Mphasis
The Next Applied

26 July 2019

The Manager, Listing   The Manager, Listing
BSE Limited   National Stock Exchange of India Ltd
Phiroze Jeejeebhoy Towers,   Exchange Plaza, Plot No. c/1,
Dalal Street,   G-Block, Bandra-Kurla Complex,
MUMBAI - 400 001   MUMBAI – 400 051

Dear Sirs,

RE.: Annual General Meeting held on 25 July 2019

Please find enclose herewith the Chairman's address delivered at the 28th Annual General Meeting of the Company held on 25 July 2019 at 10:30 am at Taj MG Road, 41/3, Mahatma Gandhi Road, Bengaluru- 560 001 Karnataka, India.

We request you to kindly take the above on record.

Thanking you,
For Mphasis Limited

DocuSigned by:

Subramanian Narayan

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Subramanian Narayan
Vice President and Company Secretary

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CIN: L30007KA1992PLC025294

Chairman's Speech
Mphasis Limited – 28th Annual General Meeting, 25 July 2019

Good morning Ladies and Gentlemen,

I am delighted to welcome you all to the twenty-eighth Annual General Meeting of your Company.

It is great to see many of you here today. Thank you for joining us. This is my fourth year as the Chairman of Mphasis, and each time we have met we have had important matters to reflect upon.

The rise of emerging economies like China and India; the rapid spread of next generation technologies; the ever-increasing challenges to globalization and other global trends offer considerable new opportunities to organizations and sectors that successfully embrace them. Over the past decade, cloud, cognitive and technologies empowering digital experiences have steadily disrupted business models, IT operations, and markets. Innovation and agility have become critical competitive components for any business, regardless of sector. Organizations are taking even better advantage of cloud platforms that make powerful Artificial Intelligence tools and services accessible to a wide range of users. These tools help accelerate experimentation, democratize innovation, boost agility, and power digital transformation roadmap of the businesses.

The industry in which Mphasis has been operating is fast changing, arguably, at a rate of change never seen before. In an era of hyper-personalization and evolved customers, there is accelerated demand for 'agility' by the Company's clients. In fact, the changing consumption patterns are driving disruption with the fast adoption of cloud and with rapid advancements in cognitive technologies. Since the Company's business is a reflection of the way technology is consumed by the enterprise client segment; this change has huge implications for the future. The Company has distinct value propositions in cloud and build capabilities across the stack and continues to make large investments to further enhance capabilities in this space.

Mphasis has been harnessing Advanced Analytics, Artificial Intelligence and Cloud technologies to transform applications, infrastructure and operations of its clients, *including the dynamics of interaction with end customers*. The Company's clients who are at the forefront of this transformation have been reaping immense benefits in becoming digital leaders in their sectors, witnessing faster revenue growth and higher productivity than their less-digitized peers.

Now, let me talk about a few highlights of the year gone by…

There is no better validation of everything that the Company does than its annual performance, which clearly indicates Consistent Growth! In FY19, the Company's consolidated gross revenue grew by 22.6% on reported basis and 14.2% in constant currency. This is the highest growth for the company in the past ten years. The Earnings Per Share (EPS) of the company, a key growth indicator grew at 31.4% for the year to INR 56.10; also, the highest % of growth in a decade.

The advent of public cloud infrastructure and SaaS has elevated the importance of rapid automation in product development and product engineering for enterprises moving to the cloud. In this strategic context Mphasis acquired **Stelligent Systems LLC**, a technology services company specializing in DevOps automation that provides both DevOps, i.e. automation of application development and deployment cycles and DevSecOps solutions i.e. DevOps integrated with application and infrastructure security processes on Amazon Web Services (AWS). Through the acquisition of Stelligent, a Premier Consulting Partner on AWS Partner Network (APN), the Company is uniquely positioned to take advantage of the ever-growing cloud market. It will now join forces with a next generation technology company, bringing innovative, in-depth cloud solutions to enterprise clients across segments.

The Company is constantly working to stay nimble, agile and responsive, while creating scalability and competence as it applies an **agile approach** to pivot the company's Go-To-Market strategy. Organizing the Go-To-Market teams around this model brings agility and innovation to clients. Design Thinking Workshops, Hackathons, Proof of Concept led engagements and Co-Innovation have become the new normal at the Company.

I have few other strategic updates to share:

- Recently, Mphasis received a patent from the US Patent and Trademark Office (USPTO) for a system/method for computing critical data of an entity using cognitive analysis of emergent data. The patent relates to the tracking and managing of data from various data sources, to compute critical data using cognitive analysis of emergent data. It involves computing critical data of multiple entities using machine learning algorithms which interface with several communication channels for data retrieval from multiple data sources associated with various entities.
- Mphasis NEXTLabs launched Autocode.AI, a revolutionary deep learning-based framework which applies Artificial Intelligence across multiple stages of the software development process. The Autocode.AI system, is used by software engineering teams for rapid prototyping and to accelerate the process of software development including new code creation. Autocode.AI assesses vulnerabilities in code, automatically fixes bugs and automates deployment and management of code through Cloud computing environments.
- The Company partnered with Bitfury, a full-service blockchain technology company, to bring new levels of automation, transparency and efficiency to the financial services infrastructure that underpins global trade. The partnership will work on new forms of tokenization to enable instant settlement of trade transactions, reduce reliance on complex Forex infrastructures, and increase flexibility in liquidity management for financial institutions.
- The Company also collaborated with BAE Systems Applied Intelligence, the financial crime and cyber division within the multinational defense and security company, BAE Systems PLC. The partnership will see the formation of a Centre of Excellence, created to deliver BAE Systems' anti-money laundering and fraud detection and prevention solution.

These initiatives and more that are in progress, signal concerted strategic moves by the company to invest, participate and grow in next generation technologies and services while continuing to optimize its core business.

In Corporate Social Responsibility (CSR), the Company's philanthropic activities are governed by the CSR Committee of the Board which approves the CSR budget and monitors its implementation as per the CSR Policy of the company .

The company has directed its CSR spend towards creating lasting social impact which has been outlined in the Annual Report.

Mphasis F1 Foundation, a philanthropic arm of the company, invests in the areas of Education, Inclusion, and Livelihood through non-profit and social enterprises. The constant endeavor of the foundation has been to support unique initiatives with the potential to deliver substantial social impact. During the financial year 2019, Mphasis F1 Foundation has funded solutions to disrupt the status quo and bring in fresh thinking and approach to the existing problems of exclusion, deprivation and poverty alleviation.

One of the flagship programs in Education has been through the new partnership with 'Rethinking Higher Education Foundation (RHEF)' to set-up Plaksha University, with a focus on technology, entrepreneurship and interdisciplinary thinking to solve real-world problems. Expected to be functional by 2021, the university aims to be world class with various tie-ups with reputed international institutions including UC Berkeley, Purdue, Stanford, to name a few.

As one of the founding members, Mphasis F1 Foundation is supporting the University in building accessible and inclusive infrastructure and research facilities and Labs in areas of Artificial Intelligence (AI), Machine Learning (ML), Internet of Things (IoT), Robotics as well as providing scholarships for students from lower socio-economic background and students with disabilities.

Mphasis F1 Foundation in partnership with International Institute of Information Technology Bangalore (IIIT-B). inaugurated a first of its kind Center of Excellence (CoE) for Cognitive Computing. The CoE will leverage cognitive computing technology to solve problems related to education, enterprises and accessibility. Through this pioneering initiative, the center aims to co-create open source IP assets on applied research with relevance to societal and enterprise challenges.

True to the Company's commitment towards supporting social entrepreneurship, Mphasis F1 Foundation partnered with NSRCEL, a start-up incubation center at IIMB to identify scalable for-profit social ventures and help them build financially sustainable models. The five winners from the partnership are undergoing long term incubation (18-24 months) after a 3-month long acceleration program.

Non-profits also have a substantial role to play in improving the lives of communities at the bottom of the pyramid. In line with this, Mphasis F1 Foundation partnered with N/Core to incubate scalable non-profit social ventures across multiple sectors. The first cohort of ten organizations from the partnership graduated in January 2019.

I am very confident that the company, with a clearly articulated value system and approach will act as a positive force in local communities.

Financial year 2019 was a year of consistency and transformation that has set the foundation for a stronger 2020 and beyond.

Mphasis delivered a strong performance with consistent growth that has created greater value for all the stakeholders.

In summary the Company:
- Reported highest gross revenue growth in the past ten years
- Witnessed good momentum in deal wins in both traditional as well as next generation services across Direct Core, Blackstone portfolio and DXC/HPE business; and
- Acquired Stelligent Systems LLC.

You will be happy to know that the Board of Directors have recommended a final dividend of INR 27 per equity share, for the financial year ended 31st March 2019, subject to your approval at this meeting.

In the years ahead, I am positive that Mphasis will continue to scale, transform and stay ahead of the technology advancements as an 'Applied Tech Company' driven by Cloud and Cognitive technologies. I believe we are in a good place with a sound strategy, a solid business and with a great team. We are focused on our path forward and committed to enhancing shareholder return.

I would like to thank our Customers, the Leadership Team and all our Employees for their commitment, efforts and initiative. I also thank each one of you for your continuing support.

Mphasis is a company with heritage and a promising future. I wish all of us the very best as we carry out our individual responsibilities in building future success together.

Thank you,
Chairman – 28th Annual General Meeting
Davinder Singh Brar