such as the management's commitment to information security, information classification, data privacy, social media policy guidelines, phishing, password security, social engineering, business continuity management, Mphasis security incident management tool, Mphasis Work from Home (WFH) – Security policy and overview.	97.06%

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Data Privacy	Mphasis data privacy training covers data privacy statements, key business drivers, types of personal information, Mphasis privacy principles, privacy consideration in information lifecycle, GDPR, data transfer to another country, data transfer to data processors (third parties), data subject access right, data protection impact assessment, privacy by design and California Consumer Privacy Act (CCPA) and California Privacy Rights Act (CPR).	97.20%
BCMS	<p>BCMS course is a mandatory course that educates employees on the Mphasis BCM framework and their R & R. This is part of the COBC mandatory training that employees need to undergo upon joining and yearly.</p> <p>Objectives of the training are to understand the concept of business continuity, comprehend the significance of BCMS for Mphasis, understand the BCMS framework in our organization, implications of non-adherence to BCMS, employee's role during an outage/disaster, Covid 19 awareness and business continuity during unpredicted events and situations.</p>	97.53%

2. Details of fines / penalties / punishment / award / compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators / law enforcement agencies / judicial institutions, in FY23.

No prosecution was initiated and no penalties were imposed by any statutory authorities under the Companies Act, SEBI Act, SCRA, Depositories Act and Rules, Regulations and Guidelines framed under these Acts against/on the Company, its Directors and officers. However, during the year under review, Stock Exchange imposed a fine of INR 5,000/- consequent to non-compliance with regulation 23(9) of SEBI listing regulations, with respect to delay in filing of disclosure of related party transaction by a day.

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision are preferred in cases where monetary or non-monetary action has been appealed.

Not applicable.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

Yes, Mphasis has an Anti-Corruption and Anti-Bribery Policy. This policy outlines our company's commitment to mitigating risks associated with bribery and corruption. This policy framework serves as a means for Mphasis to prevent unethical and improper practices which are against our company code of conduct, thus minimizing the likelihood of bribery and corruption at all levels within our Company.

Link to the policy: <https://bit.ly/anti-bribery-and-anti-corruption-policy>.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption.

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs		
Employees		
Workers		

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6. Details of complaints with regard to conflict of interest:

There are no complaints received in relation to the conflict of interest against directors and KMPs in the current as well as in the previous financial year.

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

Not applicable.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year.

Mphasis does not offer dedicated training programs for its value chain partners. Instead, we communicate with them about our company's responsible business practices and the Code of Business Conduct that we adhere to. Moreover, we send all our value chain partners a supplier communication letter providing information about responsible business codes, our PoSH Policy and our Whistle-Blower Policy.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. Our Company Code of Business Conduct includes the Code of Conduct for the directors that require them to comply with laws and regulations, which includes, anti-bribery and anti-corruption measures as well as ethical management of conflicts of interest. The COBC is publicly available and we encourage our employees to adhere to the code's expectations. It serves as a comprehensive guide for the company and provides clear direction on how to operate while maintaining integrity at all times. The Company also has a Related Party Policy, pursuant to which the related party transactions are regulated by the Audit Committee and Board as per the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

Link to the policy: <https://bit.ly/code-of-business-conduct-policy>

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve product and processes' environmental and social impacts to total R&D and capex investments made by the entity, respectively.

Mphasis has an R&D initiative that aims to enhance operational efficiency and improve delivery to clients while promoting sustainability through digitization. However, at present, the Company does not quantify the proportion of R&D and capital expenditure (Capex) investments in particular technologies to enhance the environmental and social impact of our products and processes.

	FY 2022-23	Details of improvements in environmental and social impacts
Capex	INR 3,188,583	Capital investment on energy conservation equipment

2. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, Mphasis has a procedure in place for sustainable sourcing. This procedure enables us to prioritize environmental and social responsibility while procurement. During the empanelment of suppliers, we ensure that all the below-mentioned factors are assessed and evaluated properly. This is done through a supplier registration form which the vendor must complete. We look at the following ESG aspects while procuring IT assets from our suppliers:

- (i) Vendor diversity
- (ii) MSMED status
- (iii) Yearly revenue
- (iv) Quality certification
- (v) POSH policies
- (vi) ISO certification
- (vii) Policy on anti-slavery and human trafficking
- (viii) Environmental management
- (ix) Policy on the prohibition of child labour

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b. If yes, what percentage of inputs were sourced sustainably?

100% of our suppliers undergo the sustainable procurement procedure of Mphasis.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Waste type	Waste management procedure in place
Plastic (including packaging)	<p>Plastic waste is sent to ITC for recycling.</p> <p>Mphasis has a “Say no to plastic program” which helps to divert waste and reduce our effects on the local community and, as a result, the climate. It will necessitate a few minor adjustments to everyday routines, both at home and at work. Our leadership team, the administration SPOC’s and the CEO took the challenge to ban single-use plastic at all offices with each one of our employees to support in becoming the poster child for a plastic-free organization.</p> <p>All Mphasis facilities have also resorted to using 100% biodegradable plastic garbage bags to collect and dispose of wet waste, diverting thousands of disposable plastic waste in the process.</p>
E-waste	Disposed of as per E-Waste (Management) Rules, 2022 through authorized e-waste recyclers
Hazardous waste	Disposed of as per Battery Waste Management Rules, 2022
Other waste (wastepaper and paper products)	<p>Sent to ITC paper mills for recycling and the food waste is sent to organic waste compost which is under builder scope.</p> <p>Mphasis has implemented a visitor management tool to reduce the consumption of paper and waste generation resulting from security visitor management. The Company’s transport tool ETMS has been integrated with the mobile app for reducing paper consumption which is being used to maintain and monitor trip details.</p>

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes/No). If yes, whether the waste collection plan is in line with the EPR plan submitted to Pollution Control Boards?

Yes, the EPR regulations are applicable to the Company’s operations. Being a bulk consumer of electronic equipment, the Company handles the disposal and management of E-waste produced during its operations according to the guidelines set forth in the E-waste Management Rules of 2016.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or its services (for service industry)? If yes, provide details in the following format?

Not applicable to Mphasis.

2. If there are any significant social or environmental concerns and/or risks arising from the production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not applicable to Mphasis.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Not applicable to Mphasis.

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4. Of the products and packaging reclaimed at end of life of products, the amount (in metric tonnes) reused, recycled, and safely disposed of.

	FY 2022-23			FY 2021-22		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastics (including packaging)	Not applicable to Mphasis					
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as a percentage of products sold) for each product category.

Not applicable to Mphasis.

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains Essential Indicators

1. a. Details of measures for the well-being of employees.

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employee											
Male	9,308	9,308	100%	9,308	100%	-	-	9,308	100%	We don't provide daycare facilities to our employees.	
Female	3,176	3,176	100%	3,176	100%	9,811	100%	-	-		
Total	12,484	12,484	100%	12,484	100%	9,811	35%	9,308	65%		
Other than permanent employee											
Male	NA										
Female											
Total											

- Maternity benefits are provided to Mphasis employees as per the Maternity Benefits Act 1961.
- As per the classification of employees and workers under Mphasis, we do not have employee classification as "other than permanent employees."

b. Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	8,090	8,090	100%	8,090	100%	-	-	8,090	100%	We don't provide daycare facilities to our workers.	
Female	6,396	6,396	100%	6,396	100%	6,396	100%	-	-		
Total	14,486	14,486	100%	1,4486	100%	6,396	44%	8,090	56.%		
Other than permanent workers											
Male	Contractors who hire workers (Other than permanent workers) on a temporary or non-permanent basis offer benefit such as health and accident insurance coverage, parental leave, and other amenities to the workers.										
Female											
Total											

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2. Details of retirement benefits.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100% of India-based employees	100% of India-based employees	Yes	100% of India-based employees	100% of India-based employees	Yes
Gratuity	100% of India-based employees	100% of India-based employees	Yes	100% of India-based employees	100% of India-based employees	Yes
ESI	NA	6,621 employees are covered based on eligibility.	Yes	NA	6,493 employees are covered based on eligibility.	Yes
Others – please specify	Nil					

3. Accessibility of workplaces

Yes, Mphasis offices are accessible to employees with disabilities, and we conduct regular facility audits to ensure that the workplace is accessibility friendly.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

Mphasis complies with all rules and regulations concerning accommodating disabilities associated with the workplace. Mphasis' disability guidelines outline the company's commitment to equal opportunities for persons with disabilities in recruitment and employment and aim to create an environment which enables them to work effectively as part of our community. This guideline sets out the commitments and responsibilities of Mphasis towards its diverse workforce comprising employees with disabilities.

Relevant policies can be accessed at the [Board Diversity Policy](#), [Diversity and Inclusion Policy](#) and: [Code of Business Conduct](#)

5. Return to work and retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	99.15%	60.35%	98.48%	53.91%
Female	78.95%	54.65%	93.10%	50.70%
Total	89.05%	57.5%	95.79%	52.30%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers (Permanent workers, Other than permanent workers, Permanent employees, Other than permanent employees)? If yes, give details of the mechanism in brief.

Yes, Mphasis has a system in place that is accessible to all employees and workers for receiving and resolving complaints. The process is outlined as follows:

If an individual believes that they have experienced or witnessed conduct that violates company policy, they should address the matter with their direct supervisor or HRBP. Alternatively, they can email the Inclusion and Diversity office at inclusion.diversity@mphasis.com.

At Mphasis, we encourage all of our workforce to report if he/she feels or believes that he/she has been subjected to or witnessed workplace harassment. It is the responsibility of any employee who has experienced or witnessed sexual harassment within the

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company or workplace (as defined in the company's POSH policy) to report it immediately to posh@mphasis.com. Any complaints of discrimination, harassment, or retaliation are investigated promptly and handled in compliance with legal regulations. The investigation process may involve interviewing the parties involved, as well as any witnesses who may have relevant information.

To ensure a thorough investigation and appropriate corrective measures, the company maintains confidentiality. Retaliation against anyone reporting harassment or discrimination, or participating in an investigation, is a serious violation and will result in disciplinary action. Any acts of retaliation should be reported immediately and will be investigated promptly. Failure to comply may lead to penalties, including termination, fines, or imprisonment (where permitted by law). False complaints of harassment, discrimination, or retaliation may also result in disciplinary action. The POSH policy contains more information about sexual harassment and can be found under Unified access >>Policy Documents >>HR Corner >>Corporate Policies >> POSH

Hiring/contractors agencies take care of redress grievances for contract employees and workers (other than permanent employees and workers).

Mphasis whistle-blower policy enables all our stakeholders to raise and report all allegations of suspected improper activities that are in breach of our COBC without fear of retaliation. The complainant can lodge actual or suspected fraud or any violation of the company's COBC at whistleblower@mphasis.com or a written complaint can be dropped into the whistleblower drop box at the respective company's location.

7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

The Company does not have any employee/worker associations. However, Mphasis recognizes the right to freedom of association, subject to local laws and regulations, as long it does not violate the company's policies and mandates, which seek to ensure our independence, in line with the regulatory requirements of our business.

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	9,308	NA	NA	3,320	36%	9,219	8,870	96.2%	3,965	43%
Female	3,176	NA	NA	1,082	34%	2,860	2,778	97.1%	1,198	42%
Total	12,484	7,161	57.36%	4,402	35%	12,079	11,648	96.4%	5,163	43%
Workers										
Male	8,090	0	NA	3,052	38%	5,450	5,197	95.3	3,740	69%
Female	6,396	0	NA	2,262	35%	7,168	6,783	94.6	2,917	41%
Total	14,486	0	NA	5,314	37%	12,618	11,980	94.9	6,657	53%

Note: Data provided is for those workers/employees who are eligible for skill upgradation through our "Talent Next". Other employees received on-the-job training or external training based on the training process of the Company which also contributes to skill upgrades.

9. Details of performance and career development reviews of employees and workers:

Regular performance evaluations enable us to prepare and achieve both our individual and the Company's goals effectively. The Annual Appraisal is conducted in April, aiming to provide a fair and open system for performance review and discussion of yearly objectives between employees and managers. This includes analyzing the past, assessing the present, and planning for the future. Additionally, the Nomination and Remuneration Committee of the Board evaluates the executive management's performance annually.

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Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	For the year 2022-23 performance and career development reviews of employees have not started.			9,680	8,447	87.26%
Female				3,144	2,738	87.09%
Total				12,824	1,1183	87.20%
Workers						
Male	For the year 2022-23 performance and career development reviews of workers have not started.			8,094	7,195	88.89%
Female				6,198	5,504	88.80%
Total				1,4292	12,699	88.85%

10. Health and Safety Management System:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, what is the coverage of such a system?**

Yes, Mphasis has a dedicated Environmental, Health, and Safety (EHS) Policy in place, which addresses the EHS related concerns involved with our business operations. The policy also helps in bringing EHS awareness.

The relevant extracts from the EHS Policy are provided below:

1. Ensuring timely compliance with all environment-related requirements such as hazardous waste annual returns, environmental audit statements, battery returns, and e-waste returns across all business locations in the country.
2. Improving sustainability efforts to decrease the company's carbon footprint and regularly monitoring carbon data.
3. Minimizing resource usage and promoting recycling and purchasing of recycled material to conserve natural resources.
4. Optimizing energy consumption by conserving energy, using energy-efficient devices, and preferring renewable energy sources where possible.
5. Working towards pollution prevention and minimizing environmental impacts caused due to our operations.
6. Educating suppliers to follow the Supplier code of conduct and relevant environmental standards.
7. Setting targets for environmental performance improvement and reporting (e.g., hazardous waste annual returns, environmental audit statements, battery and e-waste returns) progress to stakeholders.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Mphasis has an Aspect-Impact Register, in accordance with ISO standards, in which all work-related hazards are identified.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.**

Mphasis has a procedure in place, the purpose is to identify work-related hazards that can be controlled and those that can influence the overall environmental performance of the company and determine the significance of the associated environmental impacts.

- d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services?**

Yes. All employees of the company are covered under the company's health insurance policy and at all the company facilities paramedical facilities are available for the employees and workers.

11. Details of safety-related incidents.

Mphasis corporate security function has not received any information/complaints pertaining to the category of safety-related incidents for the last three financial years.

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Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employee	Nil	Nil
	Worker		
Total recordable work-related injuries	Employee		
	Worker		
No. of fatalities	Employee		
	Worker		
High-consequence work-related injury or ill-health (excluding fatalities)	Employee		
	Worker		

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Mphasis has implemented several measures to ensure a safe and healthy workplace, including but not limited to:

- Assessing and preparing quarterly reports on EHS data from PAN India facilities, the entity collates information on energy consumption, paper consumption, transportation distance, waste inventory, water consumption, etc.
- Organizing EHS activities like health check-ups, awareness camps, and wellness camps, and providing first aid, fire safety, and chemical safety training across all facilities. Additionally, the entity participates in EHS award categories, provides support for external EHS audits, and conducts regular EHS calls for PAN India facilities.
- Focusing on upgrading offices to 5-star, 4-star and 3-star for Bureau of Energy Efficiency (BEE) standards. Our achievements also include the certification of one of our offices in Bengaluru to Leadership in Energy and Environmental Design (LEED) Gold / Platinum standards. In terms of impact, this certification implies that the buildings are efficient, cost-effective, and better for occupants and the environment.
- Installation of water aerators to reduce water consumption.
- Imposed a ban on the usage of single-use plastics and procurement of single-use bottles at all our offices.
- Extension of ISO 14001-2015 certificate (GTP Tower B & E Bangalore, Pritech Bangalore, Parin & Laurel Bangalore, Chennai DLF, Pune CC4 and Pune EON Phase I & Phase II facilities).
- Fire drills and safety training are conducted every six months at each facility, respectively.
- The security team ensures that self-temperature checks are done through temperature scanners installed at all the entrances of the facilities.
- Pedal-based sanitisers are placed at all the entry/exit points, cafeterias, restrooms, ODC entrance, IT room, mail room and other common areas.
- EHS Corporate communication emails are sent on all important days related to EHS to enhance awareness among employees.
- Covid -19 and other health awareness posters are placed in all the common areas across the facilities.
- Fogging / Fumigation is done with Viroff 206 / Virex II 256 disinfectants in all the facilities once a week.

13. Number of complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions						
Health & Safety						

Nil

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14. Assessments for the year

	% of offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	30%
Working conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

Nil

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)

- I. Employees : Yes
 II. Workers : Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company verifies that its value chain partners have complied with the relevant laws and regulations by deducting and depositing statutory dues. Mphasis requires its partners to adhere to the company's code of conduct, business responsibility principles, and values. When Mphasis places an order, the vendor receives the cost along with GST, which the vendor is responsible for depositing with the government. The Mphasis Tax team monitors this process, as the company cannot claim the GST amount from the government until it has been deposited by the vendor.

Additionally, the contractors are responsible to ensure adherence to the law of land. The declaration & proof of statutory dues deposit with authorities will be obtained at the time of invoice submission. Further, all contractors supplied manpower to Mphasis must undergo a quarterly audit under various applicable labour law.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Not applicable, as there are no work-related injuries in FY 22-23 and FY 21-22.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

No, we do not have a specific transition assistance program for retired or terminated employees as the employees are mostly highly skilled and do not have a compelling requirement for transition assistance.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety conditions	Mphasis requires its value chain partners to comply with relevant/applicable regulations on health, safety, and working conditions as mandated by the Company as well as the applicable regional standards. While there is currently no specific evaluation of partners' health and safety practices, suppliers are obligated to adhere to Mphasis' sustainability policies, which include maintaining healthy working conditions and prohibiting human rights violations. The policies can be found on Mphasis' website under the "Corporate Governance" section. (https://www.mphasis.com/home/corporate/investors.html) Additionally the company has a zero-tolerance for human rights violations.
Working conditions	

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Nil

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Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The company has identified priority stakeholder groups based on their importance and ability to add value to the business. This process was conducted during the materiality assessment in FY 2020-2021 and involved mapping key stakeholders according to global standards such as GRI Standards and local frameworks such as the NGBRC principles. Parameters such as impact, diversity, influence, urgency, and legitimacy were considered to finalize the list of key stakeholders. Six key stakeholder groups have been identified as customers, shareholders and investors, government institutions and regulators, business partners and vendors, employees, and communities.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as vulnerable & marginalized group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/ half-yearly/ quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	Mphasis has identified specific groups of employees to provide support	Internal portal, Email, SMS, Town Halls, Intranet	Ongoing activities planned over the year	Employment life cycle activities and get insight into ways to create the right conditions and provide the right support, so employees are committed to our Company's growth
Society	Through Mphasis CSR, specific groups are identified and supported by partnering with various NGOs	Email, Social Media, SMS, Website, In-person events, Community meetings	Ongoing activities planned over the year	To develop, support and execute socially high-impact projects
Suppliers	Yes, Mphasis have diverse vendors as well as MSME businesses from where they source	Email, Meetings	As and when required	To assess and streamline the processes between the Company and our suppliers to make them more effective
Clientele and partners	No	Email, Social Media, SMS, Website, In-person events, External events	As and when required	To improve the reach and enhance business opportunities and overall growth
Investors / Analyst or external channels	No	Email, Meetings, Earnings call	Quarterly	To provide timely disclosure; and to update on developments in the
Shareholders	No	Email, Meetings, public notices	Annual and as and when required	the Company, performance of the Company and the sector and address concerns/grievances promptly
Regulators and policymakers	No	Statutory reporting to the regulators, Participation in seminars, webinars, etc. organized by various regulators	As per the defined frequency in the law.	To timely disclose the information to the stock exchanges and other regulators

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Leadership Indicators

3. Provide the processes for consultation between stakeholders and the board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the board.

Our stakeholders are instrumental in driving our business growth and creating value. We prioritize engaging with them actively and meaningfully all year round to responsibly address their interests, concerns, and expectations. Our inclusive approach to stakeholder engagement enables us to effectively communicate essential ESG matters to relevant stakeholders. We also ensure that the board is kept up-to-date on any developments or feedback we receive regularly. By fostering a culture of active stakeholder engagement, we continually strive to understand and incorporate their insights and perspectives into our decision-making processes. We recognize that this commitment is not only essential for our long-term success but also helps us contribute positively to society and the environment.

4. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into the policies and activities of the entity.

Yes, we have conducted a materiality assessment with all key stakeholders (leadership, customers, investors, and suppliers) to identify Mphasis' material ESG issues. Details can be found on the website and in our ESG report.

5. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Our CSR initiatives are targeted toward marginalized groups. There are no vulnerable or marginalized groups among other stakeholders.

Principle 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	11,640	11,618	99.89%	12,079	11,648	96.4
Other than permanent				-	-	-
Total employees	11,640	11,618	99.89%	12,079	11,648	96.4
Workers						
Permanent	13,100	13,088	99.91%	12,618	11,980	94.9
Other than permanent				-	-	-
Total employees	13,100	13,088	99.91%	12,618	11,980	94.9

*100% of Mphasis employees are trained on COBC which explicitly forbids violations of human rights. The COBC, which outlines the approach and commitment to human rights, covers all Mphasis employees.

2. Details of minimum wages paid to employees and workers

	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (B)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent Employees										
Male	9,308	0	0	9,306	100%	9,619	0	0	9,619	100%
Female	3,176	0	0	3,176	100%	3,130	0	0	3,130	100%
Permanent Workers										
Male	8,090	216	0.30%	7,874	97%	8,165	0	0	8,165	100%
Female	6,396	222	0.30%	6,174	97%	6,252	0	0	6,252	100%

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3. Details of remuneration/salary/wages

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)	9	INR 6.80 Million	3	INR 6.61 Million
Key managerial personnel	3	INR 52.34 Million	Nil	Nil
Employees other than BoD and KMP	8,090	INR 3,50,000	6,396	INR 3,50,000
Workers	9,308	INR 16,09,000	3,176	INR 14,00,000

The Director's remunerations are paid on a defined matrix that is uniformly applicable to all the Directors. The difference in the median remuneration of the Directors is due to attendance at the meetings and the committees served by the Directors.

4. Do you have a focal point (individual/committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, Mphasis has appointed multiple personnel to address human rights impacts or issues caused or contributed to by the business. The issues are resolved/addressed based on the nature of the matter. Mr Eric Winston, who is the Chief Ethics and Compliance officer of the Company is responsible for the implementation and enforcement of the company's ethical and responsible business practices.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Mphasis has a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policies and the human rights issues.

Employees can raise complaints of sexual harassment to posh@mphasis.com. The organization has framed two Sexual Harassment policies i.e PoSH India policy which is in adherence to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "POSH Act") which is applicable only to women employees in India and Global POSH policy which applies to all employees except women employees in India.

The Company has a Whistleblower Policy to enable persons who observe unethical practices (whether or not a violation of the law), to approach the Whistleblower Custodian without revealing their identity, if they choose to do so. This Policy governs reporting and investigation of allegations that are a breach of the Code of Business Conduct.

Channel for reporting complaints:

(i) Telephone: A complaint can be left at the Whistleblower hotline at +91-80-4004-1992

(ii) Written Complaint: A written complaint can be dropped into the Whistleblower drop box.

Email complaint: An email complaint can be sent to the Whistleblower committee at whistleblower@mphasis.com

6. Number of complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	39	5	Nil	34	4	Nil
Discrimination at workplace	No complaints			No complaints		
Child labour	No complaints			No complaints		
Forced labour/Involuntary labour	No complaints			No complaints		
Wages	No complaints			No complaints		
Other human rights-related issues	No complaints			No complaints		

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Mphasis is dedicated to creating a work environment that is free from any type of discrimination or sexual harassment. The company has implemented Anti-discrimination and POSH policies to prevent and manage such incidents. These policies have established a framework for addressing complaints of sexual harassment that employees may have, regardless of their gender or sexual orientation. Mphasis has a strict zero-tolerance policy towards any kind of sexual harassment.

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Mphasis recognizes that sexual harassment can occur, and the company is committed to addressing and resolving all such cases promptly. To accomplish this, the Internal Committee has been created, which conducts a thorough investigation into each complaint and implements appropriate corrective measures as needed. For a more comprehensive understanding of the process, refer to the POSH Policy and FAQ. The organization has framed two Sexual Harassment policies i.e PoSH India policy which is in adherence to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "POSH Act") which is applicable only to women employees in India and Global POSH policy which applies to all employees except women employees in India.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, Mphasis includes human rights requirements as a part of business agreements and contracts.

9. Assessments of the year

Mphasis does not conduct such assessment, however, the Company performs internal checks and reviews periodically to ensure compliance.

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)/Remarks
Child labour	Mphasis abides by the law of land, as applicable, and do not have such hiring/instances under child labour/forced labour.
Forced/involuntary labour*	
Sexual harassment**	<ul style="list-style-type: none"> • A quarterly update on sexual harassment is presented to the Board. • India- Annual report comprising complaints filed, disposed of, penal consequences and awareness initiatives for every location is submitted to the district offices. • The Company's Annual Report includes a report on sexual harassment.
Discrimination at workplace	<p>There is an anti-discriminatory policy in place and multiple awareness sessions are conducted at regular intervals on anti-discrimination.</p> <p>Any reported allegations of harassment, discrimination or retaliation will be investigated promptly. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have observed the alleged conduct or may have other relevant knowledge.</p> <p>Mphasis will maintain confidentiality throughout the investigatory process to the extent consistent with adequate investigation and appropriate corrective action.</p> <p>Retaliation against an individual for reporting harassment or discrimination or for participating in an investigation of a claim of harassment or discrimination is a serious violation of this policy and, like harassment or discrimination itself, will be subject to disciplinary action. Acts of retaliation should be reported immediately and will be promptly investigated and addressed.</p> <p>In case of non-compliances by employees, it can lead to termination of services/penalties extending to monetary fines/ imprisonment (where permitted by law).</p> <p>False and malicious complaints of harassment, discrimination, or retaliation (as opposed to complaints that, even if erroneous, are made in good faith) may be the subject of appropriate disciplinary action</p>
Wages	The Company has a robust internal process in place to ensure that the Company complies with all the required minimum wage standards and expectations. This includes regular HR audits and client-specific audits.
Others – Please specify	NA

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

Not applicable. To address the issues that arose as a part of the harassment cases, The Company has strengthened its approach and has put in place mechanisms to deal with Sexual Harassment. The PoSH Policy India is applicable for women employees in India pursuant to PoSH Act and Global POSH policy applies to all employees across the Globe except for women employees in India.

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In addition to this, the company actively conduct the below-mentioned actions as well:

- Awareness sessions are conducted for employees through classroom sessions, virtual learning, mailers, wallpapers, screensavers, E-Learning modules and posters.
- Interim steps are taken when there is sexual harassment to avoid further harassment of the employee by making changes to the work arrangements etc.
- Counselling is provided for employees through the helpline 1to1help.net based on the requirement.
- Employees are sensitized to appropriate workplace behaviour whenever required.
- Disciplinary actions are taken based on the PoSH Act and the Code of Business Conduct.

Leadership Indicators

11. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

No process has been modified/introduced as there were no human rights violations, complaints or cases during this reporting year.

We recognize and value the unique qualities of each employee as an individual, and our commitment is to provide equal opportunities for everyone within our organization without any bias. We strive to create a work environment that is fair, and flexible, and fosters learning and growth while reflecting the diversity of the world. This applies to all officers, directors, employees, and contract employees working at Mphasis.

We expect our employees to maintain a work environment that is free from discrimination in their employment practices towards any potential or existing employees. Discrimination based on any characteristic, such as age, colour, cultural or social beliefs (such as religion, educational background, race, ethnicity, or nationality), spiritual, traditional or customary beliefs, political opinion, physical features/appearances, gender identity and expression, marital status, judgments on the impacts of potential pregnancy on decisions, sexual orientation, or physical disability or impairment is prohibited.

We aim to promote an inclusive and diverse workplace where everyone feels valued and respected, and we actively encourage our employees to actively support and promote our corporate values.

12. Details of the scope and coverage of any human rights due diligence conducted

No. Currently, Mphasis does not conduct human rights due diligence.

13. Is the premise/office of the entity accessible to differently-abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, Mphasis premises/offices are accessible to Persons with Disabilities (PwDs), as per the requirements of the Rights of Persons with Disabilities Act, 2016. Mphasis provide below facilities at their premises/offices:

- Wheelchair
- PWD friendly washrooms equipped with required spares
- Foldable stretcher
- Evacuation chair
- Dedicated parking with signages
- Workspace – Customized workstation for PWD employees as per their request
- Ramps and swing gates (while entering the floor)

14. Details on assessment of value chain partners:

100 % of the value chain partners are reviewed based on the below-mentioned parameters.

	Remarks
Sexual harassment	<p>Mphasis only empanels vendors who comply with our COBC.</p> <p>POSH Policy is applicable to Mphasis Limited and its subsidiary, affiliate and or group companies (“Mphasis”). The Policy applies to all officers, directors, employees, visitors, suppliers, contract labour, agents and representatives of Mphasis, and or any third party with whom an employee may have to interact with or in connection with employment in Mphasis. All contractors for empanelment are required to be compliant with POSH law. Specifically, for India, all vendors that are empaneled are required to be compliant with the provision of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013</p>

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	Remarks
Discrimination at workplace	Mphasis only empanels vendors who comply with our COBC The Guiding Principles of the Code of Conduct are listed below: Provide a safe, healthy, tolerant and disciplined work environment that respects individuals and is free from discrimination.
Child labour	Mphasis has zero-tolerance for slavery and human trafficking. We ensure that child labour, forced labour, verbal or any other form of harassment and physical punishment is not permitted in any of our related business with Supply chain partners. We do not engage in any activities that would jeopardize safety or security.
Forced/involuntary labour	
Wages	Mphasis ensures to pay all its workforce wages that are equal to or above the minimum wage as per legal requirements.
Others – please specify	Nil

15. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

Mphasis has taken preventive measures to address significant risks and concerns that may arise from the value chain assessments.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in MWh) and energy intensity:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	22481.35	21,775.07
Total fuel consumption (B)	227.76	109.24
Energy consumption through other sources (C)	11.745	7.74
Total energy consumption (A+B+C)	22720.85	21,892.06
Energy intensity per rupee of turnover (Total energy consumption/turnover in INR million) MWh/INR million	0.24	0.31
Energy intensity (Total energy consumption/FTE) in MWh/FTE	1.82	1.72

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

No independent assessment/ evaluation/assurance has been carried out by an external agency.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the performance, achieve, and trade (PAT) scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken if any.

Not applicable

3. Provide details of the following disclosures related to water:

The facility operators provide water for our operational purposes which is included in our maintenance charges. Since we lease our facilities, our maintenance charges cover water consumption, and we do not track our water usage as per the BRSR requirements.

The Company only uses water for employee consumption, and we make efforts to use it judiciously on our premises. To reduce our water consumption, we have installed water aerators. Wastewater at the office premises are treated in the effluent treatment plant and the recycled water is used to flush toilet and to landscape gardens, aerated taps etc. These measures ensure that we are responsible for our use of water and strive to be environmentally sustainable.

4. Has the entity implemented a mechanism for zero liquid discharge? If yes, provide details of its coverage and implementation.

Currently, there is no system in place for achieving zero liquid discharge. However, a Sewage Treatment Plant (STP) is operational, where the used water is treated and recycled. The recycled water undergoes a water test to ensure that it meets acceptable standards. If the water test results fall within the acceptable range, the water is then reused for washrooms and landscaping purposes. This approach ensures that we are responsible in our use of water and strive to be environmentally sustainable.

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5. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Unit	FY 2022-23	FY 2021-22
NOx	Mphasis not monitor air emissions other than GHG emissions, as our operations do not involve any material processes that emit air pollutants.		
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – ozone-depleting substances (HCFC - 22 or R-22)			

Mphasis being in an IT sector organization, the SOX, NOX and other air emissions do not apply to the firm.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	172.45	83
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	18,659.52	18,072
Total Scope 1 and Scope 2 emissions	Metric tonnes of CO ₂ equivalent	18,831.97	18,155
Total Scope 1 and Scope 2 emissions per turnover in million	tCO ₂ eq/Revenue in Million INR	0.19	0.25
Total Scope 1 and Scope 2 emission intensity	tCO ₂ eq/FTE	1.50	1.42

7. Does the entity have any project related to reducing greenhouse gas emissions? If Yes, then provide details.

We believe that implementing GHG reduction initiatives not only helps our Company reduce our carbon footprint and mitigate climate change but also creates cost savings and positive environmental impacts. During this financial year, we have implemented several activities such as the replacement of old AC units, energy consumption monitoring and reduction using internal energy management tool data analysis, maintaining BEE 4/5 star rating on energy efficiency certification from the Ministry of Power and all the fit out floors are to be LEED certified. Additionally, we are setting new y-o-y emission reduction targets this year.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total waste generated (in metric tonnes)		
Plastic waste (A)	1.52	0.99
E-waste (B)	2.79	0.00
Bio-medical waste (C)*	3.61	5.46
Construction and demolition waste (D)	0	0.00
Battery waste (E)	16.91	8.95
Radioactive waste (F)	0	0.00
Other Hazardous waste. Please specify, if any. (G)**	1.297	0.16
Other Non-hazardous waste generated (H). Please specify, if any. *** (Break-up by composition i.e. by materials relevant to the sector)	96.73	22.35
Total (A+B + C + D + E + F + G + H)	122.88	37.91

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Parameter	FY 2022-23	FY 2021-22
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	28.14	21.62
(ii) Re-used	0	8.95
(iii) Other recovery operations	-	-
Total	28.14	30.57

For each category of waste generated, total waste disposed of by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Nil	Nil
(ii) Landfilling		
(iii) Other disposal operations		
Total		

* Bio-Medical waste (Blood pathogens) generation at Mphasis is Nil. Here, Biomedical waste means sanitary waste, which is disposed of through the state pollution control board-authorized vendor who is tied up with the Incinerators to manage the waste.

** Other Hazardous waste includes Waste Oil (0.250 Tons), Oil-soaked cotton waste (0.085 Tons), Oil-soaked filters (0.153 Tons), Motive Power (DG) Batteries and Inverter batteries (0.808 Tons).

*** Other Non-hazardous waste generated includes Paper waste (paper, carton boxes) (10.16 Tons), Metal waste (2.452 Tons), Food waste (58.92 Tons) and General office waste (waste from pantries, workstations dust bins) (25.197 Tons).

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Mphasis only generates one type of hazardous waste in its facility, which is batteries. The company ensures that such waste is disposed of properly in accordance with the Batteries (Management and Handling) Amendment Rules, 2010. Whenever batteries are used and become waste, they are disposed of through an authorized vendor approved by the Pollution Control Board (PCB). Mphasis also fulfills its obligation to the State Pollution Control Board by submitting a half-yearly return in Form VIII.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format:

Not applicable to Mphasis.

11. Details of Environmental Impact Assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Mphasis adopts a sustainable approach in the fit-outs of new facilities by utilizing raw materials and processes that have minimal impact on the environment. This includes the identification and implementation of energy-efficient cooling and lighting solutions to minimize energy consumption and reduce the carbon footprint of the company's operations.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (prevention and control of pollution) Act, Air (prevention and control of pollution) Act, Environment Protection Act, and rules there under (Y/N). If not, provide details of all such non-compliances:

Yes, Mphasis is compliant with the applicable environmental law/ regulations/ guidelines in India.

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Leadership Indicators

1. Provide a break-up of the total energy consumed (in MWh) from renewable and non-renewable sources:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	11.74	7.74
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	11.74	7.74
From non-renewable sources		
Total electricity consumption (D)	22481.35	21,775.07
Total fuel consumption (E)	227.76	109.24
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	22709.11	21,884.32

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kiloliters)		
(i) To surface-water	Not applicable	Not applicable
- No treatment		
- With treatment – please specify the level of treatment		
(ii) To groundwater		
- No treatment		
- With treatment – please specify the level of treatment		
(iii) To seawater		
- No treatment		
- With treatment – please specify the level of treatment		
(iv) Sent to third parties		
- No treatment		
- With treatment – please specify the level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify the level of treatment		
Total water discharged (in kiloliters)		

3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

For each facility/plant located in areas of water stress, provide the following information:

- (i) Name of the area: NA
- (ii) Nature of operations: NA
- (iii) Water withdrawal, consumption and discharge: NA

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Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kiloliters)		
(i) Surface water	Not applicable	Not applicable
(ii) Groundwater		
(iii) Third-party water		
(iv) Seawater/desalinated water		
(v) Others		
Total volume of water withdrawal (in kiloliters)		
Total volume of water consumption (in kiloliters)		
Water intensity per rupee of turnover (Water consumed/turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into surface water	Not applicable	Not applicable
- No treatment		
- With treatment – please specify the level of treatment		
(ii) Into groundwater		
- No treatment		
- With treatment – please specify the level of treatment		
(iii) Into seawater		
- No treatment		
- With treatment – please specify the level of treatment		
(iv) Sent to third- parties		
- No treatment		
- With treatment – please specify the level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify the level of treatment		
Total water discharged (in kiloliters)		

4. Please provide details of total Scope 3 emissions & their intensity:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	2,864	2,756
Total Scope 3 emissions per turnover in million	tCO ₂ eq/Revenue in Million INR	0.030	0.039
Total Scope 3 emission intensity	tCO ₂ eq/FTE	0.229	0.216

5. With respect to the ecologically sensitive areas reported at Question 10 of essential indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Mphasis Limited does not operate in ecologically sensitive areas.

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6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as the outcome of such initiatives:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
1	Replacement of old PAC with energy-efficient new PAC.	The new PACs are energy efficient and fitted with electronic commutator fans for the efficient discharge of cold air. The refrigerants R410A are eco-friendly. The compressors are inverter-based scroll compressors.	There is an annual saving of 25% of energy consumed on a monthly average
2	All the UPS in the new fit-out interiors are energy efficient.	The energy efficiency of the UPS is 98%	There is a saving of 15 to 20% on energy monthly
3	The facilities are installed with VAV controllers	The VAVs ensure the flow of the chill air zone-wise in accordance with the set temperature automatically	There is a saving of 18 to 20% on energy consumption monthly
4	Occupancy sensors for lighting.	Occupancy sensors for lighting across the workstation area ensure automatically that the lights are turned-on when employees occupy the workstations zone wise	There is a saving of 10% of lighting energy monthly
5	LED lights fixtures	LED light fixtures are installed across all the facilities replacing the CFL light fixtures.	There is an energy saving of 35 to 40% achieved monthly

7. Does the entity have a business continuity and disaster management plan?

Yes, Mphasis has a comprehensive BCMS Framework that conforms to ISO 22301:2019 standard and is consistent with the industry's leading practices. The BCMS framework encompasses service delivery functions and supporting functions across all Mphasis facilities in India and other countries. Mphasis delivery centers in India, including its subsidiaries, are certified to ISO 22301:2019 standard.

Mphasis' Business Continuity Management System is a business-owned and operated function that integrates various business and management disciplines such as crisis management, risk management, and technology recovery. BCM is an integral component of corporate governance and establishes a strategic and operational framework to ensure proactive implementation. The Mphasis' approach to assure continuity of client services follows a two-pronged approach:

- (i) Site-level Incident Management Plan (IMP): The IMP documented each of the delivery centres/facilities describing the most suitable responses to various disruptive events (E.g., natural calamities, man-made threats, geopolitical issues and technology disruptions). The primary objective of the IM Plan is the safety of human life and assets.
- (ii) Business Continuity Plan (BCP): A separate, independent, and customized BC Plan is documented for each of the client services delivered from Mphasis delivery centres and support functions. Once the safety of staff, and visitors is ensured, the account-specific BC Plan is executed by respective BCMS coordinators.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Not applicable to Mphasis.

9. Percentage of value chain partners (by the value of business done with such partners) that were assessed for environmental impacts.

Mphasis does not assess its value chain partners for environmental impacts.

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Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.

The Company is a member of six trade and industry chambers/associations.

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) the entity is a member of/affiliated to.

Participating in industry associations is a valuable opportunity for Mphasis to stay up-to-date and prepared in a constantly changing environment. Being a key player in the IT services industry, the company engages in various dialogues with members of these associations to remain informed. Mphasis invests time in participating in forums and other channels of engagement to further promote our mission.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations	About the chambers
1	NASSCOM	National	NASSCOM, a not-for-profit industry association, is the apex body for the IT-BPM industry in India. NASSCOM is focused on building the architecture integral to the development of the IT-BPM sector through policy advocacy and helps in setting up the strategic direction for the sector to unleash its potential. NASSCOM's members, 3000+, constitute 90% of the industry's revenue and have enabled the association to spearhead initiatives at local, national, and global levels
2	AMCHAM	Global	The American Chamber of Commerce in India (AMCHAM India) is an association of American business organizations operating in India. AMCHAM India is a member of the U.S. Chamber of Commerce in Washington DC and the AMCHAMS of Asia Pacific. The chamber's mission is to assist member companies to succeed in India through advocacy, information, networking, and business support services.
3	CII	National	The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering with industry, government, and civil society, through advisory and consultative processes.
4	US-India Strategic Partnership Forum (USISPF)	Global	The US-India Strategic Partnership Forum (USISPF) is committed to creating the most powerful strategic partnership between the U.S. and India. Promoting bilateral trade is an important part of their work, but their mission reaches far beyond this. It is about business and government coming together in new ways to create meaningful opportunities that have the power to change the lives of citizens.
5	Calgary Chamber of Commerce	Global	The Calgary Chamber takes on complex municipal, provincial, and national issues that impact the business community. They advocate on the community's behalf so they can focus on their business and nourish, power and inspire the communities. Through networking events, personalized introductions, and online community they make sure to connect and get inspired by Calgary's business community
6	Toronto Board of Trade	Global	The Toronto Board of Trade is the chamber of commerce for Canada's largest regional economy. They convene leaders and champion business and economic growth on behalf of their members, for over 176 years. They help businesses to build relationships with thousands of other business members, peers, mentors and potential partners. They also Communicate challenges and opportunities to government and policy decision-makers.

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2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

No corrective actions were taken as we received no complaints on this matter.

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of review by board (Annually/half yearly/quarterly/ others – please specify)	Web-link, if available
1	NASSCOM	<p>NASSCOM works with the government at all times and supports policy-making to enable the industry to meet its growth aspirations and address concerns if any.</p> <p>Building an enabling policy framework for the growth of the IT-BPM industry is a key function of NASSCOM. Since its inception, Nasscom has focused on evidence-based policy advocacy that provides an unbiased perspective to policymakers. With inputs from multiple stakeholders across segments that comprise the membership, Nasscom is able to collate and distill information to present various perspectives and suggestions on the best way forward, with its pros and cons.</p> <p>Over the years, Nasscom has enabled several changes in key policies in India to support the growth of the industry. Nasscom has built a symbiotic relationship with the Government of India on key issues relating to this sector, and we strive to be an Industry trusted partner in policy framing and review.</p>	Yes	Annually	https://nasscom.in/
2	US-India Strategic Partnership Forum (USISPF)	<p>USISPF provides its member companies with a platform to track policy developments at the state and federal level, new avenues for investment, and deepening engagement with relevant stakeholders. The Forum facilitates government and business introductions to drive collaboration. USISPF focuses on inclusive growth by bridging the gap between corporate initiatives and government priorities. The Forum will pave the way for strategic development in both countries by aggregating CSR initiatives, assisting in PPP Projects, facilitating education-related exchanges, and building stronger cultural ties.</p> <p>Additionally, through theme-based research and knowledge sharing, the Forum is charting the next chapter in bilateral relations. Some of their research includes an analysis of U.S.-India bilateral trade and growth trajectory, the potential of India's hi-tech manufacturing sector to create jobs, and an analysis of India's political landscape on the doing business environment.</p>	Yes	Annually	https://usispf.org/

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Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not applicable. As we are a service-based industry, SIAs do not apply to us. Mphasis strongly focuses on strengthening our community engagement, for which we conduct SIAs for the CSR projects conducted in the operational geographies.

2. Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

Not applicable

3. Describe the mechanisms to receive and redress the grievances of the community.

Mphasis partners/collaborates with implementation partners to address the issues faced by the communities we engage with. The company conducts regular feedback sessions with the stakeholders to gauge their participation, and satisfaction levels, and track the progress made. During the entire lifecycle of the company's CSR projects, the implementation partners remain in constant touch with the local communities to ensure effective communication and participation. This enables us to tackle relevant issues faced by the communities actively.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/small producers	6.8%	8.57%
Sourced directly from within the district and neighboring districts	92%	90.90%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the social impact assessments (Reference: Question 1 of essential indicators above):

Not applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Not applicable. None of the CSR projects undertaken by the Company is in designated aspirational districts as identified by government bodies.

3.(a) Do you have a preferential procurement policy where you give preference to purchases from suppliers comprising marginalized/vulnerable groups?

Yes, our company considered a diverse set of suppliers when performing a sourcing case. This approach to sourcing has enabled us to support local suppliers, minority-owned, women-owned, veteran-owned, LGBT-owned, disabled-owned, SMEs, etc. across our supply chain.

(b) From which marginalized/vulnerable groups do you procure?

Diverse suppliers are given priority, thus encouraging the use of suppliers who are owned by minorities, women-owned, veterans, LGBT, people with disabilities (PwD), small to medium enterprises (SME), etc.

(c) What percentage of total procurement (by value) does it constitute?

6.8%

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

No traditional knowledge is applied as Mphasis plans and develops intellectual property.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property-related disputes wherein usage of traditional knowledge is involved.

No traditional knowledge is applied as Mphasis plans and develops intellectual property.

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6. Details of beneficiaries of CSR projects:

S. No	CSR project	No. of persons benefited from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1	Magic Bus Foundation	831	100%
2	SOS Children's Village	800	100%
3	Akanksha Schools	14,000	100%
4	The Nudge Future Perfect	1,371	100%

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Mphasis conducts regular CSAT surveys. We also have a contact us form on the website, where we can receive feedback or requests for responses.

2. Turnover of products and/or services as a percentage of turnover from all products/services that carry information about:

Not applicable to Mphasis.

3. Number of consumer complaints in respect of the following:

	FY 2022-23			FY 2021-22		
	Receive during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	No consumer complaints concerning data privacy, cyber security, etc. were received by our organization in 2022-23			No consumer complaints concerning data privacy, cyber security, etc. were received by our organization in 2021-22		
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive trade practices						
Unfair trade practices						
Other						

4. Details of instances of product recalls on account of safety issues.

Not applicable to Mphasis.

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? If available, provide a web link to the policy.

Yes, Mphasis has a Privacy Policy in place.

Link to policy: <https://www.mphasis.com/home/privacy.html>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/ services.

Not applicable

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed.

The Mphasis website hosts all our services and offerings: <https://www.mphasis.com> Any communication to promote these offerings that are done on digital media also links back to the website. All brochures and case studies that provide more information are also hosted on the website: <https://www.mphasis.com/home/corporate/thought-leadership.html>

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2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Not applicable to Mphasis.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The risks of business disruptions caused by both man-made and natural calamities have increased, and it's important to ensure the availability of enterprise applications and infrastructure for uninterrupted service delivery post-disruptions. Mphasis recognizes this and has implemented Disaster Recovery for critical enterprise applications. Moreover, the company is certified with ISO 22301, an international standard for Business Continuity Management Systems (BCMS), which assures clients of continuity of service.

4. Does the entity display product information on the product over and above what is mandated as per local laws?

Not applicable to Mphasis as it is not involved in the manufacturing sector.

5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity, or the entity as a whole? (Yes/No)

Yes, Mphasis conducts CSAT surveys on a half-yearly basis with our clients concerning consumer satisfaction.

6. Provide the following information relating to data breaches:

a. Number of instances of data breaches along with impact.

None

b. Percentage of data breaches involving personally identifiable information of customers.

None



About Mphasis

Mphasis' purpose is to be the *"Driver in the Driverless Car"* for Global Enterprises by applying next-generation design, architecture and engineering services, to deliver scalable and sustainable software and technology solutions. Customer centricity is foundational to Mphasis and is reflected in the Mphasis' Front2Back™ Transformation approach. Front2Back™ uses the exponential power of cloud and cognitive to provide hyper-personalized ($C = X2C^2 = 1$) digital experience to clients and their end customers. Mphasis' Service Transformation approach helps 'shrink the core' through the application of digital technologies across legacy environments within an enterprise, enabling businesses to stay ahead in a changing world. Mphasis' core reference architectures and tools, speed and innovation with domain expertise and specialization, combined with integrated sustainability and purpose-led approach across its operations and solutions are key to building strong relationships with marquee clients. To know more, please visit www.mphasis.com