



29 June 2020

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:- Circulation of the Notice of the 29th Annual General Meeting and the Annual Report for the year ended 31 March 2020 to the Shareholders of the Company

We wish to inform you that the Notice of the 29th Annual General Meeting (AGM) scheduled to be held on Thursday, 23 July 2020, at 9:00 am (IST) through Video Conferencing (VC) together with the Annual Report for FY20, 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 26 June 2020. The Notice and Annual Report 2020 (including the e-books) have been uploaded on the website of the Company, as per the following details:

1. Notice (e-book) - <https://www.mphasis.com/mphasis/ebooks/2020-Notice/index.html>
2. Annual Report (e-book) - <https://www.mphasis.com/mphasis/ebooks/2020-Annual-Report/index.html>
3. Notice (PDF) - <https://www.mphasis.com/content/dam/mphasis-com/global/en/investors/annual-reports/Notice-2020.pdf>
4. Annual Report (PDF) - <https://www.mphasis.com/content/dam/mphasis-com/global/en/investors/annual-reports/Mphasis-Annual-Report-2020.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 2020 being dispatched to 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, 23 July 2020, at 9:00 am (IST)
Mode of AGM	Video Conferencing
Link for participation through video-conferencing	https://www.evoting.nsdl.com/
Webcast and transcripts link	https://www.mphasis.com
Dividend record date	Friday, 3 July 2020
Information for tax on dividend 2019-20	https://www.mphasis.com/home/corporate/investors/tax-declaration-fy20.html
Cut-off date for e-voting	Thursday, 16 July 2020
E-voting start date and time	Saturday, 18 July 2020, 9:00 am (IST)
E-voting end date and time	Wednesday, 22 July 2020, 5:00 pm (IST)
Link for e-voting website of NSDL	https://www.evoting.nsdl.com/

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.

Contact Us:
T : +91 080 67501000
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 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

DocuSigned by:

Subramanian Narayan

864FB8DBFAE44A7...



Subramanian Narayan

Vice President and Company Secretary

Encl: As above

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NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the twenty ninth Annual General Meeting of the members of Mphasis Limited will be held on Thursday, the 23 July 2020 at 9:00 A.M. (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 2020, 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. David Lawrence Johnson who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Amit Dalmia who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

RESOLVED THAT pursuant to the provisions of Section 149,152 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Schedule IV to the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), Ms. Jan Kathleen Hier (DIN 07360483), Independent Director, whose period of office expires on 10 December 2020, who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Act and who is eligible for re-appointment for the next term of five consecutive years as per the Act and SEBI Listing Regulations and in respect of whom the Company has received a notice in writing from a member proposing her re-appointment to the office of Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not subject to retirement by rotation, for a term of 5 (Five) consecutive years effective 11 December 2020.

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

RESOLVED THAT pursuant to Section 62 of the Companies Act, 2013 (the "Act"), rules made thereunder and all other applicable provisions of the Act (including any amendment thereto or re-enactment thereof), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "Regulations"), the guidelines prescribed thereunder by Securities and Exchange Board of India (SEBI) and other SEBI Regulations as may be applicable in this regard, in accordance with the provisions of the Memorandum and Articles of Association of the Company, subject to such approvals, consents, permissions and sanctions, as may be necessary and further subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any Committee which the Board has authorized in this behalf including authorization of the powers conferred by this resolution), following amendments to the **Employee Stock Option Plan 2016** ("ESOP 2016") be and is hereby approved:

- (a) the exercise period of stock options already granted which are yet to be exercised and the stock options to be granted in future to the employees, under the ESOP 2016 be increased from thirty six months to sixty months from the date of Vesting and the definition of Exercise Period in the Clause 2.1 of ESOP 2016 be replaced with the following:

2.1 "Exercise Period" means the time period which is sixty (60) months from the date of Vesting in accordance with the Vesting Schedule, within which the Employee may exercise the right to apply for Shares against the Vested Options.

- (b) subject to the approval of the Compensation Committee in this regard and on the terms approved by it, the unvested stock options, upon retirement or superannuation of the Employees vest immediately on the date of retirement or superannuation, which shall be exercised within six (6) months from the Cessation Date and clause 7.1(a) of the ESOP 2016 be and is hereby replaced with the following:

7.1. (a) in case the Leaver is categorized as a Good Leaver, then all Options which have not Vested as on the Cessation Date shall lapse and such Leaver shall be entitled to Exercise all Vested Options within six (6) months from the Cessation Date;

However, notwithstanding any other provisions of the Plan, where the Leaver is a Good Leaver on account of retirement or superannuation, in accordance with the rules of the Company, the Compensation Committee may, at its discretion and having regard to services of the Leaver, approve vesting of the Options, either in full or otherwise, which were granted to the Leaver and are otherwise not vested. Upon approval of the Compensation Committee, such approved unvested Options shall vest on the date of retirement/superannuation and Leaver shall be entitled to exercise all such vested Options within six (6) months from the Cessation Date.



NOTICE OF THE ANNUAL GENERAL MEETING

RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for the purpose of giving effect to this resolution with power to settle any issues, questions, difficulties or doubts that may arise in this regard.

7. To consider and if thought fit, to pass, with or without modifications, the following resolution as a **SPECIAL RESOLUTION**:

RESOLVED THAT pursuant to Section 62 of the Companies Act, 2013, rules made thereunder and all other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the guidelines prescribed thereunder by SEBI and other SEBI Regulations as may be applicable in this regard and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any Committee which the Board has authorized in this behalf including authorization of the powers conferred by this resolution), approval of the members of the Company be and is hereby accorded to extend the benefits of amendments to "Mphasis Employee Stock Option Plan 2016" (ESOP 2016) proposed in the resolution under Item No. 6 of this Notice to the eligible employees of the subsidiary companies as identified by the Board from time to time, on such terms and conditions as may be decided by the Board and for the purpose of giving effect to the resolution, the Board be and is hereby authorized to take such steps and actions and give such directions as it may in its absolute discretion deem necessary and settle any question that may arise in this regard.

By order of the Board
For Mphasis Limited

Bengaluru
17 June 2020

SUBRAMANIAN NARAYAN
Vice President and Company Secretary

Registered Office:
Bagmane World Technology Center,
Marathahalli Outer Ring Road,
Doddanakhundi Village, Mahadevapura,
Bengaluru 560 048
CIN:L30007KA1992PLC025294
Telephone: 080 - 6750 1000;
Website:www.mphasis.com;
e-mail: investor.relations@mphasis.com

NOTICE OF THE ANNUAL GENERAL MEETING

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ 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. David Lawrence Johnson	Mr. Amit Dalmia	Ms. Jan Kathleen Hier
DIN	07593637	05313886	07360483
Date of first appointment at the Board	1 Sep 2016	1 Sep 2016	11 Dec 2015
Date of Birth	27 Nov 1953	30 Oct 1975	30 Dec 1954
Qualification	B.A. and MBA	B. Com, CA, CS and CWA	Bachelor's in Economics & Postgraduate
Nature of expertise in specific functional areas	Strategy and Management	Finance and Management	Technology and Management
Directorship in the Boards of other Indian listed entities	Nil	Refer below	Nil
Membership/ Chairmanship in Committees of other Indian listed entities	Nil	Refer below	Nil

Name of the Director	Other Directorship in Indian Public Companies	Membership/ Chairmanship
Mr. Amit Dalmia	SH Kelkar and Company Limited	Member of Audit Committee

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 Grievance Committees of other listed public entities is considered.
3. There is no inter-se relationship amongst the Directors and Key Managerial Personnel.
4. The above stated Directors do not hold any shares of the Company.
5. The details of the number of Board and Committee meetings attended during the year are given in the Annual Report 2020.
6. The detailed Profile of Directors are disclosed in the Annual Report 2020 and are also hosted on the website of the Company at www.mphasis.com.

Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its circulars dated 5 May 2020 read with circulars dated 8 April 2020 and 13 April 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM") through Video Conferencing ("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 29th AGM of the Company is being held through 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 the statutory purposes shall be the registered office of the Company.
5. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12 May 2020, Notice of the AGM along with the Annual Report 2020 is being sent only through electronic mode to those Members whose e-mail address are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020 will also be available on the Company's Website www.mphasis.com, websites of the Stock Exchanges i.e. The 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>.
6. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of the special businesses is annexed hereto and forms part of the Notice.
7. 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 Auditors under Regulation 13 of SEBI (Share Based Employee Benefits) Regulations, 2014 will be available electronically for inspection by members during the AGM.



NOTICE OF THE ANNUAL GENERAL MEETING

8. 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 shall be sent to the Scrutinizer by email to cs@nagarajsp818.com with a copy marked to evoting@nsdl.co.in.
9. Members proposing to seek information/clarification with regard to the financial accounts or any matter being placed at the AGM, are requested to write in advance to the Company on or before Tuesday, 21 July 2020 through email to 29.agm@mphasis.com. The same will be replied by the Company suitably at the AGM.
10. 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.
11. 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.
12. The results declared along with the report of the Scrutinizer will be placed on the website of the Company, www.mphasis.com (<https://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.
13. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 4 July 2020 to Thursday, 23 July 2020 (both days inclusive).
14. The final dividend on equity shares as recommended by the Board of Directors for the year ended 31 March 2020, 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 Friday, 3 July 2020, after giving effect to all valid transmission and other requests received in physical form lodged with the Company and/or its Registrar and Share Transfer Agent on or before Friday, 3 July 2020; 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 Friday, 3 July 2020.
15. Members holding shares in physical form 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 requested to contact their Depository Participant and register the bank mandate details for electronic payment of dividend.
16. 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 not fully functional due to COVID-19 pandemic. In terms of General Circular No.20/2020 dated 5 May 2020, 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.
17. As per the Income Tax Act, 1961 ("Income Tax Act"), as amended by the Finance Act, 2020, dividend distribution tax has been abolished with effect from 1 April 2020. Accordingly, 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 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)	7.5% 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

NOTICE OF THE ANNUAL GENERAL MEETING

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") 2020-21 does not exceed Rs. 5,000 in aggregate across all holdings in the Company.

If the shareholders wish to avail a lower TDS rate / Nil TDS on the dividend, the following documents which may be uploaded on <https://www.integratedindia.in/ExemptionFormSubmission.aspx> on or before 15 July 2020 before 5:00 pm (IST).

- Lower/Nil withholding certificate issued under Section 197 of the Income Tax Act covering FY 2020-21;
- Form 15G, which is applicable to Resident Individual shareholders who are below 60 years of age and whose tax on total income during FY 2020-21 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 2020-21 and whose tax on total income during FY 2020-21 is estimated to be Nil.

Please note that these forms must not pertain to FY 2019-20 whose validity is extended upto 30 June 2020 and must be valid for FY 2020-21.

No communication/documents on the tax determination/ deduction shall be considered by the Company after 15 July 2020 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 2020-21, 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.

The non-resident shareholders may upload the documents on <https://www.integratedindia.in/ExemptionFormSubmission.aspx> on or before 15 July 2020 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 Income Tax Act at the rate of 20% (plus applicable surcharge and cess).

The shareholders may note that:

- a) 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.
- b) 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.
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 <https://www.mphasis.com/home/corporate/investors/tax-declaration-fy20.html> 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/>.



NOTICE OF THE ANNUAL GENERAL MEETING

18. In case of joint holders, the Member whose name appears 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.
19. Pursuant to Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules, 2016), 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 2012-13, is liable to be transferred to the Investor Education and Protection Fund in March 2021. Shareholders who are yet to claim the said unclaimed dividend, are requested to submit their claims to the Registrar & 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 is required to be transferred to Investor Education and Protection Fund (IEPF). Accordingly, as at the date of the notice there are 9,558 shares held by 74 shareholders, which are liable to be transferred to IEPF Authority in March 2021.

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://mphs.co/shareholderlist>.

20. 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 2019	Unclaimed shares debited from the account during the period	Closing balance of shares as at 31 March 2020
4,500	200	4,300

Note: As at the date of the notice, 1,300 shares have been debited and transferred to the Investor Education Protection Fund, pursuant to Section 124 of the Companies Act, 2013, in respect of which the dividend has remained unclaimed for seven consecutive years.

21. Members are requested to notify any change in their address to the Company / Depository Participant as the case may be.
22. The shareholders are requested to communicate all their correspondence to:
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@mpphasis.com Ph: +91 (080) 67501000
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.
23. Since the AGM will be held through VC in accordance with the MCA Circulars, the route map is not attached to this Notice.

VOTING THROUGH ELECTRONIC MEANS

1. 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 twenty ninth Annual General Meeting (AGM). The instructions for e-voting are given herein below.
2. The remote e-voting period commences on Saturday, 18 July 2020 at 9.00 AM and ends on Wednesday, 22 July 2020 at 5.00 PM. During this period, members of the Company, holding shares in physical form or in dematerialized form, as on Thursday, 16 July 2020, 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 22 July 2020. Vote cast once 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.
3. 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.
4. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. Thursday, 16 July 2020.

NOTICE OF THE ANNUAL GENERAL MEETING

5. 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.
6. Any queries or grievances in relation to the electronic voting may be addressed to Mr. Subramanian Narayan, Vice President and Company Secretary, at the registered office of the Company or may be e-mailed to subramanian.narayan@mphasis.com.
7. 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.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

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 ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
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.
4. 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 101456 then user ID is 101456001***.

5. Your password details 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 by NSDL to your registered email ID. 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 through your email ID by NSDL. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file. The password to open the pdf file is your 8-digit client ID for NSDL account, last 8 digits of the 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’.
 - ii. If your email ID is not registered, please follow steps mentioned below in the process for those shareholders whose email ids are not registered.
6. 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.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.



NOTICE OF THE ANNUAL GENERAL MEETING

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take a printout of the votes cast by you by clicking on the print option on the confirmation page.
8. 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.
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 on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

Process for those shareholders whose e-mail 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 email to 29.agm@mphasis.com.
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 29.agm@mphasis.com.
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 (AGM) 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 for 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 29.agm@mphasis.com from their registered e-mail ID between 15 July 2020, 9:00 am (IST) to 20 July 2020, 5:00 pm (IST). 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 laptop connecting 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



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

Contact details of the NSDL official:
 Ms. Sarita Mote, Assistant Manager,
 National Securities Depository Limited,
 4th Floor, A Wing, Trade World,
 Kamala Mills Compound,
 Senapati Bapat Marg, Lower Parel,
 Mumbai – 400013, India.
 Email Id: saritam@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, the following Explanatory Statement sets out all material facts relating to the special business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

Item No. 5:

Ms. Jan Kathleen Hier (DIN 07360483) has been appointed as an Independent Director of the Company since 11 December 2015. In terms of Section 149 of the Companies Act, 2013, the members have at the twenty fifth Annual General Meeting held on 4 November 2016 approved the appointment of Ms. Hier as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years with effect from 11 December 2015. Accordingly, current term of Ms. Hier expires on 10 December 2020. In terms of Section 149 of the Companies Act, 2013, Ms. Hier is eligible for being appointed as an Independent Director for another term up to 5 consecutive years effective 11 December 2020. The Company has received a Notice in writing from a member proposing her re-appointment as an Independent Director of the Company for another term of five (5) consecutive years effective 11 December 2020.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 13 May 2020, approved, subject to the approval of the members at the ensuing Annual General Meeting, the re-appointment of Ms. Hier as an Independent Director for another term of five consecutive years commencing from 11 December 2020. Ms. Hier will not be liable to retire by rotation.

Ms. Jan Kathleen Hier is an eminent personality in her field. Considering her vast experience and knowledge, the Board considers her continued association to be of immense benefit to the Company. The Board, therefore, recommends the resolution as set out in Item No. 5 of the Notice for approval of members by means of a Special Resolution. Brief profile covering qualifications, areas of expertise and other details of the said Independent Director as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Notice and a detailed profile of the Independent Director is provided in the Annual Report and also hosted on the website of the Company at www.mphasis.com. The details of remuneration paid to the aforesaid Independent Director is given in the Corporate Governance Report forming part of the Annual Report 2020.

Ms. Hier has a bachelor's in Economics and attended Post-Graduate studies at Syracuse University, New York, USA. She was a partner with a start-up – Bicycle Financial and had been involved in varied roles, in technology, telecommunications and HR, in her former career. As an economist with the Bureau of Labour Statistics, she was instrumental in the original development of a Producer Price Index for the telecommunications industry and was called on as an expert witness at the U.S. House of Representatives. The qualification, areas of expertise and other details of Ms. Hier is detailed in the Notice of the meeting besides the brief profile being available in the Annual Report 2020 and the website of the Company at www.mphasis.com.

The re-appointment is recommended based on knowledge, skills, experience and performance evaluation of Ms. Hier. She has attended all the Board Meetings and the meetings of the Committees of which she is a Chairperson and/or Member during her tenure as an Independent Director. Her performance evaluation has been considered annually by the Nomination and Remuneration Committee and the Board. Ms. Hier has been evaluated on parameters including proactive discussion, understanding of the Company's business, engagement with the Company's management, exercising of Independence of behavior and judgement in her decisions and she strives to bring in the best practices regarding governance, disclosures and operations. Ms. Hier is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director. The Company has also received a declaration that she meets with the criteria of independence as prescribed under Section 149(6) of the Companies Act 2013. In the opinion of the Board, Ms. Hier fulfills the conditions specified in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for re -appointment as an Independent Director. Ms. Hier meets all the skills required to be possessed as per the Board skill-set matrix defined by the Board.

The draft letter of appointment of Ms. Hier setting out the terms and conditions of appointment will be made available for inspection of the members electronically through "share screen mode" during business hours on all working days up to the date of the Annual General Meeting and the same shall also be available for inspection of the members electronically during the Annual General Meeting. Members intending to inspect the documents may write to 29.agm@mphasis.com.

NOTICE OF THE ANNUAL GENERAL MEETING

Pursuant to MCA Circular No. 20/2020 dated 5 May 2020, allowing Companies to hold AGM over VC during the calendar year 2020, special businesses which are considered unavoidable by the Board only can be transacted through AGM. As the approval of the members, pursuant to Section 149 of the Companies Act, 2013, for re-appointment of Ms. Hier as an Independent Director is required to be obtained before 10 December 2020, the Board had considered this item as unavoidable and accordingly the resolution is placed at this meeting for approval of the members.

Interest of Directors and Key Managerial Personnel:

Ms. Jan Kathleen Hier is interested in the resolution. None of the other directors and Key Managerial Personnel of the Company and their relatives are interested in the above resolution.

Item Nos. 6 and 7:

At the twenty fifth Annual General Meeting of the Company held on 4 November 2016, the members approved institutionalization and implementation of Employee Stock Option Plan 2016 ("ESOP 2016") by means of a special resolution with the maximum number of options underlying the ESOP 2016 not exceeding 8,400,000 shares (or such other adjusted figure for any re-organisation of capital structure undertaken in accordance with ESOP 2016). Pursuant to the said resolution, the ESOP 2016 was constituted and approved by the stock exchanges and stock options were granted to the eligible employees of the Company including the subsidiary companies. As at the date of the Notice, 4,531,411 Stock options are outstanding for exercise, which had been granted to 139 Employees of the Company and its subsidiaries.

As per the ESOP 2016, the exercise period for exercise of the stock options is thirty-six (36) months from the date of the vesting of the stock options. Considering the talent retention measures, to enable the employees to further align with the long term interests of the Company and considering the capital market downtrend in the recent past in wake of COVID-19, it is proposed that the exercise period for exercise of options under ESOP 2016 be extended to sixty (60) months from thirty-six (36) months.

Further, as per ESOP 2016, all the options granted to a retiring employee (Leaver) which are not vested as at the date of retirement lapses upon retirement. Considering the employee friendly measures and as a gesture of gratitude to the Leaver, it is proposed to amend the ESOP 2016 to allow acceleration of the unvested stock options as at the date of retirement, based on the approval of the Compensation Committee at its discretion, on such terms as approved by it. The accelerated options are proposed to be allowed to be exercised within six (6) months from the date of retirement.

To give effect to the above amendments, Clauses 2.1 and Clause 7.1(a) of the ESOP 2016 are proposed to be amended as detailed in the resolution. The beneficiaries of the above amendments will be the existing stock option grantees and prospective stock option grantees, being the employees of the Company and its subsidiaries. None of the amendments proposed herein are prejudicial to the interest of the employees.

Based on the recommendation of the Nomination and Remuneration Committee and ESOP Compensation Committee, the Board of Directors of the Company, at its meeting held on 13 May 2020 have approved the above amendments.

As per the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, any amendment to the stock option plans of the Company requires the approval of the members by means of a special resolution. Further, a separate special resolution is required to be passed by the members if the benefits of such amendments are required to be extended to the employees of the subsidiary companies. Accordingly, resolutions as set out under Item Nos.6 and 7 of the notice is submitted for the approval of the members. The Board of Directors recommends the said resolutions for approval of the members by means of special resolutions.

The draft amended ESOP 2016 will be made available for inspection of the members electronically through "share screen mode" during business hours on all working days up to the date of the Annual General Meeting and the same shall also be available for inspection of the members electronically during the Annual General Meeting. Members intending to inspect the documents may write to 29.agm@mphasis.com.



NOTICE OF THE ANNUAL GENERAL MEETING

Pursuant to MCA Circular No. 20/2020 dated 5 May 2020, allowing Companies to hold AGM over VC during the calendar year 2020, special businesses which are considered unavoidable by the Board only can be transacted through AGM. Amendments in relation to ESOP 2016 are considered unavoidable as some of the stock options granted are lapsing on 4 January 2021 and considering superannuation during the calendar year 2020.

Interest of Directors and Key Managerial Personnel:

The Key Managerial Personnel may be deemed to be interested in the resolutions by virtue of holding stock options in the Company under ESOP 2016. None of the other Directors or their relatives are interested in the resolutions.

By order of the Board
For Mphasis Limited

Bengaluru
17 June 2020

SUBRAMANIAN NARAYAN
Vice President and Company Secretary

Registered Office:
Bagmane World Technology Center,
Marathahalli Outer Ring Road,
Doddanakhundi Village, Mahadevapura,
Bengaluru 560 048
CIN:L30007KA1992PLC025294
Telephone: 080 - 6750 1000;
Website: www.mphasis.com;
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Mphasis

The Next Applied

BREAKING BARRIERS
EMBRACING THE NEW NORMAL

Mphasis Limited | Annual Report 2020

RELEVANCE IN THE NEW NORMAL

AGILITY AND SPEED, THE NEW CURRENCY

The COVID-19 crisis has acted not as a change agent, but as the biggest accelerator to digital adoption. Industries such as insurance, banking, wealth management, health care, retail, hospitality, etc., which used to be about high touch, have had to adopt new ways of working. This is not just about a remote way of working, but more about a reset in customer engagement. In the new normal, agility and speed will be the critical currencies.

Accelerate Adoption... Unlock Resilience and Cost Savings

Our agile business processes and innovations anticipate the future of applied technology in a dynamically changing new business normal. Our next-gen solutions lead with smart design to enable enterprises to address change with resilience, and accelerate their digital transformation to unlock the next wave of cost savings.

Be Nimble... Discover Opportunities

We continue to lead with the Front2Back™ transformation approach. This achieves unparalleled velocity to drive market leadership through innovative and intelligent experiences. We co-create our clients' success by enabling them to achieve industry leadership through digital products and future-ready operations with speed and scale.

Transform... with Client-centric Service Excellence

Our differentiated, highly customized and platform-based Service Transformation model define our operational expertise. Our strong client-centric solutions integrate people, process, and technology levers to deliver quick returns on investments while lowering the overall total cost of ownership. Our proprietary Intelligent Automation Framework helps break data silos for our clients and drive their digital imperatives with measurable KPIs and outcomes.

Innovate... with Differentiated Team Strategy

Our relentless focus is always on clients. We have organized and structured ourselves with the 'Tribe and Squad' model, our 'go-to-market' force that brings agility and innovation to our clients. Our 'Tribes' are our cross functional teams, focused on developing, evolving and building next-gen offerings. Each portfolio tribe has cross-functional 'Squads' that come together to build and deliver specific offerings using agile methodologies.



FROM THE CEO

Dear Shareholder,

I am pleased to share our strong financial results of the past year and the progress we have made on our twin themes of Consistency and Transformation, as well as our four vectors of 'Growth' – Consistent, Competitive, Profitable, and Responsible. I would like to take this opportunity to discuss the unprecedented situation caused by the COVID-19 pandemic. Most importantly, on behalf of all of us at Mphasis, I want to extend our sincere appreciation and gratitude to all those who are in the frontline, working to keep us safe or maintain essential services. Our heartfelt sympathy to all who are battling the virus or have someone close to them who is. This pandemic has changed the way we work, learn, care for ourselves, and importantly, connect. Against this backdrop, our objective has never been more relevant – to enrich lives through technology. In fulfilling this purpose, we have, in virtually every jurisdiction with stay-at-home order, designated work-from-home as essential, because of the services we offer.

It is amazing how quickly we have mobilized and implemented work-from-home and other resilience measures – in days instead of months or years. We created significant interventions wherever possible, to leverage work-from-home options – keeping in mind technical issues, security protocols, as well as regulatory constraints. We worked day and night to enable as many employees as possible to work from home. Our clients have been extremely supportive and appreciative, and we have seen unprecedented levels of flexibility on this front. This is a good opportunity to strengthen our relationships with clients and further step up the value pyramid. New areas of engagement are emerging and will continue to emerge. Our clients have realized that this situation will only accelerate their need for digital transformation and modernization. Our ability to quickly virtualize everything we do, is right now.

This success would be impossible without our exceptional employees, and we recognize our responsibility to support both their professional and personal lives, now more than ever. Times like these reinforce the truth that our employees are our most important asset – they are fundamental to the culture and success of our company. **'Applying the Next'** in everything we do – from operations and technology to service – depends on the abilities of our employees.

As an organization, we have contributed in multiple ways to make a positive impact to those in distress. Few of the relief measures taken by Mphasis F1 Foundation include –

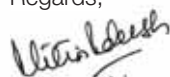
- Infrastructure set up, in record time, of the COVID-19 Helpdesk – Apthamitra – for the Government of Karnataka. Mphasis had over 150 medical professionals working in shifts to respond to calls that came to the 104 COVID-19 helplines.
- Authorized use of Uber-Access cabs for relevant applications related to COVID-19 in the city of Bengaluru. Uber is coordinating with the various government agencies to provide logistic support during this time.
- Partnered with ASSOCHAM in the meal initiative for staff and health workers at Safdarjung Hospital, New Delhi, to cover the cost for 10,000 meals across 10 days.
- Partnered with Magic Bus India to provide provisions and essentials kits to underprivileged communities in geographies of our focus. 576 households received food kits and about 2880 people were made aware of social distancing norms and hygiene practices.

Our Board of Directors plays a critical role in shaping and supporting our strategy and the future of our Company. They are actively engaged in creating and advancing our strategy, ensuring that talent and resources are aligned with it, and overseeing our corporate social responsibility and sustainability.

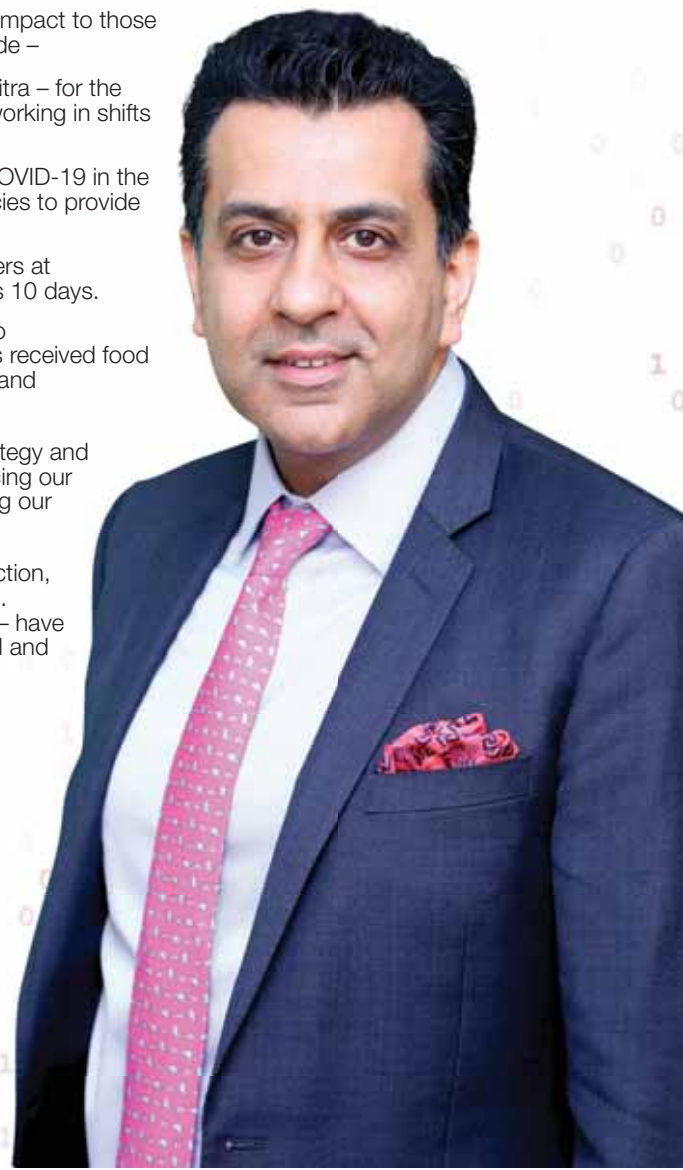
We are proud of the progress made in FY 2020 and are confident of our direction, even in the face of this pandemic and the accompanying economic upheaval. Embracing the new normal, our two biggest assets – clients and employees – have both amplified this voice back to us over the recent past. I am deeply grateful and thank each one of them.

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

Regards,



Nitin Rakesh
Chief Executive Officer & Executive Director



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CO-CREATING CHANGE FOR THE 'NEW NORMAL'

ENABLING CLIENTS TO THRIVE IN THE OPPORTUNITIES AHEAD.

In the face of COVID-19, an unprecedented challenge to humankind, we once again demonstrated our priorities – superior client experiences, the health and safety of our employees and remote workforce, highest levels of cyber security, and a productive workplace.

All employees and work partners have been actively engaged and constantly updated through various outreach and engagement initiatives. We have continued to deliver excellent client experiences. We are even more obsessed about our clients' needs in this time of crisis when enterprises are severely challenged. Leveraging technology to ensure minimal disruption, we have provided maximum business continuity to them. We were ready with solutions designed to help businesses tackle pressing challenges – here's a snapshot –

Virtual Desktop-as-a-Service

A cloud-based virtual desktop offering that deploys new VDI-based technologies to provision a virtual desktop in a matter of seconds. This can be extended to non-production and DR environments.

Employee Assistance-as-a-Service

A combination of conversational AI technologies and advisor-based assistance, it efficiently handles employee requests of varying complexity in an intelligent and scalable manner.

Flexible Service Desk

A solution to effortlessly handle increased service call volumes (arising due to the crisis) using a combination of digital connections and expanded helpdesk capacity. It can be augmented with existing service desk platforms and solutions and deploys the power of AI for smart connections and insights.

Cyber Security and Risk Assessment

Focused on fast short-term engagement, it audits WFH solutions from a security perspective, and identifies and executes interventions to fortify the setup.

Contract Data Extraction and Analytics

Our proprietary R&D center NEXT Labs offering, it reviews all types of contracts – banking, mortgage, insurance – and identifies liability clauses or coverage terms in complex insurance contracts. This improves the efficiency and timeliness of the contact center calls for insurance services.

COVID Command and Response Center

This is an iBPM response management application for organizations to safeguard the health and safety of employees and channel partners. It facilitates peer-to-peer employee assistance with accelerated responses. Data is managed in a HIPAA-compliant cloud to help protect sensitive employee information.

Contact Center Setup

It comprises tech and ops integrated solutions for handling spike in volumes across different areas – mortgage processing, account opening, insurance services, claims handling, etc.

Knowledge Management Systems

This assists frontline workers in shared services operations to efficiently handle client requests, given the increase in call volumes and shortage of workforce.

THE FUNDAMENTALS OF BUSINESS DON'T CHANGE

TECHNOLOGY IS OUR BUSINESS.
TRANSFORMATION IS OUR MODEL.



As an Applied Tech company, we have executed our strategy to be agile, nimble and customer-centric, and work with clients to accelerate speed-to-market. Across sales, delivery, and development, we innovate to deliver service excellence and successful outcomes.

- Distributed Agile Business Models – ‘Home shoring’, ‘Near shoring’...
- Digital Sales – of quickly deployable solutions for expedited digital transformation and assured cyber security
- Digital Delivery – to enhance client engagement and deliver hyper-personalized services
- Virtual Design Workshops and Assessments – Teleconferences, webinars...

Founder's Mindset

We bring a founder's entrepreneurial and insurgent mindset in our strategy and operations – be it in our ‘client first’ philosophy or nimbleness in our smart pursuit of opportunities through proactive pitches. At the same time, we nurture and expand existing client relationships with continuous value additions. We demonstrate our committed focus on employees and empower them to develop their capabilities and provide client-centric service excellence.

Focus on Consistency and Transformation

In the current situation of ‘business unusual’, our focus is on creating the momentum for our clients to be consistent while simultaneously optimizing costs. We are committed to helping them manage their short-term business crisis and in achieving their long-term transformation goals.

The Next Applied Now

Our clients have indicated that they need to transform now. Through NEXT Labs and NextSTEP™ (harnesses best practices to build components for accelerated platform-driven development), we focus on accelerating the next paradigms of disruptive and breakthrough innovations and cutting-edge capabilities. Across cloud, cognitive computing, social, mobile, analytics, IoT and automation, we unlock new growth trajectories to become the preferred innovation partner for our clients. Through Sparkle Lab, we harness startup ecosystems to enhance next-gen capability and create integrated solutions.

Our ‘Tribe and Squad’ engagement model brings agility and innovation to clients. Working in close tandem, our tribes and squads develop, evolve, and build next-gen offerings through –

- Hackathons
- Design-thinking workshops
- POC-led engagements
- Co-innovation
- Solution studio



PARTNERING WITH CLIENTS FOR SUCCESS

STRATEGIC OFFERINGS. POSITIVE OUTCOMES.

Our 'client-first' commitment has firmly positioned us as strategic partners to our clients. Through our eight next-gen offerings, we enable our clients to stay ahead in a world of disruptive change. Here are a few examples illustrating how we co-create success with our diverse offerings for our clients.



DevOps

Client: Global leader in health information systems

Our DevOps automation solution on AWS enabled the client to provision the development pipeline in 10 minutes instead of days – thereby slashing operating costs and freeing the client's engineering teams to focus on core business analytics.

Next-gen App Development

Client: Large US based logistics firm

We delivered a model-driven design and next-gen development of modern versions of applications in a self-funded approach. This reduced time and cost of modernization by 25%, increased efficiency of operations by 40-50%, and improved time-to-market by 30%.



Modernization

Client: Leading North American transportation and logistics company

We enabled the client to build a digital business of the future and accelerate innovations through foundational IT platforms, enterprise automation, handheld technologies and intermodal transportation management. The client achieved 40% faster time-to-market, and 55% reduction in operational costs.

Enterprise Automation

Client: Large global logistics firm

Our cognitive intelligence platform, DeepInsights™, helped in optimizing trailer loading through image analytics. This helped them in identifying trailer loading with 99% accuracy and automated the manual examination process.





Application Management Services

Client: Leading US based medical device manufacturer

Leveraging NextSTEP™ and InfraGenie™ (an integrated service management and automation platform), we enabled our client to automate and standardize their IT processes, and migrate to a global delivery model. This helped them reduce expenses by 42%, improve CSAT scores from 60% to >95%, increase application availability from <80% to 99%, raise incident resolution from 56% to 99%, and improve on-demand scalability.

Infrastructure Management Services

Client: Large European bank with a global footprint

We developed a complaints management framework for our client's infrastructure management, and created standard templates for information gathering and task assignment – with IDF/MDF controls to improve categorization of tasks. Average response time improved from 43% to 92%, open tickets reduced by 65%, and MTTR improved from 18 to 6 hours.



Next-gen Data

Client: Leading US based medical device manufacturer

Our AI-driven engine, DeepInsights™, enabled the client to identify bad transactions in real time and generate predictive analytics recommendations for true positive alerts. False positives and manual efforts were minimized, thereby lowering operating risks significantly.

Cyber Security

Client: Fortune 100 bank holding company

Through our agile Role Based Access Management provisioning, we enabled the client to achieve 100% identity and access management compliance – and control of 10,000+ SOX and non-SOX IT assets.



BUILDING AN 'AHEAD-OF-THE-CURVE' TALENT QUOTIENT

HOLISTIC PEOPLE ECOSYSTEM.
INTEGRATED PEOPLE MANAGEMENT.

Talent Next is geared to ensure that employee competencies are strategically-driven, relevant and priority to the business – thus developing our competitive edge. A multi-dimensional capability development framework, it benchmarks current and future technologies on a 3D Index of Skills, Knowledge, and Values.

Through an on-demand immersive learning platform and robust online evaluation framework, Talent Next combines learning, individual development, and performance management – in an environment of focused learning plans and continuous dialog with managers as coaches to constantly place employees ahead of the curve. With total clarity on success criteria, and open access to development tools, processes and other resources, employees discover better opportunities to move and shine across business boundaries. We empower our diverse and comprehensive talent groups with an entrepreneurship mindset to lead disruption and add value to themselves, clients and Mphasis.

Our talent transformation strategy aligns closely with our approach of Bringing 'T' back into IT.



PROVIDING VALUE THROUGH SUSTAINABILITY

OUR COMMUNITY. OUR RESPONSIBILITY.

We are committed to bringing social change by applying the power of technology and disruptive solutions. We believe that technology can play a transformational role for positive outcomes in the areas of education, livelihood creation and equitable development. In FY 20, we have undertaken 20 programs across these three focus areas and are proud to present our major initiatives that made an uplifting impact on the community.

Arivu Disha – in Collaboration with Headstreams

Arivu Disha is an innovative learning program, conceptualized and implemented by Headstreams, a leading NGO. Mphasis has been supporting this program since 2015 to address key challenges that exist in education.

This program exposes marginalized students enrolled in government schools to a very innovative learning environment. Using the Arivu digital app, teachers without prior coding or UI/UX designing experience, create digital games for learning. Arivu Disha is currently being implemented across 3 districts of Karnataka in 42 state-run schools. Cumulatively, the program has benefited more than 6000 students in the Grades 6 to 9.

Museum of Art & Photography (MAP)

Mphasis is supporting MAP in its pioneering effort to create the most accessible museum in the country. It is envisioned to be a barrier-free space easily accessible for senior citizens and persons with disabilities.

The grant will be utilized to create accessible infrastructure (accessible website, accessible signages, accessible technology), and to conduct educational and outreach programs to promote art.

Social Alpha – Startup Incubation

Mphasis has partnered with Social Alpha to support incubation of startups working on assistive technologies for persons with disabilities (PwDs). Through this initiative, 10 social enterprises working on assistive technologies are provided with required acceleration support – including go-to-market, design for manufacturing, and funding.

The partnership will also lead to the launch of an assistive technology open innovative platform for all stakeholders to work together towards solving problems faced by PwDs.



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ANNUAL REPORT • 2020



CREDENTIALING INNOVATION

TOMORROW'S IDEAS. TODAY'S REALITY.

Patent

Mphasis has been granted a US patent for an AI system to track, manage and analyze data from unstructured data sources. The newly issued patent relates to leveraging Machine Learning (ML) algorithms to analyze free text from a variety of communication channels – including news and editorial articles, blogs, emails, consumer complaints, and social media. The patented system uses Natural Language Processing (NLP) algorithms to process data in real time. The patented algorithms have been integrated as part of Mphasis' NEXT Labs solutions such as HyperGraf™ (a comprehensive, feature-rich, business intelligence and analytics solution), and DeepInsights™ (a cognitive intelligence platform), which enables enterprises to gain faster and more effective access to insights from data.

This patent validates our leadership, innovation, and capability to assist clients in utilizing the latest technologies to examine cognitive analysis and emergent data. The patented system and method have been deployed at several Fortune 500 companies across the globe.

AWS Marketplace Listings

Mphasis ranks No.1 on Amazon Web Services (AWS) Marketplace for Machine Learning (ML), with 76 ML listings spread over seven industry areas and five ML categories. Our listings have been acknowledged for the way we simplify data experimentation, extract deeper insights from disparate sources and foster enhanced productivity and efficiency. They target practical, high-value use cases to deliver immediate impact and ROI in critical enterprise business processes and operations.

Co-innovation Success Stories

- Driven by the COVID-19 situation, we have enhanced our remote collaboration with clients and conducted a remote hackathon for a large client of ours
- We conducted several webinars and workshops for global clients across areas such as Cloud Computing and Machine Learning
- Our unique approach of combining Design Thinking with Data Science has resulted in several global successes



ACKNOWLEDGEMENT OF EXCELLENCE

EFFORTS VALIDATED. EXCELLENCE APPRECIATED.

August 2019

- V. Suryanarayanan, CFO, won the 'Dalal Street Investment Journal's 2019 Best CFO' Award in the category 'IT Mid Cap'

September 2019

- V. Suryanarayanan, CFO, won the 'Finance Monthly - CFO Award' for 2019

October 2019

- Nitin Rakesh, CEO, conferred Gold Stevie® Award for 'Innovator of the Year'
- Debashis Singh, CIO, recognized among the 'CIO 100' - 2019 The Disruptive 100
- Mphasis won the 'Bronze Stevie® Award - Employer of the Year'

November 2019

- Veda Iyer, Global CMO and Head Sales - APAC, won 2019 ISG Paragon Awards™ EMEA, in the 'Woman in Technology' category

December 2019

- Mphasis won ISG Paragon Awards™ Americas in 'Impact' category, 2019
- Mphasis featured among the '2018 Working Mother & Avtar 100 Best Company for Women'
- Mphasis listed in Indeed's 'Top-Rated Workplaces 2019 - Tech in India'

January 2020

- Mphasis ranked #189 in Fortune India's top 500 companies

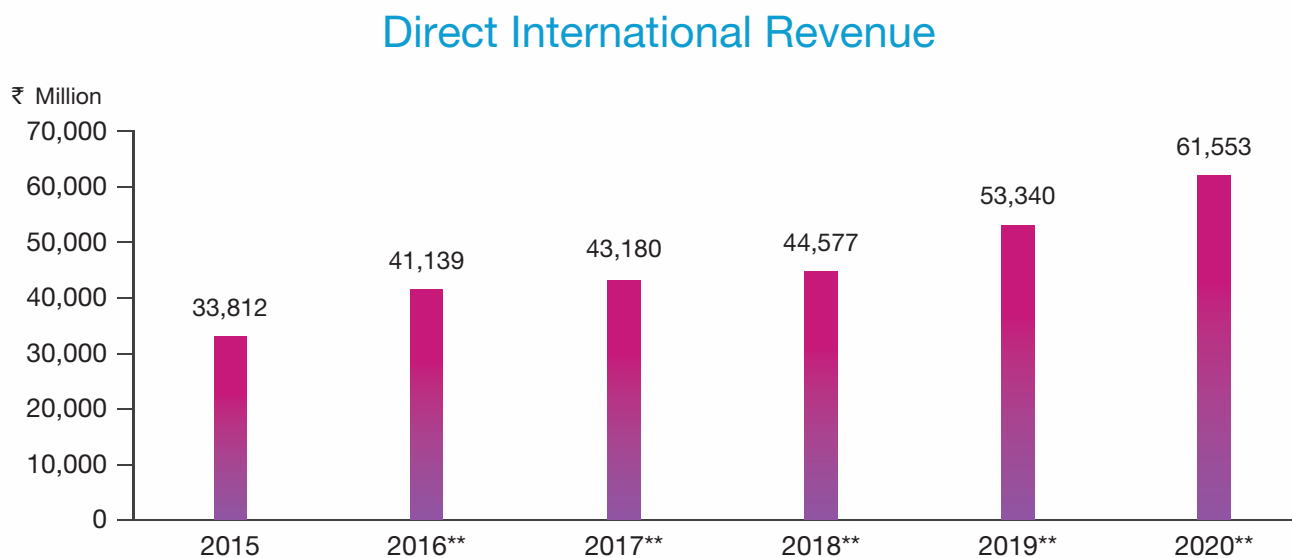
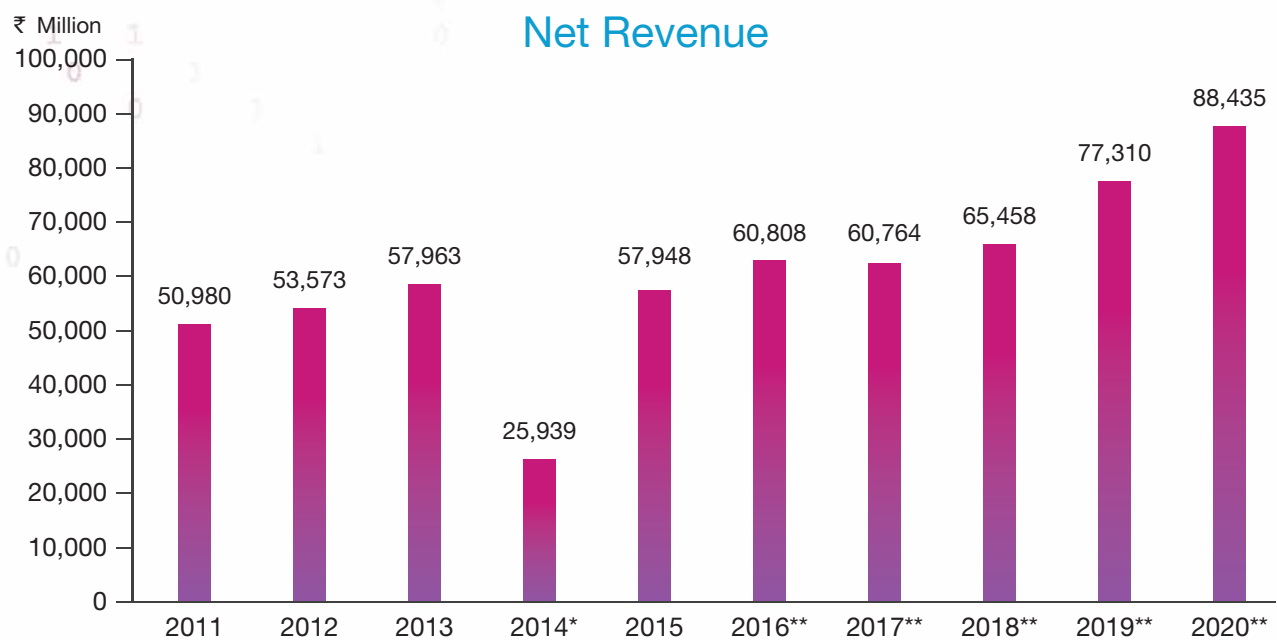
February 2020

- Nitin Rakesh, CEO, one of the first 250 CEO signatories of 'The Valuable 500'
- Veda Iyer, Global CMO and Head Sales - APAC, won the 'Women In Tech - Leader/Innovator/Disruptor of the Year', at Women in Tech Awards Summit 2020 organized by Kamikaze B2B Media
- Mphasis is Great Place to Work® - certified company
- Mphasis won the 'Rotary Karnataka CSR Award 2020'

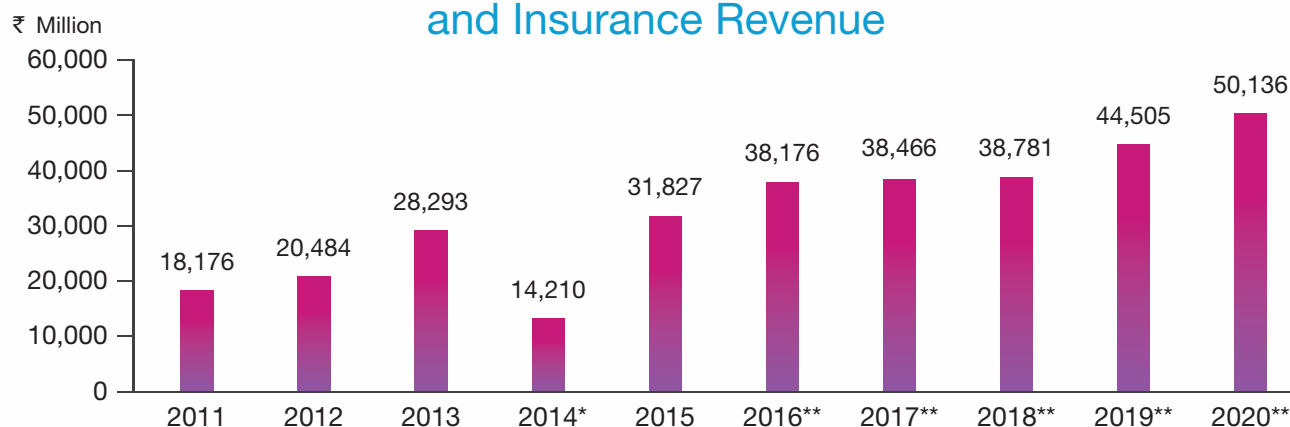
March 2020

- Mphasis Digital Risk bags the esteemed '2020 HW Tech 100 Mortgage' Winner Award
- V. Suryanarayanan, CFO, recognized with The CFO India's 'League of Excellence 2020' Award

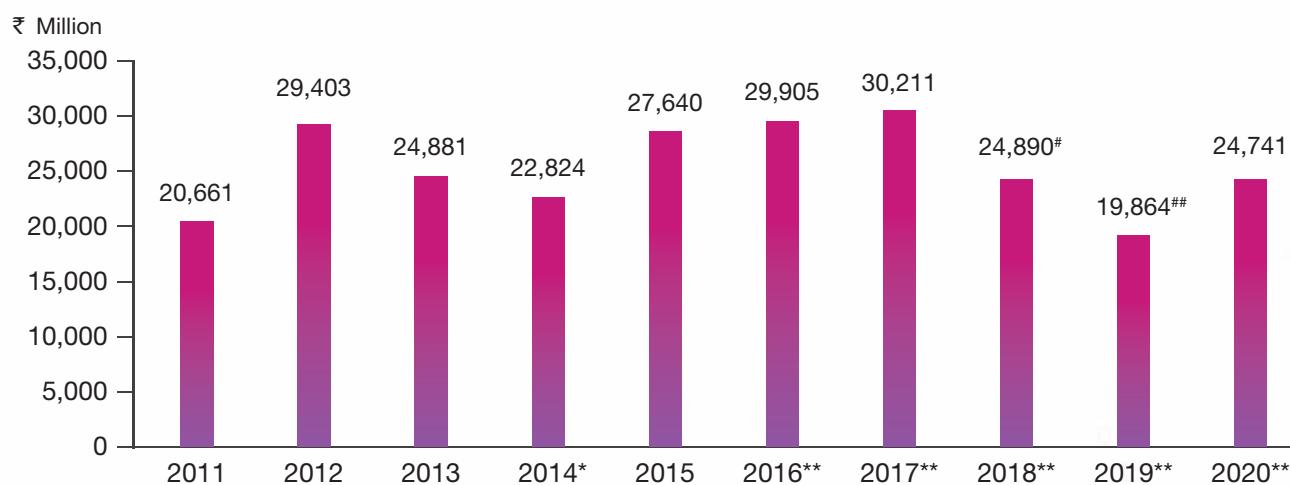
KEY OPERATING METRICS



Banking, Capital Markets and Insurance Revenue



Cash and Cash Equivalents



* Transition year 2014 represents 5 months of operations.

** Figures for FY 2016, FY 2017, FY 2018, FY 2019 and FY 2020 are under Ind AS framework and the figures for FY 2015 and prior years are under previous Indian GAAP

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

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

BOARD OF DIRECTORS



Davinder Singh Brar
Chairman



Nitin Rakesh
Chief Executive Officer and
Executive Director



Narayanan Kumar
Director



Amit Dixit
Director



Jan Kathleen Hier
Director



David Lawrence Johnson
Director



Marshall Jan Lux
Director



Paul James Upchurch
Director



Amit Dalmia
Director

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

**VICE PRESIDENT AND
COMPANY SECRETARY**
Subramanian Narayan

CHIEF FINANCIAL OFFICER
Manish Dugar

AUDITORS

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Fax: +91 80 6695 9943
Website: www.mphasis.com
CIN: L30007KA1992PLC025294

REGISTRAR & SHARE TRANSFER AGENT

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Fax: +91 80 2346 0819
CIN: U65993TN1987PLC014964

MANAGEMENT DISCUSSION AND ANALYSIS OF RISKS AND CONCERNS

A truly Black Swan event, unparalleled in the recent history, COVID-19 impacted every sphere of activity across the globe and slammed the brakes on all economic activity. It is yet to reveal its full impact. COVID-19 has accentuated the VUCA (Volatility, Uncertainty, Complexity, and Ambiguity) factors in the business environment, making planning for the future difficult. It might be months before we get back to what we may well be calling a New Abnormal. In addition to disturbing the fragile business equilibrium, it has accentuated the possibility of a global economic recession manifold. As businesses shrink, discretionary spending on IT initiatives may come down and will be selective. Given the dismal economic outlook, risks related to growth and profitability are likely to increase.

With the new approach to risk management - Being Agile to Become Anti-fragile –uniquely positions your company to assist its clients with many of the relevant challenges posed by COVID-19. 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 ISO 31000 Risk Management Standard and complying with the Indian Companies Act, 2013 / Companies (Amendment) Act, 2019.

Enterprise risk management (ERM) at Mphasis assists the company in identification, assessment, monitoring, mitigation and reporting of strategic, operations, financial, compliance and information risks. The program is aligned to the business strategy of the Company and has the following objectives:

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 order as the cyber threats have continued to grow both in terms of numbers and in sophistication.
- IV. **Financial & Reporting Risks** - These have the potential to adversely impact the profitability of the Company. These also have the potential to impact the statutory financial statements and transmission of timely and accurate information to stakeholders.
- V. **Compliance Risks** - These have the potential to expose the Company to regulatory, statutory and legal risks.

To provide the 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) comprising of Board Members and company executives to assist the Board in discharging its risk oversight responsibilities. This committee reviews the details of Risk Assessments undertaken by the 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 on various identified enterprise risks and periodically reviews the mitigation efforts. MRMC comprises of 6 members and met 8 times during the year ended 31 March 2020. There is a dedicated risk management function headed by Chief Risk Officer to coordinate all risk related activities across the enterprise and who periodically provides status updates on enterprise risks to the Board/RGMC/Audit Committee/MRMC.

During the year, ERM annual risk refresh program was conducted to revalidate and identify new risks which has resulted in increased rigor in monitoring the risks.

In order to assist the business leaders in making informed decisions and to avoid surprises, the Chief Risk Office has undertaken a new initiative of providing "Risk Intelligence" to evaluate and assess the impact of macro risks using G.R.I.C (Global, Regional, Industry & Client) model. This covers macro and global developments that are likely to have impact on the industry as a whole and Company's business strategy.

New risk appetite statements were also embedded as part of the ERM Policy with a view towards improving the maturity of ERM Program based on the industry best practices.

MANAGEMENT DISCUSSION AND ANALYSIS OF RISKS AND CONCERNS

Global Business Environment– A Contemporary & Perspective View

The world is facing an unprecedented situation across generations with the ongoing COVID-19 crisis which has paralyzed the global business environment and reduced the margin for error. With most organizations lacking the required ammunition, this Black Swan event is demanding a multilateral response, bringing a transformational time for the organizations to reflect, reimagine, reform and build necessary resilience for the future. By the end of it, a “New normal” could be defined for business operating models and it might be a long haul before businesses find their equilibrium. COVID-19 is likely to impact businesses in specific and global economy in several ways, important impacts that can be seen on the horizon are captured below:

1. COVID-19 has accelerated the global economic recession leading to a contraction of major economies especially that of China, US, UK and India. The impact of recession is generally far reaching and lasts for few months before economies start witnessing growth. While Travel & Tourism is likely to face high impact, other sectors in the order of impact may include Auto, Manufacturing, Real Estate, Retail, Financial Services.
2. Absence of a vaccine and medicinal cure will mean that the outbreaks may recur in different intensities in different geographies. Hence there is a risk of continuing and / or intermittent business disruption. This disruption risk coupled with recession is likely to slow down investment and cause companies to rethink some of their large spend projects to conserve cash.
3. Given the above developing scenarios, your Company may face the risk of disruption which may include project termination, delay in renewals and closure of new project. This will impact the topline and bottom line of the Company. However, the Company has plans to mitigate these risks some of which are explained in the subsequent paragraphs.

In addition to the above arising out of COVID-19, the Company’s operating environment is largely influenced by several macro factors – political, economic, social, technological, legal and environmental which pose interconnected risks. Some of the important macro and global factors that pose challenges to the business are captured below:

1. The global geo-political landscape is shifting in the multipolar world, creating new threats to the long-standing vulnerabilities. The unsettled geo-political landscape intertwined with economic tensions may manifest in the form of trade barriers, rules imposing restriction in offshoring, visa/ travel restrictions, and its adverse fallout are macro factors which may impede growth, impact margins, increase cost of operations, pose challenges in free movement of human resources across the globe and our ability to offshore.
2. Technological advancements (such as RPA, AI) are growing and creating new opportunities and reducing the need for human resources to deliver certain services and at the same time posing new cyber security threats.
3. The global legal and regulatory environment is now characterized by national interest on the one hand and protection of data privacy on the other. We have witnessed several countries and regional groups coming up with stringent privacy laws, trade sanctions, compliance requirements for foreign and domestic companies which expose companies to risk of non-compliance, sanctions and penalties thereby increasing the cost of operations significantly.
4. Repercussions of climate change, environmental degradation are no longer a far-sighted risk on the horizon faced by organizations. Availability of resources, natural or man-made disasters could impede clients or sectors and have a ripple effect on the business.

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

Strategy Risks

Concentration Risk

Client Concentration Risk: This risk arises when higher percentage of revenue is received from very few clients. The Company has addressed this risk by focusing on four engines of growth – The Direct International Business, the HPE/DXC Channel, Blackstone Portfolio companies and New Business. This strategy of the Company has helped to mitigate this risk to a large extent. The Company also monitors concentration risk within the Direct International 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 customer 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 came from North America. To ensure this risk is mitigated, the Company has put plans to grow other regions, in particular, Europe. Company has taken several measures during the year and focused efforts are afoot to grow Europe which should address this risk.

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 customer demands. To ensure consistent and competitive growth, the Company has implemented a Tribe model GTM strategy covering 8 technology plays (Modernization, Next Gen Data, Enterprise Automation, AMS, Next Gen App Dev, DevOps, Cyber Security Services, IMS) thereby mitigating this risk.

The Company has continued to win more new-gen services as compared to the traditional.

Profitability risk:

To ensure safety and continue operations due to COVID-19 your Company has taken several programs and initiatives which involved additional unplanned expenditures which are likely to impact the overall profitability. In addition to this, the cost of human resources has been steadily going up impacting the profitability. Your Company has taken several initiatives to contain cost.

Operational Risks

Risk of Attrition

In the knowledge industry, human resource plays an important and critical role in a company's success. They continue to remain the critical differentiators and loss of these critical resources will pose risk to the Company in delivering the contractual commitments.

The Company has taken several measures to ensure that this risk is adequately managed. Various initiatives have been rolled out to identify risk profiles of employees, to reduce attrition and manage potential market variables. 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 increase, and promotions have helped in maintaining the right workforce. The Company also ensures that HR interventions such as job enrichment and job rotations are used to retain critical employee talent. Over and above this, skill enhancement, building focus groups, internal job postings and rewards and recognition through various platforms are other initiatives taken by the Company to mitigate this risk. TalentNext program continues to focus on up-skilling and cross-skilling the Company's workforce on next-gen skills technologies. It helps in workforce development and effective deployment of the certified pool.

Risk of non-fulfilment of resources

Fulfilment of resources on a time basis is key to organizational growth. Company has resorted to accurate demand forecasting and leveraging network of specialized partners for fulfilling specialized talents. Various platforms are created and continuous efforts are on with a view to re-engineer the internal skills. Collectively, these initiatives are resulting in positive directional movement of fulfillment percentage.

Contract Management Risk

This was identified as an important risk, as contractual terms legally bind the Company and can adversely affect it 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 to ensure that this risk is well mitigated. The Company has put in place a robust contract management system, ensuring legal and financial compliance, tracks implementation of contract clauses and manages commercial risks effectively.

Solution risk review and monthly project review are some of the important processes that have helped the Company in ensuring that we accept proposals commensurate to our competencies and the SLAs are properly identified and scope of projects are clearly documented without any ambiguity.

A tool that helps in automating the Contract Management process from initiation through award, compliance and renewal went live during the year. The coverage of the same will be extended in a phased manner.

Risk of not meeting Service Level Agreements

A subset of the above risk is the risk of not meeting the Service Level Agreements (SLA) made by the Company with its global clients. To manage risk the Company has implemented elaborate programs to ensure compliance both quantitative and qualitative in nature. The program includes the entire lifecycle of SLA management from identification of SLAs, monitoring delivery of them and reporting them to the right stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS OF RISKS AND CONCERNS

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.

Being a Company operating across the globe, the Company has to comply with several country specific regulations such as Foreign Corrupt Practices Act in the USA and the UK Anti-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 bring in additional control rigor.

Risk of Key Client Loss

Today's market is one of compelling competitiveness. Winning new customers is difficult but retaining them is much more difficult as clients are continuously bombarded with options. Unless one can consistently delight the customer, there is always the risk of losing them to competition. The Company has recognized this and has put in place proactive measuring mechanisms to gauge the levels of customer satisfaction from various perspectives, including, satisfaction of customer with the present work, growth of the account and innovative and cost-effective solutions offered by the Company. The CSAT surveys are conducted regularly by an independent team and the scores are monitored closely by the MRMC and reported to the RGMC/Audit Committee of the Board.

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 and has a robust Internal Financial Control (IFC) framework.

Cyber and Privacy Risks

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 the 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 which 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.

COVID-19 caused severe disruption of operations and posed a huge threat to the continuity of operations. While the company was able to manage the disruption risk with minimal adverse impact because of its preparedness, the disruption risk due to COVID-19 is likely to continue for several more months.

Data and Information Security Risk

The information and cyber security threats are growing in types and magnitude and the Company is exposed to different types of risks related to information assets and data breaches. These threats have become highly sophisticated and demands high end technology and process solutions to manage them. 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 standard on Information Security Management System (ISMS). 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 many of our BPO projects process credit card data, the company decided to certify against PCI DSS (Payment Card Industry Data Security Standard) global standard. The first certification was awarded to one of the processes by a Qualified Security Assessor (QSA) from PCI Security Standards Council (PCI SSC). This certification is a very stringent and coveted certification. To provide high order of assurance to clients, the Company undergoes SOC 1 Type 2 audits annually which is undertaken by an independent third-party auditor. In addition to the above measures your Company also hires services of professionals to test the Cyber Preparedness in the form of 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 that have been taken.

MANAGEMENT DISCUSSION AND ANALYSIS OF RISKS AND CONCERNS

Privacy Risk Management

Protection of personal information is becoming a major issue and most clients are concerned about this as they are being scrutinized by regulatory authorities. Governments across the globe are enacting stringent privacy laws and the Company is exposed to the risk of privacy breaches and lawsuits as the nature of the Company's operation involves handling and processing such personal information of clients. To mitigate this risk, the Company has implemented a Privacy Risk Management Framework to ensure that the Company complies with the stringent privacy law requirements in the countries it operates. The Company has implemented measures to comply with stringent requirements of General Data Protection Regulation and these measures are periodically audited and reported to the Audit Committee of the Board. To ensure full compliance to GDPR the company has rolled out a tool during the year for Privacy Risk Assessment. The new California Consumer Privacy Act (CCPA) has come in effect since Jan 2020 and your Company has identified steps to be taken to comply with it.

Compliance Risks

Non-compliance with statutory requirements

With presence across multiple geographies, the Company is subjected to a plethora of legislations. There is a risk of non-compliance or delay in compliance with statutory and regulatory requirements. The Company uses enterprise and global legal compliance tools to track compliance across major geographies. The Company also uses services of professional consultants to ensure compliance with domestic and overseas laws and regulations. The Company has implemented the 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.

Risk of non-compliance to sanctions regulations

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

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

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. However there have been changes to visa regimes in countries where the Company is operating, including, in the form of increased scrutiny or rejections of visa request. This poses 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 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 of different countries it operates and has processes to ensure compliance. In addition to a specialist internal team, the Company has enlisted external consultants, wherever necessary, to ensure proper compliance with these laws. Periodic immigration compliance reviews, training and awareness programs are facilitated to ensure compliance with immigration requirements.

Intellectual Property Violation

Intellectual Property is one of the factors that can act as a multiplier in a company's valuation. On the other hand, infringement of trademarks and copyrights of others can lead to severe penalties. The geographies the Company works in and the clients the Company serves give a lot of importance to protection of intellectual property. Any violation in this space will negatively impact the Company's reputation, brand image and can expose it to legal liabilities. The Company has put in place mechanisms to detect and mitigate any probable or inadvertent breach of intellectual property 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 IPs are well guarded. Mandatory trainings, knowledge sharing sessions and discussions on best practices are conducted to ensure that this risk is well mitigated.

During the year, the Company 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.

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 listed in Annexure I (Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and 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 ('the 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 2020, 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 Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated 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 consolidated financial statements.

Key Audit Matters

Key audit matters ('KAM') 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.

Description of Key Audit Matters

The key audit matter	How the matter was addressed in our audit
Adoption of Ind AS 116, Leases	
<p>As described in Note 2 to the consolidated financial statements, during the current year the Group has adopted Ind AS 116, Leases ('Ind AS 116'), the new standard on lease accounting. The application and transition to this accounting standard is complex and is an area of focus in our audit as the Group has a large number of leases with different contractual terms.</p> <p>Ind AS 116 introduces a new lease accounting model wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on its balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term.</p> <p>The Group adopted the modified retrospective approach method to transition to Ind AS 116, consequently comparative financial information was not restated.</p>	<p>Our audit procedures on adoption of Ind AS 116 include the following –</p> <ul style="list-style-type: none"> Evaluated the design and implementation of the processes and internal controls relating to implementation of the new lease standard. Based on our evaluation of the contractual agreements entered into and our understanding of the business, assessed the appropriateness of the leases identified by the Group Involved our valuation specialists to evaluate the reasonableness of the discount rates used in computing the lease liabilities.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Description of Key audit matters (continued)

The key audit matter	How the matter was addressed in our audit
<p>Additionally, the standard mandates detailed disclosures with respect of transition.</p> <p>Refer Note 2 and Note 4 to the consolidated financial statements.</p>	<ul style="list-style-type: none"> On transition to Ind AS 116 with effect from 1 April 2019: <ul style="list-style-type: none"> Evaluated the method of transition and related adjustments. Tested completeness of the lease data by reconciling the Group's operating lease commitments as at 31 March 2019 to data used in computing the ROU asset and related lease liabilities. Selected samples using the statistical sampling approach. For such samples selected, we assessed the key terms and conditions of each lease with the underlying lease contracts, evaluated computation of lease liabilities and challenged the key estimates such as discount rates and the lease term. For new / modified leases, tested the lease accounting and estimates/ judgments used by the Group. Evaluated the appropriateness of the accounting policy, disclosures provided under the new lease standard and assessed the completeness and mathematical accuracy of the relevant disclosures, including those related to transition.
Evaluation of tax positions	
<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, transfer pricing and indirect tax matters. 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 financial statements.</p> <p>Refer Note 23 and Note 31 to the consolidated financial statements.</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> Obtained an understanding of key tax litigations and potential tax exposures. The audit team, along with our internal tax experts: <ul style="list-style-type: none"> read and analyzed select key correspondences and consultations carried out by the Group including with external tax experts for key tax litigations and potential tax exposures. discussed with appropriate senior management, evaluated and challenged key assumptions and grounds of appeal considered by the Group in estimating the current and deferred tax balances. evaluated the status of the recent tax assessments / inquiries, results of previous tax assessments, legal precedence / judicial rulings and changes in the tax environment 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 relating to taxes.
Impairment of Goodwill	
<p>Goodwill is a significant item on the balance sheet and management 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 had been allocated with their respective 'value in use' computed based on discounted cash flow method, to determine if any impairment loss should be recognized.</p>	<p>Our audit procedures on testing for goodwill impairment includes the following:</p> <ul style="list-style-type: none"> Evaluated the design and implementation of the processes and internal controls relating to impairment of non-financial assets including, goodwill. Evaluated the Group's identification of CGU's, the carrying value of each CGU and the methodology followed by management for the impairment assessment in compliance with the applicable accounting standards.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Description of Key audit matters (continued)

The key audit matter	How the matter was addressed in our audit
<p>The discounted cash flow method involves estimating future cash flows, growth rates and discount rates which require significant judgement by the Group.</p> <p>Refer Note 5 to the consolidated financial statements.</p>	<ul style="list-style-type: none"> Evaluated the basis of key assumptions included in the cash flow forecasts used in computing recoverable amount of each CGU, such as growth rates, profitability and discount rates with reference to our understanding of their business and historical trends. Engaged our valuation specialists to evaluate the appropriateness of methodology used to compute the recoverable amount 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 growth rates, operating margins and discount rates. Evaluated the basis of the disclosures in the consolidated financial statements and assessed the completeness and mathematical accuracy.

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 our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss (including 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 entities 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 entity 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 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.

In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity 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 management and Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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 auditors' 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 entity has in place adequate internal financial controls system 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 management and Board of Directors of the Holding Company.
- Conclude on the appropriateness of the use of the going concern basis of accounting by management and Board of Directors of the Holding Company 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group (Holding company and subsidiaries) 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of the entities included in the consolidated financial statements. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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 auditors' 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Report on Other Legal and Regulatory Requirements

A. As required by section 143(3) of the Act, based on our audit, 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.
- 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 2020 and 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 subsidiaries which are incorporated in India, as on 31 March 2020, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2020 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 A'.

B. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group. Refer Note 31 to the consolidated financial statements.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses on long-term contracts including derivative contracts. Refer Note 18 to the consolidated financial statements.
- iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended 31 March 2020.
- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditors' 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 which are 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 which are incorporated in India, is not in excess of the limits 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

UDIN: 20060154AAAAFW3816

Bengaluru
13 May 2020

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Annexure A to the Independent Auditors' Report on the consolidated financial statements of Mphasis Limited

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 Companies Act, 2013

(Referred to in paragraph 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 ("the Holding Company") as of 31 March 2020, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 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 consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated 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 Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated 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 consolidated 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Annexure A to the Independent Auditors' Report (Continued)

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated 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 consolidated financial statements includes 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.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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

Bengaluru

13 May 2020

Membership No: 060154

UDIN: 20060154AAAAFW3816

Annexure I: List of entities consolidated

1 Mphasis Corporation	16 Msource Mauritius Inc.
2 Mphasis Deutschland GmbH	17 Mphasis Wyde Inc.
3 Mphasis Australia Pty Limited	18 Mphasis Philippines Inc.
4 Mphasis (Shanghai) Software & Services Company Limited	19 Msource (India) Private Limited
5 Mphasis Consulting Limited	20 Wyde Corporation Inc.
6 Mphasis Ireland Limited	21 Mphasis Wyde SASU
7 Mphasis Belgium BV (formerly Mphasis Belgium BVBA)	22 Wyde Solutions Canada Inc.
8 Mphasis Lanka (Private) Limited	23 Digital Risk, LLC.
9 Mphasis Poland s.p.z.o.o.	24 Digital Risk Mortgage Services, LLC.
10 PT. Mphasis Indonesia	25 Investor Services, LLC.
11 Mphasis Europe BV	26 Digital Risk Valuation Services, LLC.
12 Mphasis Infrastructure Services Inc.	27 Digital Risk Europe, OOD.
13 Mphasis Pte Limited	28 Mphasis Employee Benefit Trust
14 Mphasis UK Limited	29 Mphasis Employees Equity Reward Trust
15 Mphasis Software and Services (India) Private Limited	30 Stelligent Systems LLC

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

		(₹ million)	
	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,699.74	1,201.94
Capital work-in-progress		73.80	15.77
Right-of-use assets	4	6,236.41	-
Goodwill	5	21,404.74	19,584.55
Other intangible assets	7	794.04	910.84
Intangible assets under development		93.22	13.41
Financial assets			
Investments	8	3,478.70	2,591.88
Trade receivables	9	-	10.60
Loans	10	640.68	708.98
Other financial assets	11	164.71	635.08
Deferred tax assets (net)	23	2,157.46	813.82
Income tax assets (net)	23	4,882.58	5,230.88
Other assets	12	1,778.27	962.35
Total non-current assets		43,404.35	32,680.10
Current assets			
Financial assets			
Investments	13	9,777.80	10,700.33
Trade receivables	9	8,352.52	9,553.68
Unbilled receivables		9,343.02	8,933.43
Cash and cash equivalents	14	9,900.79	3,519.78
Bank balances other than cash and cash equivalents	15	1,356.24	2,896.31
Loans	10	1,409.11	1,256.92
Other financial assets	11	548.05	659.30
Other assets	12	3,443.03	3,510.77
Total current assets		44,130.56	41,030.52
TOTAL ASSETS		87,534.91	73,710.62

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

		(₹ million)	
	Notes	As at 31 March 2020	As at 31 March 2019
EQUITY AND LIABILITIES			
Equity			
Share capital	16	1,865.43	1,862.26
Other equity	17	56,430.56	50,635.92
Total equity		58,295.99	52,498.18
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities		5,844.40	-
Other financial liabilities	18	630.82	39.91
Employee benefit obligations	19	697.90	782.22
Deferred tax liabilities (net)	23	137.32	27.96
Income tax liabilities (net)	23	256.81	298.90
Other liabilities	20	-	126.12
Total non-current liabilities		7,567.25	1,275.11
Current liabilities			
Financial liabilities			
Borrowings	21	5,712.85	5,425.92
Lease liabilities		1,396.60	-
Trade payables			
- outstanding dues to micro and small enterprises		5.07	4.87
- outstanding dues to creditors other than micro and small enterprises		6,661.74	7,845.56
Other financial liabilities	18	4,162.71	2,785.42
Employee benefit obligations	19	720.46	642.79
Provisions	22	68.30	83.23
Income tax liabilities (net)	23	566.65	1,365.71
Other liabilities	20	2,377.29	1,783.83
Total current liabilities		21,671.67	19,937.33
TOTAL EQUITY AND LIABILITIES		87,534.91	73,710.62
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
13 May 2020

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer
New York

V. Suryanarayanan
Executive Vice President &
Chief Financial Officer

Bengaluru
13 May 2020

Narayanan Kumar
Director
Chennai

Subramanian Narayan
Vice President & Company Secretary

Bengaluru

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

		(₹ million)	
	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	24	88,435.37	77,309.80
Other income	25	1,778.20	1,767.07
Total income (I)		90,213.57	79,076.87
Expenses			
Employee benefits expense	26	49,226.41	42,986.91
Finance costs	27	811.93	173.69
Depreciation and amortization expense	28	2,316.31	758.44
Other expenses	29	22,705.12	21,084.57
Total expenses (II)		75,059.77	65,003.61
Profit before tax (III) [(I)-(II)]		15,153.80	14,073.26
Tax expenses	23		
Current tax		3,495.35	3,191.46
Deferred tax		(189.92)	148.26
Total tax expenses		3,305.43	3,339.72
Profit for the year (A)		11,848.37	10,733.54
Other comprehensive income / (losses) ('OCI')			
Items to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of financial statements of foreign operations		1,962.75	1,044.63
Net change in fair value of derivatives designated as cash flow hedges		(1,915.73)	272.82
Income tax effect on cash flow hedges		667.38	(92.87)
Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains / (losses) on defined employee benefit plans		38.15	4.40
Income tax effect on the above		(13.49)	(1.24)
Total OCI for the year, net of tax (B)		739.06	1,227.74
Total comprehensive income for the year (A+B)		12,587.43	11,961.28
Profit for the year attributable to:			
Equity owners of the Company		11,848.37	10,733.54
Non-controlling interests		-	-
		11,848.37	10,733.54
Total comprehensive income for the year attributable to:			
Equity owners of the Company		12,587.43	11,961.28
Non-controlling interests		-	-
		12,587.43	11,961.28
Earnings per equity share (par value ₹ 10 per share)			
Basic (₹)	30	63.57	56.05
Diluted (₹)		63.09	55.50
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

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer
New York

V. Suryanarayanan
Executive Vice President &
Chief Financial Officer

Bengaluru
13 May 2020

Narayanan Kumar
Director
Chennai

Subramanian Narayan
Vice President & Company Secretary

Bengaluru

Bengaluru
13 May 2020

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 2018	193.26	1,932.67
Issue of shares	0.28	2.80
Equity shares extinguished on buy back [refer note 16 (d) (ii)(b)]	(7.32)	(73.21)
As at 31 March 2019	186.22	1,862.26
As at 1 April 2019	186.22	1,862.26
Issue of shares	0.32	3.17
As at 31 March 2020	186.54	1,865.43

b. Other equity

(₹ 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	Hedging reserve	Foreign currency translation reserve	
As at 1 April 2018	95.18	761.26	46,667.96	361.39	178.45	-	318.23	236.90	4,265.78	52,885.15
Profit for the year	-	-	10,733.54	-	-	-	-	-	-	10,733.54
Other comprehensive income	-	-	3.16	-	-	-	-	179.95	1,044.63	1,227.74
Dividends *	-	-	(4,661.87)	-	-	-	-	-	-	(4,661.87)
Buy back of equity shares [refer note 16 (d) (ii)(b)]	(176.59)	(743.89)	(8,962.27)	-	73.21	-	-	-	-	(9,809.54)
Buy back expenses	-	-	(66.44)	-	-	-	-	-	-	(66.44)
Transfer to general reserve	-	769.43	(769.43)	-	-	-	-	-	-	-
Transferred to Special Economic Zone re-investment reserve	-	-	(1,411.16)	-	-	1,411.16	-	-	-	-
Transferred from Special Economic Zone re-investment reserve	-	-	416.98	-	-	(416.98)	-	-	-	-
Issue of bonus shares	-	-	(0.01)	-	-	-	-	-	-	(0.01)
Share based expenses	-	-	-	-	-	-	226.45	-	-	226.45
Issue of shares on exercise of stock options	150.67	1.93	-	-	-	-	(51.70)	-	-	100.90
As at 31 March 2019	69.26	788.73	41,950.46	361.39	251.66	994.18	492.98	416.85	5,310.41	50,635.92
As at 1 April 2019	69.26	788.73	41,950.46	361.39	251.66	994.18	492.98	416.85	5,310.41	50,635.92
Transition impact of Ind AS 116 **	-	-	(1,022.41)	-	-	-	-	-	-	(1,022.41)
Restated balance as at 1 April 2019	69.26	788.73	40,928.05	361.39	251.66	994.18	492.98	416.85	5,310.41	49,613.51
Profit for the year	-	-	11,848.37	-	-	-	-	-	-	11,848.37
Other comprehensive income	-	-	24.66	-	-	-	-	(1,248.35)	1,962.75	739.06
Dividends *	-	-	(6,065.31)	-	-	-	-	-	-	(6,065.31)
Transfer to general reserve	-	1,205.06	(1,205.06)	-	-	-	-	-	-	-
Transferred to Special Economic Zone re-investment reserve	-	-	(1,390.63)	-	-	1,390.63	-	-	-	-
Transferred from Special Economic Zone re-investment reserve	-	-	624.29	-	-	(624.29)	-	-	-	-
Share based expenses	-	-	-	-	-	-	146.70	-	-	146.70
Issue of shares on exercise of stock options	196.92	9.78	-	-	-	-	(58.47)	-	-	148.23
As at 31 March 2020	266.18	2,003.57	44,764.37	361.39	251.66	1,760.52	581.21	(831.50)	7,273.16	56,430.56

* Including dividend distribution tax thereon amounting to ₹ 1,034.18 million (31 March 2019: ₹ 794.88 million).

** Refer note 4

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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 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 is utilized in accordance with the provisions of section 69 of the Companies Act, 2013.
- 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 new plant and machinery for the purpose of its business.
- g. **Share based payments** - 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. **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 difference 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 other comprehensive income and accumulated in the foreign currency translation reserve. 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.

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
13 May 2020

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer
New York

V. Suryanarayanan
Executive Vice President &
Chief Financial Officer

Bengaluru
13 May 2020

Narayanan Kumar
Director
Chennai

Subramanian Narayan
Vice President & Company Secretary

Bengaluru

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS

	(₹ million)	
	Year ended 31 March 2020	Year ended 31 March 2019
Operating activities		
Profit before tax	15,153.80	14,073.26
Adjustments to reconcile profit before tax to net cash provided by operating activities:		
Depreciation and amortization expense	2,316.31	758.44
Utilization of the rent equalisation reserve	-	402.88
Profit on sale of property, plant and equipment and intangible assets	(16.33)	(27.37)
Net gain on investments carried at fair value through profit and loss	(933.38)	(1,196.12)
Share based payment expenses	146.70	226.45
Provision for expected credit loss	92.49	117.33
Finance costs	811.93	173.69
Interest income	(557.21)	(271.73)
Dividend income	-	(0.04)
Others	(106.42)	(5.05)
Unrealized exchange (gain), / loss, net	(160.04)	93.01
Operating profit before changes in operating assets and liabilities	16,747.85	14,344.75
Changes in operating assets and liabilities		
Trade receivables and unbilled receivables	1,779.25	(4,630.51)
Loans	(209.43)	80.16
Other financial assets	(70.71)	(97.64)
Other assets	(832.49)	(513.16)
Trade payables	(1,442.35)	2,807.37
Other financial liabilities	678.09	669.82
Provisions and employee benefit obligations	(15.47)	(45.31)
Other liabilities	535.53	308.24
Total changes in operating assets and liabilities	422.42	(1,421.03)
Income tax paid (net of refunds)	(3,960.06)	(3,426.51)
Net cash flows generated from operating activities (A)	13,210.21	9,497.21

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS

	(₹ million)	
	Year ended 31 March 2020	Year ended 31 March 2019
Investing activities		
Purchase of property, plant and equipment and intangible assets	(1,261.18)	(848.90)
Proceeds from sale of property, plant and equipment and intangible assets	18.08	34.07
Purchase of investments	(78,641.89)	(71,352.58)
Sale of investments	79,610.98	77,077.21
Interest received	211.98	304.74
Dividends received	-	0.04
Re-investment of dividend	-	(0.04)
Payment for business acquisition, net of cash acquired (₹ 2.09) (refer note 6)	-	(1,696.36)
Investments in bank deposits	(1,426.24)	(2,566.89)
Redemption / maturity of bank deposits	2,896.72	1,941.69
Net cash flows generated from investing activities (B)	1,408.45	2,892.98
Financing activities		
Proceeds from issue of shares	151.40	103.69
Payment towards buy back of shares (including buy-back expenses ₹ 66.44 [refer note 16 (d) (ii)(b)])	-	(9,949.19)
Repayment of borrowings	(17,615.48)	(19,034.54)
Availment of borrowings	17,391.84	20,280.11
Interest paid	(779.89)	(162.94)
Repayment of lease liabilities	(1,329.78)	-
Dividends paid	(6,065.25)	(4,654.82)
Net cash flows used in financing activities (C)	(8,247.16)	(13,417.69)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	6,371.50	(1,027.50)
Effect of exchange rate changes	9.51	(94.48)
Cash and cash equivalents at the beginning of the year	3,519.78	4,641.76
Cash and cash equivalents at the end of the year (refer note 14)	9,900.79	3,519.78

Refer note 21 for supplementary information on cash flow movement.

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
13 May 2020

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer
New York

V. Suryanarayanan
Executive Vice President &
Chief Financial Officer

Bengaluru
13 May 2020

Narayanan Kumar
Director
Chennai

Subramanian Narayan
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' for the year ended 31 March 2020. 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 2020 have been approved by the Company's Board of Directors on 13 May 2020.

List of subsidiaries with percentage holding

% of holding

Subsidiaries	Country of incorporation	Parent	31 March 2020	31 March 2019
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 1 (a)]	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.	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 [refer note 6]	USA	Mphasis Corporation	100	100

* Forms part of Digital Risk group.

CONSOLIDATED FINANCIAL STATEMENTS

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.

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.

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 of plan assets less present value of defined benefit obligations.

The consolidated 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 indirect method.

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except for the adoption of Ind AS 116- Leases which was adopted with effect from 1 April 2019.

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 its business combinations using acquisition method of accounting. 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, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date.

CONSOLIDATED FINANCIAL STATEMENTS

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 in other comprehensive income and accumulated in equity as capital reserve.

Business combinations arising from transfers of interests in entities that are under common control are accounted for using the pooling of interests method. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

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 that are expected to benefit from the synergies arising from the business combination.

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.

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

- **Business combinations and intangible assets**

In accounting for business combinations, judgment 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, useful life thereof and liabilities assumed involves management judgment. 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 judgments, estimates and assumptions can materially affect the results of operations. (refer note 6).

- **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit 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 forecast 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 as well as the expected future cash-inflows and the long-term growth rates. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives 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. 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 income and 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 company's domicile within the group. A tax assessment could involve complex issues, which can only be resolved over extended time periods (refer note 23).

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.

CONSOLIDATED FINANCIAL STATEMENTS

- **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 (refer note 37).

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, 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 internal valuation techniques. The inputs to these models are taken from observable markets 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.

- **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 judgment. 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 past practices and reasonably estimated / anticipated future events. 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**

Refer the below policy on revenue recognition for discussion on judgements and estimates on revenue.

Revenue recognition

Revenue is recognized upon transfer of control of promised goods or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those goods or services.

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.

Effective 1 April 2018, the Group has applied Ind AS 115, the adoption of the standard did not have any material impact on the consolidated financial statements of the Group.

- Revenue from rendering application development and maintenance services comprise income from time-and-material and fixed price contracts. Revenues from call center and business & knowledge process outsourcing operations arise from both time-based and unit-priced contracts. Revenues from infrastructure outsourcing services arise from time-based, unit-priced and fixed price 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 effort incurred up to the reporting date to estimated cost of total effort.
- 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.

CONSOLIDATED FINANCIAL STATEMENTS

- 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.
- 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 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 is acting as the principal or as an agent of the customer. The Group recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

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.

The Group recognises an onerous contract provision when it is probable that the unavoidable costs of meeting the obligations under a 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 customer consideration 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.

CONSOLIDATED FINANCIAL STATEMENTS

- Use of the percentage-of completion method in accounting for its fixed-price contracts requires the Group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Judgement is also exercised in determining provisions for estimated losses, if any, on uncompleted contracts based on the expected contract cost estimates as at the reporting date.
- 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.

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 (refer note 34), services rendered, delivery location and project type (refer note 35).

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.

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. Leasehold land is amortised over the lease term. 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 or disposal. 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.

CONSOLIDATED FINANCIAL STATEMENTS

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 the management
Computer equipment	3	3
Furniture and fixtures	10	5
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 partnership	As per Ind AS 38	2 to 5
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

Policy applicable with effect from 1 April 2019

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.

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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. 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 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.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases, which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Group has adopted Ind AS 116, effective annual reporting period beginning from 1 April 2019 using the modified retrospective method, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1 April 2019). Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019.

Group as a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under Ind AS 116, the Group recognizes right of use assets and lease liabilities for most leases i.e. these leases are on balance sheet.

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On transition, the Group has applied the following practical expedients:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognise right-of-use-assets and liabilities for leases with less than 12 months of lease term on the date of transition.
- Excluded the initial direct costs from the measurement of the right-of-use-asset at the date of transition.
- Grandfathered the assessment of which transactions are, or contain leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
- Relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The Group has also applied recognition exemptions of short-term leases to all categories of underlying assets.

On transition, the Group recognised a lease liability measured at the present value of the remaining lease payments. Refer note 4 for details on impact due to Ind AS 116 application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

Group as a lessor

The Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Group accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Group does not have any significant impact on account of sub-lease on the application of this standard.

Policy applicable before 1 April 2019

Refer note 2 – Significant accounting policies – Leases in the Annual report of the Group for the year ended 31 March 2019, for the policy as per Ind AS 17, the previous standard on Leases.

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, debt instruments at fair value through other comprehensive income, trade receivables and other financial assets, the Group assesses at each date of balance sheet 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.

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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 results and growth 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.

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, unbilled receivables, investments in equity and debt securities and eligible current and non-current assets;
- financial liabilities, which include long and short-term loans and borrowings, finance lease liabilities, bank overdrafts, trade payables, 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 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.

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

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 bank 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. 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.

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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 generally 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 forecast cash 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.

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.

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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 (refer note 40).

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.

Retirement and other employee benefits

a. Employee benefits

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 and other social security schemes are charged to the consolidated statement of profit or loss on an accrual basis

b. 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 project unit credit method. The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income (OCI). 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.

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c. 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.

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 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.

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 straight-line 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 similar companies. 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 as additional share dilution 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 each entity 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.

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.

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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 or substantively 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 is 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 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 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.

Deferred tax assets include Minimum Alternative Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realized. In the year in which the MAT credit becomes eligible to be recognized as an asset, it is recorded by way of a credit to the consolidated statement of profit and loss and shown as deferred tax assets. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal Income Tax during the specified future period. 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.

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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 Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with 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.

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 Indian Accounting Standards

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

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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 2018	172.92	684.35	640.52	146.08	186.04	69.10	150.52	2,049.53
Additions	40.53	215.08	150.42	54.41	44.24	9.58	286.96	801.22
Acquired through business combination (refer note 6)	-	2.13	-	-	-	-	-	2.13
Disposals	(9.11)	(29.86)	(4.87)	(1.57)	(11.17)	(17.26)	(1.88)	(75.72)
Translation exchange differences	3.69	7.06	8.26	3.32	8.39	(0.06)	1.51	32.17
At 31 March 2019	208.03	878.76	794.33	202.24	227.50	61.36	437.11	2,809.33
Additions	22.42	484.93	185.42	63.30	45.62	18.93	198.00	1,018.62
Disposals	(5.47)	(6.66)	(1.47)	(4.73)	(8.66)	(12.66)	(0.26)	(39.91)
Translation exchange differences	6.33	20.30	20.99	6.13	13.77	2.72	3.40	73.64
At 31 March 2020	231.31	1,377.33	999.27	266.94	278.23	70.35	638.25	3,861.68
Depreciation								
At 1 April 2018	106.54	396.39	303.70	78.97	126.72	34.50	128.05	1,174.87
Charge for the year	31.76	226.67	110.70	29.98	27.09	12.63	42.18	481.01
Disposals	(8.43)	(29.06)	(4.10)	(1.50)	(10.80)	(13.25)	(1.88)	(69.02)
Translation exchange differences	3.25	4.02	4.43	1.67	5.83	(0.01)	1.34	20.53
At 31 March 2019	133.12	598.02	414.73	109.12	148.84	33.87	169.69	1,607.39
Charge for the year	23.45	258.81	125.45	38.02	33.05	13.87	46.92	539.57
Disposals	(5.28)	(6.55)	(1.19)	(4.66)	(8.56)	(11.66)	(0.26)	(38.16)
Translation exchange differences	5.89	13.60	13.68	4.58	11.76	0.37	3.26	53.14
At 31 March 2020	157.18	863.88	552.67	147.06	185.09	36.45	219.61	2,161.94
Net block								
At 31 March 2019	74.91	280.74	379.60	93.12	78.66	27.49	267.42	1,201.94
At 31 March 2020	74.13	513.45	446.60	119.88	93.14	33.90	418.64	1,699.74

4. LEASES

RIGHT-OF-USE ASSETS

	Buildings	Plant and equipment	Servers and networks	Furniture and fixtures	Vehicles	Total
Cost						
At 1 April 2019	5,425.88	574.92	18.35	27.41	17.79	6,064.35
Additions	1,914.55	17.27	-	-	9.67	1,941.49
Modifications / terminations	(435.72)	-	-	-	(2.00)	(437.72)
Translation exchange differences	109.73	-	-	-	-	109.73
At 31 March 2020	7,014.44	592.19	18.35	27.41	25.46	7,677.85
Depreciation						
At 1 April 2019	-	-	-	-	-	-
Charge for the year	1,098.36	342.67	16.45	17.43	7.92	1,482.83
Modifications / terminations	(61.75)	-	-	-	(0.57)	(62.32)
Translation exchange differences	20.93	-	-	-	-	20.93
At 31 March 2020	1,057.54	342.67	16.45	17.43	7.35	1,441.44
Net block as at 31 March 2020	5,956.90	249.52	1.90	9.98	18.11	6,236.41

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On transition to Ind AS 116 with effect from 1 April 2019, the Group recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at 1 April 2019. Accordingly, a right-of-use asset of ₹ 6,064.35 million and a corresponding lease liability of ₹ 7,152.45 million was recognised. The cumulative effect on transition in retained earnings, net of taxes amounted to ₹ 1,022.41 million (including the deferred tax impact of ₹ 115.41 million). The principal portion of the lease payments have been disclosed under cash flows from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flows from operating activities. Applicable incremental borrowing rates have been applied to lease liabilities recognised in the balance sheet at the date of initial application. The weighted average incremental borrowing rate of 7.82% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at 31 March 2019 compared to the lease liability as accounted as at 1 April 2019 is primarily attributable to the impact of discounting the future lease payments during the non-cancellable lease term to the present value thereof, including the present value of lease payments during the cancellable period (to the extent of lease term determined under Ind AS 116) and exclusion of leases for which the Group has chosen to apply the practical expedients available.

During the year ended 31 March 2020, the Group incurred expenses amounting to ₹ 424.06 million short-term leases and leases of low-value assets. For the year ended 31 March 2020, the total cash outflows for leases, including short-term leases and low-value assets amounted to ₹ 2,286.40 million.

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

The following table presents the various components of lease costs:

	(₹ million)
	Year ended 31 March 2020
Depreciation	1,482.83
Interest on lease liabilities	532.56
	2,015.39

Impact of the Global Pandemic ('Covid-19')

The Group does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Group has entered into with lessors for buildings are long term in nature and no changes in terms of those leases are expected due to the Covid-19.

	As at 31 March 2020	As at 31 March 2019
5. GOODWILL		
Balance as per previous financial statements	19,584.55	17,014.72
Acquisition through business combination (refer note 6)	-	1,525.25
Translation exchange differences	1,820.19	1,044.58
	21,404.74	19,584.55

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 2020	As at 31 March 2019
Digital Risk	9,204.46	8,412.53
Wyde	4,241.71	3,876.77
Eldorado	1,337.24	1,222.07
Infrastructure Services	2,119.24	1,936.90
Stelligent (refer note 6)	1,653.99	1,511.69
Business outsourcing	2,387.40	2,178.54
Consulting	460.70	446.05
	21,404.74	19,584.55

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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 value-in-use is determined based on cash flow projections over a period of five years. An average of the range of each assumption used is mentioned below.

	As at 31 March 2020	As at 31 March 2019
Growth rate	2% to 16%	1% to 21%
Operating margins	12% to 29%	15% to 33%
Discount rate	14% to 16%	14% to 15%

The above 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. These estimates are likely to differ from future actual results of operations and cash flows. Management believes that any reasonable possible changes in the key assumptions 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 2019: ₹ nil).

Impact of Covid-19

The financial projections basis which the future cash flows have been estimated consider the increase in uncertainties due to Covid-19, reassessment of the discount rates, revisiting the growth rates factored including terminal value and subjecting these variables to sensitivity analysis.

6. BUSINESS COMBINATION

During the previous year (8 November 2018 (acquisition date)), the Company through its wholly owned subsidiary, Mphasis Corporation, obtained control of Stelligent Systems LLC (Stelligent), a technology services company that provides DevOps automation on the Amazon Web Services cloud by acquiring 100% of its membership interests. The acquisition seeks to strengthen and expand the Group's cloud service offerings to its customers.

The acquisition was executed through a membership interest purchase agreement for a cash consideration of USD 24.34 million (₹ 1,698.45 million). The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The Group had finalized purchase price allocation during previous year ended 31 March 2019. The following table shows the allocation of purchase price:

			(₹ million)
Description	Pre-acquisition carrying amount	Fair value adjustments	Purchase price allocated
Net assets	63.51	-	63.51
Business alliance partnership	-	53.52	53.52
Customer contracts	-	36.15	36.15
Non compete agreement	-	10.95	10.95
Others	-	9.07	9.07
Total	63.51	109.69	173.20
Goodwill			1,525.25
Total purchase price			1,698.45

Net assets acquired include ₹ 2.09 million of cash and cash equivalents and trade receivables valued at ₹ 113.87 million.

Goodwill of ₹ 1,525.25 million comprises value of acquired workforce and expected synergies arising from the acquisition. The goodwill is tax-deductible.

CONSOLIDATED FINANCIAL STATEMENTS

7. OTHER INTANGIBLE ASSETS

(₹ million)

	Software	Customer contracts	Non compete agreement	Business alliance partnership	Others	Total
Cost						
At 1 April 2018	1,511.00	469.48	125.08	-	148.91	2,254.47
Additions	74.10	36.15	10.95	53.52	9.07	183.79
Disposals	(13.08)	-	-	-	-	(13.08)
Translation exchange differences	75.78	29.84	7.94	(0.48)	9.49	122.57
At 31 March 2019	1,647.80	535.47	143.97	53.04	167.47	2,547.75
Additions	114.18	-	-	-	-	114.18
Disposals	0.20	-	-	-	-	0.20
Translation exchange differences	120.05	50.40	13.56	5.00	15.77	204.78
At 31 March 2020	1,882.23	585.87	157.53	58.04	183.24	2,866.91
Depreciation						
At 1 April 2018	560.12	469.48	125.08	-	148.91	1,303.59
Charge for the year	259.63	3.00	1.14	7.39	6.27	277.43
Disposals	(13.08)	-	-	-	-	(13.08)
Translation exchange differences	21.28	30.14	8.03	(0.03)	9.55	68.97
At 31 March 2019	827.95	502.62	134.25	7.36	164.73	1,636.91
Charge for the year	262.84	7.36	2.79	18.16	2.76	293.91
Disposals	0.20	-	-	-	-	0.20
Translation exchange differences	63.60	47.80	12.82	1.88	15.75	141.85
At 31 March 2020	1,154.59	557.78	149.86	27.40	183.24	2,072.87
Net block						
At 31 March 2019	819.85	32.85	9.72	45.68	2.74	910.84
At 31 March 2020	727.64	28.09	7.67	30.64	-	794.04

	As at 31 March 2020			As at 31 March 2019		
	Units	NAV (₹)	₹ million	Units	NAV (₹)	₹ million
8. NON-CURRENT INVESTMENTS						
Investments carried at amortized cost						
Quoted bonds						
7.19% India Infrastructure Finance Company Limited	599,500	1,000	599.50	599,500	1,000	599.50
Quoted fixed maturity plan securities						
Aditya Birla Sun Life FTP – Series PC Direct growth	40,000,000	11.6797	467.19	40,000,000	10.8975	435.90
Aditya Birla Sun Life FTP – Series PH Direct growth	20,000,000	11.6156	232.31	20,000,000	10.8334	216.67
ICICI Prudential Fixed Maturity Plan	25,000,000	11.6879	292.20	25,000,000	10.8578	271.45
Kotak FMP Series 219	20,000,000	11.5450	230.90	20,000,000	10.8292	216.58
Reliance Fixed Horizon Fund	15,000,000	11.6006	174.01	15,000,000	10.8185	162.28
IDFC Yearly Interval Plan	6,670,335	17.5171	116.84	8,948,775	16.3324	146.15
Reliance Yearly Interval Fund -Series 1 Direct growth	20,090,349	17.3789	349.15	33,352,900	16.2910	543.35
Investments carried at FVTPL						
Quoted debentures						
Kotak Non-Convertible Debentures - 2021	500	1,017,000.00	508.50	-	-	-
Kotak Non-Convertible Debentures - 2022	500	1,016,200.00	508.10	-	-	-
			3,478.70			2,591.88
Aggregate value of quoted non current investments			3,478.70			2,591.88

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(₹ million)

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
9. TRADE RECEIVABLES				
Unsecured				
Trade receivables	-	10.60	8,519.20	9,639.86
Allowances for doubtful receivables	-	-	(166.68)	(86.18)
Considered good	-	10.60	8,352.52	9,553.68
Trade receivables	-	-	474.05	439.79
Allowance for doubtful receivables	-	-	(474.05)	(439.79)
Credit impaired	-	-	-	-
	-	10.60	8,352.52	9,553.68

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
10. LOANS				
Unsecured - considered good				
Deposits	640.68	708.98	1,198.21	1,155.54
Employee advances	-	-	210.90	101.38
	640.68	708.98	1,409.11	1,256.92

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
11. OTHER FINANCIAL ASSETS				
Unsecured - considered good				
Bank balances (refer note 15)*	146.24	156.30	80.81	-
Accrued interest	-	-	65.77	46.26
Derivative assets	18.47	478.78	306.11	580.56
Others	-	-	95.36	32.48
	164.71	635.08	548.05	659.30

* Includes restricted deposits of ₹103.69 million (31 March 2019: ₹ 33.69 million).

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
12. OTHER ASSETS				
Unsecured - considered good				
Rent equalization reserve	-	5.63	-	53.62
Contract assets	171.33	-	215.74	133.28
Contract fulfilment cost	32.64	-	241.12	-
Employee advances	-	-	23.54	24.35
Capital advances	385.95	376.38	-	-
Prepaid expenses	533.96	329.81	1,138.31	884.02
Advances to suppliers	400.00	-	401.47	901.72
Indirect tax recoverable	254.39	250.53	1,422.85	1,513.78
	1,778.27	962.35	3,443.03	3,510.77

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(₹ million)

	As at 31 March 2020			As at 31 March 2019		
	Units	NAV (₹)	₹ million	Units	NAV (₹)	₹ million
13. CURRENT INVESTMENTS						
Investments carried at FVTPL						
Unquoted mutual funds						
Kotak Equity Arbitrage Fund Direct growth	69,122,184	29.0691	2,009.32	69,123,872	27.203	1,880.38
Reliance Arbitrage Advantage fund	82,445,805	20.9301	1,725.60	96,160,317	19.5712	1,881.97
HDFC Ultrashort term	91,561,595	11.2585	1,030.85	33,767,842	10.4744	353.70
IDFC Cash fund	10,514	2,401.8713	25.25	876,259	2,266.5228	1,986.06
HDFC Overnight Fund	393,991	2,969.1183	1,169.80	-	-	-
ICICI Prudential Money Market Fund	3,352,925	279.2649	936.35	-	-	-
IDFC Low Duration Fund	20,924,869	28.8946	604.62	-	-	-
IDFC Arbitrage Fund	27,715,199	25.7308	713.13	-	-	-
IDFC Corporate Bond Fund	-	-	-	59,071,398	12.8602	759.67
ABSL Liquid fund - Growth	-	-	-	39,851	300.44	11.97
Reliance Liquid Fund - Treasury Plan Direct growth	-	-	-	10,703	4,561.89	48.83
ABSL Money manager Fund Direct	-	-	-	2,796,962	251.6048	703.73
Quoted debentures						
Citicorp Finance (India) Ltd.	5,000	100,570.00	502.85	18,500	107,870.00	1,995.60
Citicorp Finance (India) Ltd.	-	-	-	10,000.00	99,980.00	999.80
Quoted bonds						
0 % Nabard 2020	1,700	19,313.98	32.83	1,700	17,818.14	30.29
0 % REC 2020	1,830	28,975.92	53.03	1,830	26,410.77	48.33
Investments carried at amortized cost						
Quoted debentures						
HDFC Non-Convertible	80.00	12,177,153.82	974.17	-	-	-
			9,777.80			10,700.33
Aggregate value of quoted current investments			1,562.88			3,074.02
Aggregate net asset value of unquoted mutual fund investments			8,214.92			7,626.31

	As at 31 March 2020	As at 31 March 2019
14. CASH AND CASH EQUIVALENTS		
In current accounts	4,744.91	2,939.25
Deposits with original maturity of less than 3 months	5,135.10	559.80
Unclaimed dividend	20.78	20.72
Cash on hand	-	0.01
	9,900.79	3,519.78

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(₹ million)

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
15. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS				
Deposits with remaining maturity of more than 12 months	146.24	156.30	-	-
Deposits with remaining maturity of less than 12 months	-	-	1,437.05	2,896.31
	146.24	156.30	1,437.05	2,896.31
Disclosed under other financial assets (refer note 11)	(146.24)	(156.30)	(80.81)	-
	-	-	1,356.24	2,896.31

	As at 31 March 2020	As at 31 March 2019
16. EQUITY SHARE CAPITAL		
Authorised share capital		
245,000,000 (31 March 2019: 245,000,000) equity shares of ₹ 10 each	2,450.00	2,450.00
Issued, subscribed and fully paid-up shares		
186,535,807 (31 March 2019: 186,219,039) equity shares of ₹ 10 each fully paid-up	1,865.36	1,862.19
Add: Amount originally paid-up on forfeited shares	0.07	0.07
Total issued, subscribed and fully paid-up share capital	1,865.43	1,862.26

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

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	₹ million	Number of shares	₹ million
At the beginning of the year	186,219,039	1,862.19	193,260,182	1,932.60
Issue of shares upon exercise of stock options	316,768	3.17	278,712	2.79
Issue of bonus shares	-	-	700	0.01
Buy back of shares [refer note 16 (d) (ii)] (b)]	-	-	(7,320,555)	(73.21)
Outstanding at the end of the year	186,535,807	1,865.36	186,219,039	1,862.19

(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.

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 2020	As at 31 March 2019
Marble II Pte Ltd. (subsidiary of the ultimate holding company) *		
104,799,577 (31 March 2019: 97,317,781) equity shares of ₹ 10 each fully paid	1,048.00	973.18

* The ultimate holding company is Blackstone Capital Partners (Cayman II) VI L.P.

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(d) Equity shares movement during five years immediately preceding 31 March 2020.

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

	As at 31 March 2020	As at 31 March 2019
Equity shares allotted as fully paid bonus shares by capitalization of securities premium / retained earnings	700	700

(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.

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

Name of the Shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% of holding	Number of shares	% of holding
Marble II Pte Limited	104,799,577	56.18	97,317,781	52.26

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 plan of the Company, refer note 17.

	(₹ million)	
	As at 31 March 2020	As at 31 March 2019
17. OTHER EQUITY		
Securities premium		
Balance as per previous financial statements	69.26	95.18
Utilized for buy back of equity shares	-	(176.59)
Premium received on issue of shares	148.23	100.90
Transferred from share based payment reserve, on exercise of options	48.69	49.77
Closing balance	266.18	69.26
General reserve		
Balance as per previous financial statements	788.73	761.26
Utilized for buy back of equity shares	-	(743.89)
Reversal on lapse of options granted	9.78	1.93
Transferred from retained earnings	1,205.06	769.43
Closing balance	2,003.57	788.73

(Continued)

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	(₹ million)	
	As at 31 March 2020	As at 31 March 2019
17. OTHER EQUITY (Continued)		
Retained earnings		
Balance as per previous financial statements	41,950.46	46,667.96
Re-measurement gains / (losses) on defined benefit plans	24.66	3.16
Profit for the year	11,848.37	10,733.54
Issue of bonus shares	-	(0.01)
Transition impact of Ind AS 116 (refer note 4)	(1,022.41)	-
Utilized for buy back of equity shares	-	(8,889.06)
Transferred to CRR on buy back of equity shares	-	(73.21)
Buy back expenses	-	(66.44)
Transferred to Special Economic Zone re-investment reserve	(1,390.63)	(1,411.16)
Transferred from Special Economic Zone re-investment reserve	624.29	416.98
Less: Appropriations		
Dividends	5,031.13	3,866.99
Dividend Distribution Tax	1,034.18	794.88
Transfer to general reserve	1,205.06	769.43
Total appropriations	7,270.37	5,431.30
Closing balance	44,764.37	41,950.46
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	178.45
Transferred from retained earnings on buy back of equity shares	-	73.21
Closing balance	251.66	251.66
Share based payments		
Balance as per previous financial statements	492.98	318.23
Expense for the year	146.70	226.45
Transferred to securities premium on exercise of options	(48.69)	(49.77)
Reversal on lapse of options granted	(9.78)	(1.93)
Closing balance	581.21	492.98
Special Economic Zone re-investment reserve		
Balance as per previous financial statements	994.18	-
Transferred from retained earnings	1,390.63	1,411.16
Utilization during the year	(624.29)	(416.98)
Closing balance	1,760.52	994.18
Hedging reserve		
Balance as per previous financial statements	416.85	236.90
Transactions during the year	(1,051.23)	(703.92)
Transfer to statement of profit and loss	(197.12)	883.87
Closing balance	(831.50)	416.85
Foreign currency translation reserve		
Balance as per previous financial statements	5,310.41	4,265.78
Transactions during the year	1,962.75	1,044.63
Closing balance	7,273.16	5,310.41
Total other equity	56,430.56	50,635.92

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Dividend on equity shares

The Board of Directors, at its meeting held on 27 May 2019 had proposed the final dividend of ₹ 27 per share for the year ended 31 March 2019. The dividend proposed by the Board of Directors has been approved by the shareholders' in the Annual General meeting held on 25 July 2019. This resulted in a cash outflow of ₹ 6,065.25 million, inclusive of dividend distribution tax of ₹ 1,034.18 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:

	Year ended 31 March 2020		Year ended 31 March 2019	
1998 Plan (Version I)	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
Options outstanding at the end	47,000	34.38	47,000	34.38
Exercisable at the end	47,000	34.38	47,000	34.38

The options outstanding as at 31 March 2020 have an exercise price of ₹ 34.38 (31 March 2019: ₹ 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 thirty-six 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:

	Year ended 31 March 2020		Year ended 31 March 2019	
2016 Plan	No. of options	Weighted Average Exercise Price (₹)	No. of options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning	4,675,716	561.53	4,958,886	541.91
Granted	186,500	860.72	223,000	941.00
Forfeited	228,374	584.92	289,760	560.28
Lapsed	37,962	515.81	12,500	500.00
Exercised	286,969	526.55	203,910	504.84
Options outstanding at the end	4,308,911	575.97	4,675,716	561.53
Exercisable at the end	1,972,913	542.57	1,388,326	527.78

The weighted average share price as at the date of exercise of stock option was ₹ 919.93 (31 March 2019: ₹ 1,064.34). The options outstanding on 31 March 2020 have an exercise price ranging from ₹ 500.00 to ₹ 941.00 (31 March 2019: ₹ 500.00 to ₹ 941.00) and the weighted average remaining contractual life of 3.43 years (31 March 2019: 4.24 years).

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The weighted average fair value of stock options granted during the year was ₹ 214.25 (31 March 2019: ₹ 298.19). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Year ended 31 March 2020	Year ended 31 March 2019
Weighted average share price on the date of grant (₹)	926.48	972.8
Exercise Price (₹)	850.00 to 900.00	941
Expected Volatility	23.46% to 31.31%	37.57%
Life of the options granted in years	1-5 years	1-5 years
Average risk-free interest rate	6.37% to 6.93%	7.53%
Expected dividend rate	1.68% to 2.93%	1.68%

Total employee compensation cost pertaining to 2016 Plan during the year is ₹146.70 million (31 March 2019: ₹ 226.45 million.)

Restricted Stock Unit Plan-2014 ('RSU Plan-2014')

Effective 20 October 2014, the Company instituted the Restricted Stock Unit Plan-2014. The Board and the shareholders of the Company approved RSU Plan-2014 on 14 May 2014. The RSU Plan-2014 provides for the issue of restricted units to employees and directors of the Company and its subsidiaries.

The RSU Plan-2014 is administered by the Mphasis Employees Benefit Trust. Each unit, granted under the RSU Plan-2014, 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 thirty-six months from the date of grant. The exercise period is three years from the date of vesting.

The movements in the units under the RSU Plan-2014 are set out below:

RSU 2014 Plan	Year ended 31 March 2020		Year ended 31 March 2019	
	No. of units	Weighted Average Exercise Price (₹)	No. of units	Weighted Average Exercise Price (₹)
Units outstanding at the beginning	5,313	10.00	35,455	10.00
Lapsed	3,350	10.00	1,354	10.00
Exercised	1,963	10.00	28,788	10.00
Units outstanding at the end	-	-	5,313	10.00
Exercisable at the end	-	-	5,313	10.00

The weighted average share price as at the date of exercise of stock unit was ₹ 966.39 (31 March 2019: ₹ 1,063.72).

Restricted Stock Unit Plan-2015 ('RSU Plan-2015')

Effective 29 July 2015, the Company instituted the Restricted Stock Unit Plan-2015. The Board and the shareholders of the Company approved RSU Plan-2015 on 9 September 2015. The RSU Plan-2015 provides for the issue of restricted units to employees and directors of the Company and its subsidiaries.

The RSU Plan-2015 is administered by the Mphasis Employees Benefit Trust. Each unit, granted under the RSU Plan-2015, 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 thirty-six months from the date of grant. The exercise period is three years from the date of vesting.

The movements in the units under the RSU Plan-2015 are set out below:

RSU 2015 Plan	Year ended 31 March 2020		Year ended 31 March 2019	
	No. of units	Weighted Average Exercise Price (₹)	No. of units	Weighted Average Exercise Price (₹)
Units outstanding at the beginning	37,086	10.00	83,850	10.00
Lapsed	9,250	10.00	750	10.00
Exercised	27,836	10.00	46,014	10.00
Units outstanding at the end	-	-	37,086	10.00
Exercisable at the end	-	-	37,086	10.00

The weighted average share price as at the date of exercise of stock units was ₹ 922.85 (31 March 2019: ₹ 1,098.70).

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(₹ million)

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
18. OTHER FINANCIAL LIABILITIES				
Salary related costs	22.38	-	2,828.37	2,200.83
Capital creditors	-	-	77.78	61.70
Other payables	1.00	1.19	122.59	191.51
Unpaid dividend *	-	-	20.78	20.72
Derivative liabilities	607.44	38.72	1,113.19	310.66
	630.82	39.91	4,162.71	2,785.42

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

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
19. EMPLOYEE BENEFIT OBLIGATIONS				
Provision for gratuity [refer note 37 (a)]	697.90	782.22	-	-
Provision for employee compensated absences	-	-	720.46	642.79
	697.90	782.22	720.46	642.79

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
20. OTHER LIABILITIES				
Unearned revenue	-	-	1,135.91	944.01
Advances received from customers	-	-	-	0.54
Rent equalization reserve	-	126.12	-	13.93
Statutory dues	-	-	1,241.38	825.35
	-	126.12	2,377.29	1,783.83

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
21. BORROWINGS				
Loan from Citibank (unsecured) *	-	-	-	1,000.00
Pre-shipment loan in foreign currency from bank (unsecured) **	-	-	2,345.62	1,383.10
Loan from Citibank (secured)***	-	-	3,367.23	3,042.82
	-	-	5,712.85	5,425.92
			As at 31 March 2020	As at 31 March 2019
Balance as per previous financial statements			5,425.92	3,898.80
Cash flow movement			(223.64)	1,245.57
Non-cash changes relating to foreign exchange movements			510.57	281.55
Closing balance			5,712.85	5,425.92

* Loan from Citibank carried interest @ 8.5% (31 March 2019: 8.5%). The loan was repaid on 31 July 2019.

** Pre-shipment loan carries interest @ LIBOR plus 0.48% (31 March 2019: LIBOR plus 0.6%) p.a. The loan is repayable on 28 May 2020.

*** Loan from Citibank carries interest @ LIBOR plus 0.65% (31 March 2019: LIBOR plus 0.65%) p.a. The loan is repayable on or before 17 June 2020. The loan is secured against a corporate guarantee issued by the Company.

Refer note 39 for the Group's exposure to interest rate, foreign currency and liquidity risks.

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(₹ million)

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
22. PROVISIONS				
Provision for loss on long-term contract	-	-	-	10.20
Other provisions	-	-	68.30	73.03
	-	-	68.30	83.23

	Provision for loss on long-term contract	Others
As at 1 April 2019	10.20	73.03
Additions	-	12.15
Utilised / paid	(10.20)	(17.69)
Translation exchange differences	-	0.81
As at 31 March 2020	-	68.30
Current	-	68.30
As at 1 April 2018	200.00	95.80
Utilised / paid	(189.80)	(17.12)
Translation exchange differences	-	(5.65)
As at 31 March 2019	10.20	73.03
Current	10.20	73.03

23. TAXES

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

	Year ended 31 March 2020	Year ended 31 March 2019
Taxes		
Current taxes	3,495.35	3,191.46
Deferred taxes	(189.92)	148.26
Total taxes	3,305.43	3,339.72

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 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, tax deductions and tax effect on allowances / disallowances etc.

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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.

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 2020 and 31 March 2019 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: (₹ million)

	Year ended 31 March 2020	Year ended 31 March 2019
Profit before tax	15,153.80	14,073.26
Applicable tax rates in India	34.944%	34.944%
Computed tax charge (A)	5,295.34	4,917.76
Tax effect on exempt operating income	(899.07)	(803.80)
Tax effect on exempt non - operating income	(18.30)	(22.32)
Tax effect on non - deductible expenses	98.72	67.67
Tax effect on differential domestic/overseas tax rate and other disallowances	148.53	(140.84)
Tax effect on undistributed earnings of foreign subsidiaries of US entities	1.87	0.93
Reversal of tax expenses pertaining to prior period *	(1,568.93)	(752.83)
Tax effect on unrecognized deferred tax assets	(79.66)	178.26
Tax effect on foreign source dividend **	353.25	-
Others, net	(26.32)	(105.11)
Total adjustments (B)	(1,989.91)	(1,578.04)
Total tax expenses (A+B)	3,305.43	3,339.72

Income tax expense for the years ended 31 March 2020 and 31 March 2019 includes reversal (net of provisions) of ₹ 1,568.93 million and ₹ 752.83 million, respectively.

* During the current year, pursuant to completed tax assessments and an independent opinion obtained from a Senior Counsel, the Group has reversed provisions amounting to ₹ 776.87 million (31 March 2019: ₹ nil).

** Income taxes include a tax expense of ₹ 353.25 million (31 March 2019: ₹ nil) relating to dividend received during the year from an overseas subsidiary.

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Income tax assets (net)				
Advance income-tax (net of provision for taxation)	4,882.58	5,230.88	-	-
	4,882.58	5,230.88	-	-
Income tax liabilities (net)				
Provision for taxation	256.81	298.90	566.65	1,365.71
	256.81	298.90	566.65	1,365.71
Net income tax asset			4,059.12	3,566.27

Deferred tax asset, amounting to ₹ 501.19 million and ₹ 423.60 million, in relation to carry forward losses in various subsidiaries has not been recorded during the years ended 31 March 2020 and 31 March 2019. The losses carried forward do not have a scheduled expiry date.

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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 ₹14,127.44 million and ₹ 14,401.36 million as of 31 March 2020 and 31 March 2019, 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: (₹ million)

	As at 31 March 2020	As at 31 March 2019
Deferred tax asset (net)		
Property, plant and equipment and other intangible assets	312.91	396.69
Provision for doubtful debts and advances	186.89	156.82
Provision for employee benefits	572.74	390.17
Provision for loss on long-term contract	16.23	16.23
Rent equalization reserve	-	(14.22)
On carried forward long term capital loss	88.48	153.26
Derivative liabilities	447.27	(220.11)
MAT credit entitlement	261.52	-
Others	271.42	(65.02)
	2,157.46	813.82
Deferred tax liabilities (net)		
Property, plant and equipment and other intangible assets	664.51	436.49
Provision for doubtful debts and advances	(0.27)	(7.47)
Provision for employee benefits	-	(107.88)
Rent equalization reserve	-	(0.83)
On net operating losses	(736.44)	(581.94)
Others	209.52	289.59
	137.32	27.96
Net Deferred tax asset	2,020.14	785.86

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

	As at 1 April 2019	Statement of Profit and loss	OCI	Others	As at 31 March 2020
Deferred tax asset (net)					
Property, plant and equipment and other intangible assets	396.69	(83.78)	-	-	312.91
Provision for doubtful debts and advances	156.82	30.07	-	-	186.89
Provision for employee benefits	390.17	196.06	(13.49)	-	572.74
Provision for loss on long-term contract	16.23	-	-	-	16.23
Rent equalization reserve	(14.22)	14.22	-	-	-
On carried forward long term capital loss	153.26	(64.78)	-	-	88.48
Derivative liabilities	(220.11)	-	667.38	-	447.27
MAT credit entitlement	-	-	-	261.52	261.52
Others	(65.02)	207.49	-	128.95	271.42
	813.82	299.28	653.89	390.47	2,157.46
Deferred tax liabilities (net)					
Property, plant and equipment and other intangible assets	436.49	228.02	-	-	664.51
Provision for doubtful debts and advances	(7.47)	7.20	-	-	(0.27)
Provision for employee benefits	(107.88)	107.88	-	-	-
Rent equalization reserve	(0.83)	0.83	-	-	-
On net operating losses	(581.94)	(154.50)	-	-	(736.44)
Others	289.59	(80.07)	-	-	209.52
	27.96	109.36	-	-	137.32
Total	785.86	189.92	653.89	390.47	2,020.14

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(₹ million)

	As at 1 April 2018	Statement of Profit and loss	OCI	Others	As at 31 March 2019
Deferred Tax Asset (net)					
Property, plant and equipment and other intangible assets	276.11	120.58	-	-	396.69
Provision for doubtful debts and advances	159.78	(2.96)	-	-	156.82
Provision for employee benefits	387.62	3.91	(1.24)	(0.12)	390.17
Provision for loss on long-term contract	16.23	-	-	-	16.23
Rent equalization reserve	(132.26)	118.04	-	-	(14.22)
On carried forward long term capital loss	166.17	(12.91)	-	-	153.26
Derivative liabilities	(127.24)	-	(92.87)	-	(220.11)
Others	310.41	(395.44)	-	20.01	(65.02)
	1,056.82	(168.78)	(94.11)	19.89	813.82
Deferred Tax Liabilities (net)					
Property, plant and equipment and other intangible assets	182.28	255.44	-	(1.23)	436.49
Provision for doubtful debts and advances	-	(7.47)	-	-	(7.47)
Provision for employee benefits	(117.68)	9.80	-	-	(107.88)
Rent equalization reserve	(2.01)	1.18	-	-	(0.83)
On net operating losses	-	(581.94)	-	-	(581.94)
Others	(12.88)	302.47	-	-	289.59
	49.71	(20.52)	-	(1.23)	27.96
Total	1,007.11	(148.26)	(94.11)	21.12	785.86

	Year ended 31 March 2020	Year ended 31 March 2019
24. REVENUE FROM OPERATIONS		
Sale of services	88,238.25	78,193.67
Profit / (loss) on cash flow hedges reclassified to revenue	197.12	(883.87)
	88,435.37	77,309.80

Information in relation to revenue disaggregation is disclosed in note 34 and 35.

Reconciliation of revenue recognised with contracted price is as follows:

	Year ended 31 March 2020	Year ended 31 March 2019
Contracted price	89,942.18	79,514.99
Reductions towards variable consideration components	(1,703.93)	(1,321.32)
Revenue as per statement of profit and loss	88,238.25	78,193.67

A. Contract balances

The following table discloses the movement in contract assets:

	Year ended 31 March 2020	Year ended 31 March 2019
Balance as per previous financial statements	133.28	41.08
Revenue recognized during the year	2,341.89	726.31
Invoiced during the year	(2,125.04)	(637.48)
Exchange gain / (loss)	36.94	3.37
Closing balance	387.07	133.28

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The following table discloses the movement in unearned revenue balances:

	(₹ million)	
	Year ended 31 March 2020	Year ended 31 March 2019
Balance as per previous financial statements	944.01	763.98
Revenue recognised that was included in the unearned revenue balance at the beginning of the year	(539.06)	(524.85)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	690.66	682.71
Exchange (gain) / loss	40.30	22.17
Closing balance	1,135.91	944.01

B. Remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized 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 to the customer of the Group's performance completed to date, typically those contracts where invoicing is on time and material, unit price basis.

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2020 is ₹15,478.00 million (31 March 2019: ₹ 9,431.00 million). Out of this, the Group expects to recognize revenue of around 34% (31 March 2019: 33%) 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.

Impact of Covid-19

The Group has evaluated the impact of Covid-19 resulting from

- the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts,
- potential onerous contract obligations,
- penalties relating to breaches of service level agreements and,
- termination / deferment of contracts by customers.

The Group has concluded that the impact of Covid-19 is not material based on above mentioned evaluation. Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods given the nature and duration of Covid-19.

	Year ended 31 March 2020	Year ended 31 March 2019
25. OTHER INCOME		
Interest income on		
Bank deposits	132.67	207.73
Long term bonds	43.22	63.83
Others	403.18	79.53
Dividend income	-	0.04
Net gain on investments carried at FVTPL *	933.38	1,196.12
Foreign exchange gain / (loss), (net)	147.21	168.21
Profit on sale of fixed assets, (net)	16.33	27.37
Miscellaneous income	102.21	24.24
	1,778.20	1,767.07

* includes profit on sale of investments amounting to ₹ 958.28 million (31 March 2019: ₹ 857.44 million).

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	(₹ million)	
	Year ended 31 March 2020	Year ended 31 March 2019
26. EMPLOYEE BENEFITS EXPENSE		
Salaries and bonus	45,504.85	39,542.46
Contribution to provident and other funds	3,063.34	2,620.24
Employee share based payments	146.70	226.45
Staff welfare expenses	511.52	597.76
	49,226.41	42,986.91
	Year ended 31 March 2020	Year ended 31 March 2019
27. FINANCE COSTS		
Interest expense	242.78	173.69
Interest expense on lease liabilities	532.56	-
Exchange difference to the extent considered as an adjustment to borrowing costs	36.59	-
	811.93	173.69
	Year ended 31 March 2020	Year ended 31 March 2019
28. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation of property, plant and equipment (refer note 3)	539.57	481.01
Amortization of intangible assets (refer note 7)	293.91	277.43
Depreciation of right-of-use assets (refer note 4)	1,482.83	-
	2,316.31	758.44
	Year ended 31 March 2020	Year ended 31 March 2019
29. OTHER EXPENSES		
Subcontracting charges	12,257.65	9,216.18
Legal and professional charges	2,976.92	3,173.29
Facility expenses	689.21	2,357.64
Travel	2,046.25	2,062.11
Software support and annual maintenance charges	1,477.04	1,324.05
Communication expenses	720.00	694.65
Recruitment expenses	631.88	422.51
Power and fuel	390.65	348.56
Insurance	134.25	171.24
Rates and taxes	62.27	19.25
Repairs and maintenance - others	166.49	65.43
Provision for expected credit loss	92.49	117.33
Corporate Social Responsibility expense	223.50	192.13
Miscellaneous expenses	820.00	904.64
Auditor's remuneration	16.52	15.56
	22,705.12	21,084.57

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30. EARNINGS PER SHARE ('EPS')

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

	Year ended 31 March 2020	Year ended 31 March 2019
Profit after the year (₹ in million)	11,848.37	10,733.54
Number of weighted average shares considered for calculation of basic earnings per share	186,374,412	191,495,657
Add: Dilutive effect of stock options	1,424,811	1,906,012
Number of weighted average shares considered for calculation of diluted earnings per share	187,799,223	193,401,669
Earnings per equity share (par value ₹ 10 per share)		
Basic	63.57	56.05
Diluted	63.09	55.50

31. 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 2016-17. 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 Group in relation to direct taxes, transfer pricing and indirect tax matters not acknowledged as debts amount to ₹ 9,201.20 million (31 March 2019: ₹ 10,648.04 million).
In relation to other tax demands not included above, the Group has furnished bank guarantees amounting to ₹ 6,661.95 million (31 March 2019: ₹ 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 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 2020: ₹ 205.94 million (31 March 2019: ₹ 145.61 million) pertains to guarantees 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 ₹ 852.25 million (31 March 2019: ₹ 239.60 million).
There has been a Supreme Court judgement dated 28 February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the Provident Fund Act, 1952. However, considering that there are numerous interpretative issues relating to this judgment, including the effective date of the application and based on expert advice obtained, the Group is unable to reasonably estimate the expected impact of the Supreme Court decision. The Group will continue to assess any further developments in this matter for the implications on financial statements, if any.
- d) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at 31 March 2020: ₹ 222.25 million (31 March 2019: ₹ 84.86 million).

32. RELATED PARTY TRANSACTIONS

Entities where control exists

Blackstone Capital Partners (Cayman II) VI L.P.	Ultimate holding company
Blackstone Capital Partners (Singapore) VI Holding Co Pte Ltd	Intermediate holding company
Marble I Pte Ltd.	Intermediate holding company
Marble II Pte Ltd.	Holding company

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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
Paul James Upchurch	Director
Marshall Jan Lux	Director – Appointed w.e.f. 7 August 2018
Amit Dixit	Director
Amit Dalmia	Director
Dario Zamarian	Director – Resigned w.e.f. 6 August 2018
Nitin Rakesh	Chief Executive Officer and Executive Director
V. Suryanarayanan	Executive Vice President & Chief Financial Officer
Subramanian Narayan	Vice President & Company Secretary

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

	(₹ million)	
	Year ended 31 March 2020	Year ended 31 March 2019
Dividend paid (on cash basis)	2,628.30	2,025.05
Marble II Pte Ltd.	2,627.58	2,024.62
Others	0.72	0.43
Remuneration / Commission to key management personnel *	186.12	181.98
Nitin Rakesh	122.81	120.79
Others	63.31	61.19

* This does not include remuneration paid to certain directors by the ultimate parent 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.

Marble II Pte Ltd. ('Marble') (being the 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 will 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) 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.

The balances payable to related parties are as follows:

	As at 31 March 2020	As at 31 March 2019
Remuneration / Commission payable to key management personnel	8.22	8.11
Davinder Singh Brar	1.60	1.57
Narayanan Kumar	1.46	1.42
David Lawrence Johnson	1.28	1.28
Jan Kathleen Hier	1.38	1.34
Paul James Upchurch	1.25	1.25
Marshall Lux	1.25	1.25

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33. Additional information pursuant to para 2 of general instructions for the preparation of the Consolidated Financial Statements for years ended 31 March 2020 and 31 March 2019.

31 March 2020	Consolidated net assets		Consolidated profit or loss		Consolidated OCI		Consolidated total Comprehensive Income	
Name of the entity	Percentage	₹ million	Percentage	₹ million	Percentage	₹ million	Percentage	₹ million
Parent								
Mphasis Limited	39.903	36,772.02	86.551	12,050.55	109.557	(1,194.21)	84.596	10,856.34
Indian subsidiaries								
Msource (India) Private Limited	10.256	9,451.07	4.288	597.01	2.694	(29.37)	4.423	567.64
Mphasis Software and Services (India) Private Limited	1.902	1,753.03	0.487	67.86	-	-	0.529	67.86
Foreign subsidiaries								
Mphasis Corporation	8.711	8,027.79	7.824	1,089.39	(40.099)	437.10	11.895	1,526.49
Mphasis Deutschland GmbH	(0.120)	(110.18)	(1.532)	(213.28)	0.105	(1.14)	(1.671)	(214.42)
Mphasis Australia Pty Limited	0.348	320.69	(1.475)	(205.42)	1.958	(21.34)	(1.767)	(226.76)
Mphasis (Shanghai) Software & Services Company Limited	0.214	197.19	0.117	16.30	(0.599)	6.53	0.178	22.83
Mphasis Consulting Limited	0.688	633.74	0.087	12.15	(1.836)	20.01	0.251	32.16
Mphasis Ireland Limited	0.059	54.20	0.064	8.85	(0.272)	2.96	0.092	11.81
Mphasis Belgium BV	0.737	679.52	1.416	197.11	(3.547)	38.66	1.837	235.77
Mphasis Poland s.p.z.o.o	(0.003)	(3.14)	0.016	2.19	0.015	(0.16)	0.016	2.03
Msource Mauritius Inc.	0.681	627.88	(0.009)	(1.30)	(0.012)	0.13	(0.009)	(1.17)
PT. Mphasis Indonesia	(0.001)	(0.79)	(0.007)	(0.97)	(0.004)	0.04	(0.007)	(0.93)
Mphasis Europe BV	12.714	11,716.04	0.419	58.40	(1.495)	16.30	0.582	74.70
Mphasis Pte Limited	0.647	596.10	0.334	46.44	(1.916)	20.89	0.525	67.33
Mphasis Infrastructure Services Inc.	(1.454)	(1,340.32)	0.170	23.64	10.403	(113.40)	(0.699)	(89.76)
Mphasis UK Limited	11.687	10,769.64	1.074	149.58	(2.758)	30.06	1.400	179.64
Mphasis Wyde Inc.	11.056	10,188.35	(1.813)	(252.47)	32.947	(359.14)	(4.766)	(611.61)
Mphasis Philippines Inc.	0.018	16.71	(0.015)	(2.10)	(0.191)	2.08	-	(0.02)
Wyde Corporation Inc.	(1.052)	(969.00)	0.808	112.54	8.311	(90.59)	0.171	21.95
Mphasis Wyde SASU	(0.948)	(874.04)	(0.670)	(93.32)	4.920	(53.63)	(1.145)	(146.95)
Wyde Solutions Canada Inc.	(0.108)	(99.92)	0.308	42.82	0.396	(4.32)	0.300	38.50
Digital Risk LLC.	0.208	191.86	(3.480)	(484.52)	10.679	(116.41)	(4.683)	(600.93)
Digital Risk Mortgage Services LLC.	4.565	4,207.26	5.898	821.20	(34.368)	374.63	9.318	1,195.83
Investor Services, LLC	0.807	743.61	-	(0.03)	(5.870)	63.98	0.498	63.95
Digital Risk Valuation Services LLC.	(1.391)	(1,281.65)	(0.003)	(0.42)	10.115	(110.26)	(0.862)	(110.68)
Stelligent Systems LLC.	(0.123)	(113.66)	(0.855)	(119.07)	0.866	(9.44)	(1.001)	(128.51)
Total foreign subsidiaries	47.940	44,177.88	8.676	1,207.71	(12.252)	133.54	10.453	1,341.25
Sub total	100.00	92,154.00	100.00	13,923.13	100.00	(1,090.04)	100.00	12,833.09
Adjustment arising out of consolidation		(33,858.01)		(2,074.76)		1,829.10		(245.66)
Total		58,295.99		11,848.37		739.06		12,587.43

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31 March 2019	Consolidated net assets		Consolidated profit or loss		Consolidated OCI		Consolidated total Comprehensive Income	
Name of the entity	Percentage	₹ million	Percentage	₹ million	Percentage	₹ million	Percentage	₹ million
Parent								
Mphasis Limited	37.005	32,636.23	71.595	7,694.33	80.101	148.58	71.738	7,842.91
Indian subsidiaries								
Msource (India) Private Limited	10.09	8,895.12	4.797	515.52	18.427	34.18	5.028	549.70
Mphasis Software and Services (India) Private Limited	1.911	1,685.17	0.940	101.04	-	-	0.924	101.04
Foreign subsidiaries								
Mphasis Corporation	9.708	8,562.07	19.499	2,095.55	132.110	245.05	21.409	2,340.60
Mphasis Deutschland GmbH	0.118	104.24	0.070	7.49	(2.663)	(4.94)	0.023	2.55
Mphasis Australia Pty Limited	0.607	535.69	(0.139)	(14.90)	(6.766)	(12.55)	(0.251)	(27.45)
Mphasis (Shanghai) Software & Services Company Limited	0.198	174.36	0.354	38.01	(0.787)	(1.46)	0.334	36.55
Mphasis Consulting Limited	0.682	601.58	0.022	2.35	(6.221)	(11.54)	(0.084)	(9.19)
Mphasis Ireland Limited	0.048	42.39	0.032	3.42	(0.965)	(1.79)	0.015	1.63
Mphasis Belgium BV	0.502	442.92	1.293	138.92	(9.952)	(18.46)	1.102	120.46
Mphasis Poland s.p.z.o.o	(0.006)	(5.17)	0.056	6.01	0.275	0.51	0.060	6.52
Msource Mauritius Inc.	0.713	629.05	(0.007)	(0.73)	0.102	0.19	(0.005)	(0.54)
PT. Mphasis Indonesia	-	0.13	0.001	0.13	(0.011)	(0.02)	0.001	0.11
Mphasis Europe BV	13.200	11,641.34	0.128	13.72	(4.696)	(8.71)	0.046	5.01
Mphasis Pte Limited	0.600	528.78	0.931	100.01	5.806	10.77	1.013	110.78
Mphasis Infrastructure Services Inc.	(1.418)	(1,250.55)	(0.846)	(90.97)	(37.253)	(69.10)	(1.464)	(160.07)
Mphasis UK Limited	12.008	10,590.00	1.302	139.95	(6.593)	(12.23)	1.168	127.72
Mphasis Wyde Inc.	12.246	10,799.96	(2.536)	(272.51)	(108.793)	(201.80)	(4.339)	(474.31)
Mphasis Philippines Inc.	0.019	16.73	(0.021)	(2.30)	0.534	0.99	(0.012)	(1.31)
Wyde Corporation Inc.	(1.123)	(990.52)	(1.026)	(110.26)	(26.966)	(50.02)	(1.466)	(160.28)
Mphasis Wyde SASU	(0.814)	(717.89)	(0.701)	(75.39)	15.688	29.10	(0.423)	(46.29)
Wyde Solutions Canada Inc.	(0.157)	(138.41)	0.163	17.55	(3.240)	(6.01)	0.106	11.54
Digital Risk LLC.	0.928	818.01	(1.582)	(170.01)	(19.004)	(35.25)	(1.878)	(205.26)
Digital Risk Mortgage Services LLC.	3.482	3,070.51	6.130	658.75	95.973	178.02	7.654	836.77
Investor Services, LLC	0.771	679.66	0.027	2.91	21.570	40.01	0.393	42.92
Digital Risk Valuation Services LLC.	(1.328)	(1,170.98)	(0.002)	(0.21)	(38.110)	(70.69)	(0.649)	(70.90)
Stelligent Systems LLC.	0.015	13.42	(0.478)	(51.32)	1.434	2.66	(0.445)	(48.66)
Total foreign subsidiaries	50.999	44,977.32	22.670	2,436.17	1.473	2.73	22.310	2,438.90
Sub total	100.00	88,193.84	100.00	10,747.06	100.00	185.49	100.00	10,932.55
Adjustment arising out of consolidation		(35,695.66)		(13.52)		1,042.25		1,028.73
Total		52,498.18		10,733.54		1,227.74		11,961.28

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34. 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 assessing 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 Capital Market, Insurance, Information Technology, Communication and Entertainment and Emerging Industries.

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 (USA), India, Europe, Middle East & Africa (EMEA) and Rest of the world (ROW).

	(₹ million)	
	Year ended 31 March 2020	Year ended 31 March 2019
Business segments		
Segment revenue		
Banking and Capital Market	40,084.96	35,432.11
Insurance	10,051.44	9,072.44
Information Technology, Communication and Entertainment	13,971.23	13,355.71
Emerging Industries	24,130.62	20,333.41
Unallocated - hedge	197.12	(883.87)
Total segment revenue	88,435.37	77,309.80
Segment result		
Banking and Capital Market	9,912.29	9,339.74
Insurance	2,662.66	2,493.35
Information Technology, Communication and Entertainment	2,729.24	3,160.43
Emerging Industries	7,836.64	6,772.94
Unallocated - hedge	197.12	(883.87)
Total segment result	23,337.95	20,882.59
Interest income	579.07	351.09
Finance costs	(811.93)	(173.69)
Other income	1,199.13	1,415.98
Other unallocable expenditure	(9,150.42)	(8,402.71)
Profit before taxation	15,153.80	14,073.26
Income taxes	3,305.43	3,339.72
Profit after taxation	11,848.37	10,733.54

Revenue from three customer groups individually accounted for more than 10% of the total revenue for the year ended 31 March 2020 (31 March 2019: two).

	Year ended 31 March 2020	Year ended 31 March 2019
Geographic revenues		
USA	68,744.79	61,585.14
India	4,482.68	4,463.32
EMEA	9,887.10	8,783.27
ROW	5,123.68	3,361.94
Unlocated - hedge	197.12	(883.87)
Total	88,435.37	77,309.80

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35. DISAGGREGATION OF REVENUE

(₹ million)

	Year ended 31 March 2020	Year ended 31 March 2019
Services rendered		
Application development	29,026.22	22,804.82
Application maintenance	26,901.66	26,235.12
Infrastructure management services	11,061.52	10,598.63
Knowledge processing services	7,644.12	7,035.82
Service / Technical helpdesk	6,179.77	5,569.42
Transaction processing service	6,347.84	4,946.00
Customer service	885.82	875.03
License income	191.30	128.83
Unallocated - hedge	197.12	(883.87)
Total	88,435.37	77,309.80
Delivery location		
Onsite	51,094.02	45,122.21
Offshore	37,144.23	33,071.46
Unallocated - hedge	197.12	(883.87)
Total	88,435.37	77,309.80
Project type		
Time and material	65,186.68	59,047.13
Fixed price	23,051.57	19,146.54
Unallocated - hedge	197.12	(883.87)
Total	88,435.37	77,309.80
Market		
Direct international	61,553.07	53,340.67
DXC / HP business	23,829.47	22,121.00
Others	2,855.71	2,732.00
Unallocated - hedge	197.12	(883.87)
Total	88,435.37	77,309.80

36. CAPITAL MANAGEMENT

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

	As at 31 March 2020	As at 31 March 2019
Total equity attributable to the share holders of the Company (A)	58,295.99	52,498.18
Borrowings (B)	5,712.85	5,425.92
Total borrowings as a percentage of capital (B / C)	8.93%	9.37%
Total capital C (A+B)	64,008.84	57,924.10
Total equity as a percentage of total capital (A / C)	91.07%	90.63%

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.

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37. 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.

(₹ million)

	Year ended 31 March 2020	Year ended 31 March 2019
Changes in present value of defined benefit obligations		
Obligations at beginning of the year	1,129.46	1,145.21
Service cost	57.12	23.09
Interest cost	74.71	81.65
Benefits paid	(107.35)	(111.92)
Re-measurement (gain) / loss (through OCI)	(37.27)	(8.57)
Obligations at end of the year	1,116.67	1,129.46
Change in plan assets		
Plan assets at beginning of the year, at fair value	347.24	421.84
Expected return on plan assets	27.39	42.17
Re-measurement gain / (loss) (through OCI)	0.88	(4.17)
Employer contributions	158.93	5.72
Benefits paid	(107.35)	(111.92)
Administration charges	(8.32)	(6.40)
Plan assets at end of the year	418.77	347.24
Present value of defined benefit obligation at the end of the year	1,116.67	1,129.46
Fair value of plan assets at the end of the year	418.77	347.24
Net liability recognised in the balance sheet	(697.90)	(782.22)
Expenses recognised in statement of profit and loss		
Service cost	57.12	23.09
Interest cost (net)	47.32	39.48
Net gratuity cost	104.44	62.57
Re-measurement gains / (losses) in OCI		
Actuarial (gain) / loss due to financial assumption changes	(1.47)	10.35
Actuarial (gain) / loss due to experience adjustments	(35.80)	(18.92)
Re-measurement - return on plan assets (greater) less than discount rate	(0.88)	4.17
Total expenses routed through OCI	(38.15)	(4.40)
Assumptions		
Discount rate	6.47%	7.34%
Expected rate of return on plan assets	6.47%	7.34%
Salary increase	4.00%	5.00%
Attrition rate	20% to 30%	20.00%
Retirement age	60 years	60 years

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	(₹ million)	
	Year ended 31 March 2020	Year ended 31 March 2019
Future payouts (year ended 31 March)		
Year-1	173.66	207.97
Year-2	149.74	169.46
Year-3	129.71	139.28
Year-4	113.11	112.78
Year-5	98.29	91.21
Year-6-10	290.76	223.83
Year-10 and above	161.40	184.93

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%
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Sensitivity analysis	Year ended 31 March 2020		Year ended 31 March 2019	
Change in discount rate	1% increase	1% decrease	1% increase	1% decrease
Effect on the defined benefit obligation	(44.97)	41.63	(41.89)	45.37
Change in salary increase				
Effect on the defined benefit obligation	42.81	(45.60)	45.92	(43.13)

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 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 deficiency in the interest cost 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.

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 Group has carried out actuarial valuation as at 31 March 2020. 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 2020 and 31 March 2019.

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

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

(₹ million)

	As at 31 March 2020	As at 31 March 2019
Plan assets at the year end	9,265.12	8,213.92
Present value of benefit obligation at year end	9,265.12	8,213.92
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	6.13%	7.00%
Remaining term of maturity (in years)	12	12
Expected guaranteed rate of return	8.50%	8.65%

The Group has contributed ₹ 644.63 million during the year ended 31 March 2020 (31 March 2019: ₹ 466.94 million).

38. FINANCIAL INSTRUMENTS

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

Particulars (as at 31 March 2020)	FVTPL	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortized cost	Total
Financial assets					
Cash and cash equivalents	-	-	-	9,900.79	9,900.79
Bank balances other than cash and cash equivalents	-	-	-	1,356.24	1,356.24
Investments	9,820.23	-	-	3,436.27	13,256.50
Trade receivables	-	-	-	8,352.52	8,352.52
Loans	-	-	-	2,049.79	2,049.79
Derivative assets	-	196.53	128.05	-	324.58
Unbilled receivables	-	-	-	9,343.02	9,343.02
Other financial assets	-	-	-	388.18	388.18
Total	9,820.23	196.53	128.05	34,826.81	44,971.62
Financial liabilities					
Borrowings	-	-	-	5,712.85	5,712.85
Lease liabilities	-	-	-	7,241.00	7,241.00
Trade payables	-	-	-	6,666.81	6,666.81
Derivative liabilities	-	1,475.29	245.34	-	1,720.63
Other financial liabilities	-	-	-	3,072.90	3,072.90
Total	-	1,475.29	245.34	22,693.56	24,414.19
Particulars (as at 31 March 2019)					
Financial assets					
Cash and cash equivalents	-	-	-	3,519.78	3,519.78
Bank balances other than cash and cash equivalents	-	-	-	2,896.31	2,896.31
Investments	10,700.33	-	-	2,591.88	13,292.21
Trade receivables	-	-	-	9,564.28	9,564.28
Loans	-	-	-	1,965.90	1,965.90
Derivative assets	-	940.08	119.26	-	1,059.34
Unbilled receivables	-	-	-	8,933.43	8,933.43
Other financial assets	-	-	-	235.04	235.04
Total	10,700.33	940.08	119.26	29,706.62	41,466.29
Financial liabilities					
Borrowings	-	-	-	5,425.92	5,425.92
Trade payables	-	-	-	7,850.43	7,850.43
Derivative liabilities	-	303.11	46.27	-	349.38
Other financial liabilities	-	-	-	2,475.95	2,475.95
Total	-	303.11	46.27	15,752.30	16,101.68

CONSOLIDATED FINANCIAL STATEMENTS

Fair Value hierarchy (₹ million)

Particulars	As at 31 March 2020				As at 31 March 2019			
	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	9,820.23	8,214.92	1,605.31	-	10,700.33	7,626.31	3,074.02	-
Derivative assets	324.58	-	324.58	-	1,059.34	-	1,059.34	-
Liabilities								
Derivative liabilities	1,720.63	-	1,720.63	-	349.38	-	349.38	-

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 2020	As at 31 March 2019
Gross amount of recognised trade receivables	13,150.09	12,130.06
Gross amount of recognised factored trade receivables and volume discount set off in the balance sheet	(4,797.57)	(2,565.78)
Net amount presented in balance sheet	8,352.52	9,564.28

39. 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 of 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 accounts receivable for the years ended 31 March 2020 and 31 March 2019. Two customer groups individually accounted for more than 10% of unbilled receivables for the years ended 31 March 2020 and 31 March 2019.

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 2020	As at 31 March 2019
Trade receivables	8,352.52	9,564.28
Unbilled receivables	9,343.02	8,933.43
Total	17,695.54	18,497.71

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

CONSOLIDATED FINANCIAL STATEMENTS

The allowance for lifetime expected credit loss for the years ended 31 March 2020 and 31 March 2019 was ₹ 92.49 million and ₹ 117.33 million respectively. The reconciliation is as follows.

	(₹ million)	
	Year ended 31 March 2020	Year ended 31 March 2019
Balance as per previous financial statements	114.63	-
Charge for the year	92.49	117.33
Translation exchange differences	7.05	(2.70)
Closing balance	214.17	114.63

Impact of Covid-19

Trade receivables and unbilled receivables of ₹ 17,695.54 million as at 31 March 2020 forms a significant part of the financial assets carried at amortized cost which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have evaluated the likelihood of increased credit risk and consequential default considering the emerging Covid-19 situation. This assessment considers the current collection pattern across various verticals and the financial strength of customers. The Group is closely monitoring the developments across various business verticals. Basis this assessment, provision made towards ECL is considered adequate.

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 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. Pursuant to the impact of Covid-19, the Group has assessed the counterparty credit risk and concluded the carrying / fair value, as applicable, of the financial instruments and deposits with banks to be appropriate. Three banks individually accounted for more than 10% of the Group's deposits and bank balances as at 31 March 2020 (31 March 2019: two 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 and the cash flow that is generated from operations. The Group believes that the cash and cash equivalents 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 2020	As at 31 March 2019
Cash and cash equivalents	9,900.79	3,519.78
Bank balances other than cash and cash equivalents	1,356.24	2,896.31
Current investments	9,777.80	10,700.33
Total	21,034.83	17,116.42

CONSOLIDATED FINANCIAL STATEMENTS

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. (₹ million)

Financial liabilities (As at 31 March 2020)	On demand	0-180 days	180 - 365 days	365 days and above	Total
Trade payables	681.87	5,984.94	-	-	6,666.81
Borrowings	-	5,712.85	-	-	5,712.85
Lease liabilities	-	996.66	872.41	7,384.39	9,253.46
Other financial liabilities	27.25	4,135.46	-	630.82	4,793.53
Total financial liabilities	709.12	16,829.91	872.41	8,015.21	26,426.65
Financial liabilities (As at 31 March 2019)					
Trade payables	666.46	7,183.97	-	-	7,850.43
Borrowings	-	2,383.10	3,042.82	-	5,425.92
Other financial liabilities	28.52	2,756.90	-	39.91	2,825.33
Total financial liabilities	694.98	12,323.97	3,042.82	39.91	16,101.68

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 any transaction references more than one currency or where assets / liabilities 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 (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.

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

As at 31 March 2020	₹ million				
Financial assets	USD	GBP	EUR	Others	Total
Trade receivables	2,090.20	154.11	289.09	241.60	2,775.00
Cash and cash equivalents	3,349.28	-	-	14.21	3,363.49
Other financial assets	19.85	0.75	-	-	20.60
Unbilled receivables	2,885.67	82.59	181.63	182.84	3,332.73
Total financial assets	8,345.00	237.45	470.72	438.65	9,491.82
Financial liabilities					
Trade payables	265.11	0.79	2.17	2.45	270.52
Borrowings	2,345.62	-	-	-	2,345.62
Other financial liabilities	16.59	-	-	-	16.59
Total financial liabilities	2,627.32	0.79	2.17	2.45	2,632.73
Net financial assets	5,717.68	236.66	468.55	436.20	6,859.09
As at 31 March 2019					
Financial assets	USD	GBP	EUR	Others	Total
Trade receivables	1,223.55	210.92	338.43	188.58	1,961.48
Cash and cash equivalents	1,163.57	-	-	10.30	1,173.87
Unbilled receivables	2,259.81	85.53	144.47	324.59	2,814.40
Total financial assets	4,646.93	296.45	482.90	523.47	5,949.75
Financial liabilities					
Trade payables	158.17	0.72	-	52.95	211.84
Borrowings	1,383.10	-	-	-	1,383.10
Other financial liabilities	40.29	-	-	-	40.29
Total financial liabilities	1,581.56	0.72	-	52.95	1,635.23
Net financial assets	3,065.37	295.73	482.90	470.52	4,314.52

CONSOLIDATED FINANCIAL STATEMENTS

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 receivables are as below:

Currency	As at 31 March 2020		As at 31 March 2020	
	Amount (million)	Amount in (₹ million)	Amount (million)	Amount in (₹ million)
Balance sheet hedges*				
USD	110.80	8,383.68	64.79	4,480.55
GBP	5.13	479.67	3.28	296.92
EUR	8.87	734.17	7.20	559.24
CAD	2.94	156.06	3.99	205.64
AUD	5.56	256.18	2.13	104.41
SGD	0.47	24.92	1.00	51.04
SEK	5.64	42.14	-	-

Forward contracts outstanding against payables are as below:

USD	31.00	2,345.62	20.00	1,383.10
GBP	3.42	319.78	-	-

* Includes hedges taken on transactions within the Group.

Sensitivity analysis

For every 1% appreciation / depreciation of the respective foreign currencies, the Group's profit before taxes will be impacted by approximately ₹ 4.90 million for the year ended 31 March 2020 (31 March 2019: ₹ 2.50 million).

40. FAIR VALUES

Financial instruments carried at amortised cost such as cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, unbilled receivables, 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 generally a bank. Foreign exchange forward contracts 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.

41. 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 Group uses foreign exchange forward contracts to manage exposure on some of its transactions. The counterparty, for all derivative financial instruments is a bank.

The Group has taken cash flow hedges on account of highly probable forecast transactions. 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

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

Currency	As at 31 March 2020			As at 31 March 2019		
	Number of contracts	Notional amount (million)	Fair value gain/(loss) (₹ million)	Number of contracts	Notional amount (million)	Fair value gain/(loss) (₹ million)
USD	492	549.20	(1,392.68)	366	462.44	392.75
GBP	84	15.53	36.50	59	15.23	68.72
EUR	95	19.21	25.03	64	18.17	132.35
CAD	12	7.88	9.62	11	5.76	14.53
AUD	70	9.88	42.77	36	8.70	28.62
Total			(1,278.76)			636.97

The movement in cash flow hedging reserve for derivatives designated as cash flow hedge is as follows: (₹ million)

	Year ended 31 March 2020	Year ended 31 March 2019
Balance as per previous financial statements	416.85	236.90
Change in fair value of effective portion of cash flow hedges	(1,718.61)	(611.05)
(Gain) / loss transferred to statement of profit and loss on occurrence of forecasted hedges	(197.12)	883.87
Income tax effect on the above	667.38	(92.87)
Total	(831.50)	416.85

Sensitivity analysis

Every 1% appreciation / depreciation of the respective underlying foreign currencies, the Group's OCI will decrease / increase by approximately ₹ 451.00 million (31 March 2019: ₹ 337.00 million).

Impact of Covid-19

The Group basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by Covid-19 pandemic. The Group has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Group continues to believe that there is no impact on effectiveness of its hedges.

42. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on 13 May 2020 have proposed a final dividend of ₹ 35 per equity share for the year ended 31 March 2020 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 ₹ 6,528.75 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
13 May 2020

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer
New York

V. Suryanarayanan
Executive Vice President &
Chief Financial Officer

Bengaluru
13 May 2020

Narayanan Kumar
Director
Chennai

Subramanian Narayan
Vice President & Company Secretary

Bengaluru

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Global Economy

After a promising 2017 and early 2018, the global economy went on a declining path, while it started with speculations and apprehensions in 2019. Growth projection reduced from 3.6% in 2018 to 3.3% in 2019. The continued trade war between the U.S and China, uncertainty over BREXIT kept investors in a niggles. Markets of heavy industries remained sluggish. Growth projection of the U.S reduced from 2.9% in 2018 to 2.6% in 2019 driven by softer domestic demand and weaker imports. Growth in Europe projected to decline from 2.3% in 2018 to 1.3% in 2019 driven by weaker external demand. Japan was set to grow by 0.9% in 2019 driven by the large contribution of exports due to the sharp fall in imports. (Source: IMF).

Growth projections reduced to 3.2% in the second quarter of 2019 and further reduced to 2.9% in the third quarter, which was the lowest since 2008-09. However, in the fourth quarter world economy showed signs of revival, thanks to a boost in market sentiment in manufacturing industries and a resilient service sector growth. Accommodating monetary policies by most governments helped as multilateral and national policies are vital for global growth. The growth rate was projected to increase from 2.9% to 3.3%. (Source: IMF) In the closing quarter of 2019 when the U.S -China tensions were getting eased, BREXIT got welcomed by the investors. However, the rally was short-lived with the onset of COVID-19 pandemic across the globe. China was the first country to experience the impact of the disease which later spread to European countries such as Italy, Spain, and France, followed by the United States. The COVID-19 pandemic is expected to push the world into a deep recession. As per the UN, the global economy could shrink by up to 1% in 2020 due to the coronavirus pandemic, a reversal from the previous forecast of 2.5% growth. The impact of this pandemic is widely expected to be disruptive in nature and will impact most of the socio-economic aspects of life. With more than 100 countries closing their national borders during the pandemic period, the economic impact of the pandemic shall be huge.

As we step into the 'New Abnormal', the world will undoubtedly witness short to medium term impact including spike in volatility, deterioration in market liquidity, stress in funding markets, surge in public borrowings and plummeting of the asset prices all leading to a shrinking economy. However, monetary, fiscal, and financial policies by various economies will work to cushion the impact of the pandemic shock and to ensure a steady, sustainable recovery once things are under control.

What is most critical for organizations to action in the new abnormal is to think ahead and strategize on two core aspects. In the short term - how to manage a gradually re-open of business, focusing on key products and services, restructuring their priorities as well as employee and customer initiatives. Once this starts to take root, enterprise focus is likely to very quickly pivot to focusing on how to trigger the next wave of business growth. Going by the imperative that the pandemic has occasioned to virtualize nearly every industry, undoubtedly harnessing technology in all its forms is going to be a deciding factor for how companies survive and stay ahead. While the tsunami of exponential technological advancements continues to stack over one another both in scale and impact; the technology industry will continue to write the operating system for digital global economy, one thing becomes more certain: **digital adoption will accelerate exponentially**. Even the most tightly regulated industries, including banking, insurance and healthcare should and will accelerate transforming business operations with urgency— seamlessly and at scale. While it is tempting to backburner digital strategy, organizations will rapidly rethink business models with digital first approach by embracing all forms of modernization and digital transformation to shorten time scales thus enabling end-to-end digital transaction and integration to emerge stronger than before and survive the testing times.

IT Industry Outlook

The global IT industry is on pace to reach \$5.2 trillion in 2020, according to the research consultancy IDC. The United States is the largest tech market in the world, representing 32% of the total, or approximately \$1.7 trillion for 2020. In the U.S., as well as in many other countries, the tech sector accounts for a significant portion of economic activity. Despite the size of the U.S. market, the majority of technology spending (68%) occurs outside the U.S. Among global regions, western Europe remains a significant contributor, accounting for approximately 20% of technology spent worldwide. China has also established itself as a major player in the global tech market.

According to the IBEF (India Brand Equity Foundation) figures, the Indian IT industry is set to touch \$225 billion by 2020. Industry experts and NASSCOM predict the Indian IT workforce will touch 30 million by 2020, becoming the highest sector employer. India is amongst the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entirely new scale of opportunities for top IT firms in India. Export revenue of the industry is expected to grow 7-9 percent year-on-year to \$ 135-137 billion in FY19. Indian IT services companies are synchronizing with demand and have brought the revolution within themselves to take advantage of the changing scenario. India has become one of the major hubs of digital capabilities with around 75% of global digital talent present in the country. Digital transformation business expected to be over one-third of total business revenue (39%) in 2020, up 10% from 29% in 2017 as per Gartner. It develops a productive relationship between business and IT roles, which is the key to sustaining digital business success. Next-Gen Technologies such as Industrial Automation, Robotics & Drones, Cloud, Internet of things (IoT), Augmented & Virtual reality (AR/VR technologies), Big Data and Analytics, AI and Blockchain are the key technologies driving the digital transformation business.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Mphasis Overview

Mphasis is an Information Technology solutions provider that 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 (C=X2C2TM=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 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, EDS was acquired by Hewlett-Packard (HP). 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. In September 2016, Blackstone Group through its fund "Marble II PTE" completed the share purchase and the Company has become a Blackstone group of Company since then. Blackstone is one of the world's leading investment and advisory firms with over US\$550 billion in assets under management.

Mphasis's customer centric approach and technology expertise help enterprises transform businesses globally. We deliver business value by harnessing the exponential power of cloud and cognitive and providing hyper-personalized digital experiences to clients and their customers. We deliver quick return on investments which focus on savings and enable these projects to self-funded. To this end we deploy our industry leading Front2Back™ (F2B) and Service Transformation approaches. Our differentiated, highly customized and platform-based Service Transformation offerings help 'shrink the core' and manage run business through the application of digital technologies across legacy environments within an enterprise; this allows businesses to stay ahead. Mphasis applies advancements in cognitive and cloud to traditional application and infrastructure services to bring much needed efficiency and cost effectiveness.

Mphasis continue to focus on delivering value to clients and push to learn and adopt these emerging technologies at scale and speed and has strong belief that our offerings are our true heroes. Mphasis continue to be focused on being disciplined, sustain growth efforts above all and invest in people, process and technologies. During the year, Mphasis emphasized the objective to deliver growth along the 4 key dimensions: consistent, competitive, profitable and responsible growth and is happy with the execution along these vectors through the year.

Revenues

We have continued the growth momentum in FY 2020 and have registered consecutive year of double-digit growth. Reported Net revenue in FY20 was ₹ 88,435 million representing a growth of 14.4% FY19. During the year rupee depreciated 1.8% against USD. Adjusting for the rupee depreciation, net revenue grew 13.3% in FY20.

Overall gross revenue grew 12.8% in FY20 to ₹ 88,238 million. On a constant currency basis, overall gross revenue grew 11.7% in FY20. Direct International revenue grew 15.4% on a reported basis and 13.8% in constant currency basis in FY20 to ₹ 61,553 million. Direct Core, which constitutes 83% of FY20 Direct International revenue, grew 16.9% in FY20 on a reported basis and 15.4% in constant currency basis. The growth has been broad based across our three key portfolios of existing strategic accounts, Blackstone portfolio companies and new accounts. Revenue from New Gen services, which is one of our key focus areas, grew 35% in FY20. New Gen Services contributed 53.1% of Direct Core revenues for the year ended March 2020.

Revenue from DXC/HP business continued to witness significant growth momentum at a reported growth rate of 7.7% in FY20. Revenue grew 7.5% on a constant currency basis in FY20. Revenue from DXC/HP was ₹ 23,829 million in FY20 and constituted 27% of the gross revenue.

	(₹ millions)			
	Year ended 31 Mar 2020	%	Year ended 31 Mar 2019	%
Direct International	61,553	70%	53,340	68%
DXC / HP Business	23,829	27%	22,121	28%
Others	2,856	3%	2,732	4%
Total	88,238		78,194	

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Segment Revenues

A segment analysis of revenues for the year ended March 2020 is given below:

(₹ millions)

Segment	Year ended 31 Mar 2020	%	Year ended 31 Mar 2019	%
Banking and Capital Market	40,085	45%	35,432	45%
Insurance	10,051	12%	9,072	12%
Information Technology, Communication & Entertainment	13,971	16%	13,356	17%
Emerging Industries	24,131	27%	20,333	26%
Total Revenues	88,238		78,194	

Focus vertical of Banking and Capital Markets grew 13.1% on a reported basis over FY19. Banking and Capital Markets and Insurance segments comprise 57% of our overall revenue. Contribution from Emerging Industries segment has been increasing consistently and constituted around 27% of overall revenue. The segment reported a strong growth of 18.7% in FY20.

Revenues by Geography

(₹ millions)

Regions	Year ended 31 Mar 2020	%	Year ended 31 Mar 2019	%
AMERICAS	68,745	78%	61,585	79%
EMEA	9,887	11%	8,783	11%
INDIA	4,483	5%	4,463	6%
ROW	5,124	6%	3,362	4%
Total	88,238		78,194	

Americas continue to be our focus market and revenue grew by 11.6% in FY20 on a reported basis. Our strategy to find growth in other regions including EMEA has paid rich dividends with EMEA and RoW reporting growth rates of 12.6% and 52.4% in FY20.

Revenues by Service Type

(₹ millions)

Service Type	Year ended 31 Mar 2020	%	Year ended 31 Mar 2019	%
Application Maintenance	26,902	30%	26,235	34%
Application Development	29,026	33%	22,805	29%
Customer Service	886	1%	875	1%
Knowledge Processes	7,644	9%	7,036	9%
Transaction Processing Service	6,348	7%	4,946	6%
Service / Technical Help Desk	6,180	7%	5,569	7%
Infrastructure Management Services	11,062	13%	10,599	14%
License Income	191	0%	129	0%
Total	88,238		78,194	

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Application Maintenance involves maintenance of existing customer software and is mostly undertaken on annuity terms.

Application Development refers to customized software development services based on the requirements and specifications given by customers and documented in a Statement of Work. Revenues grew by 27.3% during FY20.

Customer Services include receivables collection support, product support, enrolment etc. provided to clients through BPS operations. **Knowledge Processes** refer to the outsourcing of relatively high-level processes of the customer and Risk, Compliance and Transaction management solutions in the US housing market. Revenues grew by 8.6% during the year.

Transaction Processing includes claims processing, account opening and maintenance, data processing and management. Revenues grew by 28.4 % during the year.

Service/Technical Help Desk comprise of inbound and outbound customer interaction programs including technical product support, customer care and allied services. Revenues grew by 11.0 % during the year.

Infrastructure Management Services include end-to-end managed mobility solutions covering workplace management & other support services, hosting services which comprise of mainframe or midrange, application & web hosting services, Payment Managed Solutions and data center services focused on migration, automation & other software services.

License Income pertains to the income from license sale in the health care space of the Company's product Javelina and Wynsure. Revenues grew by 48.6% in FY20.

Revenues by Delivery Location

(₹ Millions)				
Delivery Location	Year ended 31 Mar 2020	%	Year ended 31 Mar 2019	%
Onsite	51,094	58%	45,122	58%
Offshore	37,144	42%	33,071	42%
Total	88,238		78,194	

Revenues by Project Type

(₹ Millions)				
Project Type	Year ended 31 Mar 2020	%	Year ended 31 Mar 2019	%
Time and Material	65,187	74%	59,047	76%
Fixed Price	23,052	26%	19,147	24%
Total	88,238		78,194	

We continue to focus on increasing the revenue from Fixed Price contracts as it is an important margin lever for us. In FY20, the revenue from fixed price contracts increased 20.4% to ₹ 23,052 million and constituted 26% of overall revenue.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

	(₹ Millions)		
	Year ended 31 Mar 2020	Year ended 31 Mar 2019	YoY Growth %
Gross Revenues	88,238	78,194	12.8%
Adjustment from Hedging Reserve	197	(884)	
Net Revenues	88,435	77,310	14.4%
Cost of Revenues	65,097	56,428	15.4%
COR%	73.6%	73.0%	
Gross profit	23,338	20,882	11.8%
GM%	26.4%	27.0%	
Selling Expenses	4,912	4,800	2.3%
SE%	5.6%	6.2%	
General and administrative expenses	4,238	3,603	17.6%
GA%	4.8%	4.7%	
Operating Profit	14,188	12,479	13.7%
Operating Profit %	16.0%	16.1%	
Foreign Exchange gain, net	147	168	-12.7%
Other Income, net	1,631	1,599	2.0%
Interest Expenses	(812)	(174)	366.5%
Profit before taxation	15,154	14,073	7.7%
Income taxes	3,305	3,339	-1.0%
-Current	3,495	3,191	9.5%
-Deferred	(190)	148	-228.3%
Net profit	11,848	10,734	10.4%
Earnings per share (par value ₹ 10)	63.6	56.1	13.4%

Note: 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 FY20 was at ₹ 65,097 million. Cost of revenues was 73.6% of revenues as compared to 73.0% during the previous financial year.

Selling Expenses

Selling expenses for the year ended March 2020 was ₹ 4,912 million representing 5.6% of revenues against 6.2% of revenues in the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General and administrative Expenses

General and administrative expenses for the year ended March 2020 was ₹ 4,238 million representing 4.8% of revenues against 4.7% of revenues in the previous year.

Operating Profit

Operating profit for the year ended March 2020 was ₹ 14,188 million and grew 13.7% in FY20.

Income Taxes

Income taxes were ₹ 3,305 million for FY20 as compared to ₹ 3,339 million for FY19. The effective tax rate decreased from 23.7% in FY19 to 21.8% in FY20.

Net Profit

Net profit for FY20 grew 10.4% over FY19 to ₹ 11,848 million. Net margin for FY20 was 13.4% as against 13.9% for FY19.

Earnings per share

Earnings per share grew from ₹ 56.1 for the year ended March 2019 to ₹ 63.6 for the year ended March 2020, which represents a growth of 13.4%.

Ratios

Ratios	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Debtors Turnover	5.1	5.1
Current Ratio	2.0	2.1
Interest Coverage Ratio	58.4	71.9
Debt Equity Ratio	0.1	0.1
Operating Profit Margin	16.0%	16.1%
Net Profit Margin	13.4%	13.9%
Return on Equity	21.4%	20.0%
Inventory Turnover	NA	NA

The Company has delivered return of more than 20% this year as well 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.

DIRECTORS' PROFILE

Mr. Davinder Singh Brar, Chairman

Mr. Davinder Singh Brar joined the Board of Mphasis in April 2004 and was elected as 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. He further completed his master's in Business Administration with top rank (Gold Medal) from the Faculty of Management Studies, University of Delhi. After having started his career in 1974 with The Associated Cement Companies Limited (ACC), Mr. Brar has been associated with the Pharmaceutical Industry for more than three decades. Mr. Brar spent major part of this period (1977 – 2004) with Ranbaxy Laboratories Limited – then India's largest Pharmaceutical Company at various positions and rose to the level of President in 1993. He became the CEO and Managing Director of Ranbaxy in 1999. Mr. Brar stepped down from this position in 2004 to start his entrepreneurial journey and ventured into GVK Biosciences - a leading Contract Research Organization (CRO) providing Discovery and Development services to Global Life Sciences Companies.

Mr. Brar currently holds Board positions in various Indian and International companies like Maruti Suzuki India Limited, Wockhardt Limited and Essel Propack Limited (Chairman of the Board) and acts as an Advisor to start-ups funded by Private Equity and Venture funds. He is currently a promoter of GVK Biosciences Private Limited and Excelra Knowledge Solutions Pvt. Ltd. He is also a member of the Advisory Board of the USA-India Chamber of Commerce (USAIC).

From 2000 to 2007, Mr. Brar served as a Director of the Reserve Bank of India (RBI) and was also a member of the Inspection and Audit Sub-Committee of the Central Board of Directors of the RBI. Mr. Brar also served as a Senior Advisor to Private Equity firms such as Temasek Capital (Private) Limited and Kohlberg Kravis Roberts (KKR) from 2011-2015 and was a Special Advisor to the Board of Directors of Adamas Pharmaceuticals Inc.

Mr. Brar has been involved with some of the premier Research and Educational Institutions in India. He has served as a member on the Board of National Institute of Pharmaceutical Education and Research (NIPER), SAS Nagar, Punjab and as a member of the Board of Governors of the Indian Institute of Management, Lucknow (IIML).

Mr. Brar has been involved with several leading industry associations in India. 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 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 including R&D and pricing policies. He served as a member of Consultative Group on Exports of Pharmaceutical Products, under the Chairmanship of Hon'ble Minister of Commerce, Industry and Textiles, Government of India.

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 Executive Director

Mr. Nitin Rakesh joined the Board of Mphasis as its CEO and Executive Director in January 2017. He is a distinguished leader in the IT services industry.

In the first year of taking on the mantle as the CEO of Mphasis, Mr. Rakesh introduced 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, enabling Business Operations, Technology Transformation and Service Transformation, driven by IP assets.

Under Mr. Rakesh's leadership, Mphasis set a record of highest deal wins in the history of the company, thus re-defining benchmarks and growing above industry rate. Mphasis stock price observed an increase of more than 2x, in two years and revenue from digital projects increased substantially. His laser focus on quadra dimensional growth – consistent, profitable, competitive and responsible, led to enhanced shareholder value. His motto to accelerate value creation for customers, shareholders and employees builds a growth-focused culture within the company.

Prior to joining Mphasis, Mr. Rakesh was the Chief Executive Officer and President of Syntel (a NASDAQ listed IT Services company). Mr. Rakesh has a proven track record of delivering profitable growth at industry leading operating margins. Before he was appointed as the CEO, he served as a President, Americas for Syntel, where he headed Business Development and North American operations.

DIRECTORS' PROFILE

Mr. Rakesh 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. Mr. Rakesh has an entrepreneurial mindset and a focus on launching innovative new service offerings, including in automation.

Mr. Rakesh served at Syntel in various capacities (most recently as the CEO) between 2012 to 2016 and also before that between 2002 to 2008.

Between 2008 to 2012, he served as the CEO and Managing Director of Motilal Oswal Asset Management Company. During his tenure, the company was named “Most Innovative ETF, Asia Pacific” at the 2011 ETF Awards in New York, and the “Most Innovative Mutual Fund, India” in 2010 at the CRISIL - S&P Mutual Fund 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. In addition, he has worked with the TCG Group, a transnational private equity and investments firm as the Head of Banking and Financial Services Sales at TCG Software Services between 1999 to 2002.

Earlier in his career, Mr. Rakesh worked for Unit Trust of India, setting up offshore mutual funds and secondary Market Research Cell, Product Development and Risk Management divisions.

Mr. Rakesh won the ‘2019 American Business Awards – International Business Awards Gold Stevie’ under the ‘Tech Innovator of the Year –Services’ category. The 2018 International Business Awards and American Business Awards 2018 recognized Mr. Rakesh as ‘Executive of the Year - Computer Services’, felicitating him with Gold Stevie under the Management award category. Mr. Rakesh also won the ‘2018 Outstanding 50 Asian Americans in Business’ Award, recognizing him for the innovative growth strategy translating Mphasis into one of the fastest growing digital companies.

Mr. Rakesh is also an active member of various institutions globally, such as US – India Strategic Partnership Forum (USISPF) driving financial services council and business relations between US and India. He is also on the advisory board of Knowledge@Wharton, The Wharton School, University of Pennsylvania’s driving digital transformation discussions at grass root level. Mr. Rakesh is a member of the Wall Street Journal CEO Council and a Industry Expert and practitioner with the Forbes Technology Council. He globally advises their readers on current, as well as future, technologies and trends.

Mr. Rakesh is a founding member of Plaksha University, a new model of engineering education and research through collective philanthropy to transform higher education in India.

Mr. 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, a multinational US\$ 1 billion conglomerate headquartered in Chennai, India with manufacturing facilities in India, Mexico and Egypt. The Group is engaged in key business sectors - Chemicals (including Speciality Chemicals), Engineering (Products and Steel Castings) and Shipping.

Mr. 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.

As a spokesman of Industry and Trade, he was a former President of CII and has participated in other apex bodies.

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

Mr. 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 two Schools.

Mr. Kumar is an Electronics 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.

DIRECTORS' PROFILE

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, Corporate Project Management, Operational Risk Management and Offshore Services.

At Schwab, Ms. Hier held several other positions, including, Chief Information Officer; Executive Vice President of Human Resources; Head of Electronic Brokerage Technology that developed schwab.com; and Head of Schwab Institutional Technology.

Before joining Schwab in 1994, Ms. 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. Previously, she was a telecommunications specialist at Bank of America.

Ms. Hier was also a partner of a start-up (Bicycle Financial – www.bicyclefinancial.com) and Director of XO Group Inc.

As an economist with the Bureau of Labor Statistics, she was instrumental in the original development of a Producer Price Index for the telecommunications industry and was called on as an expert witness at the U.S. House of Representatives.

Ms. 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. Johnson is a senior advisor to Blackstone, where he has led many of their Private Equity technology investments. He joined the firm in 2013 and is based in New York. He is currently a Director of Cloudreach Inc, and Insights. Mr. Johnson is a Trustee in Mercy College, New York, USA.

Before joining Blackstone, Mr. 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. Johnson held a number of positions at IBM, including Vice President of Corporate Development, responsible for the company's acquisitions, divestitures, minority investments and acquisition integration. Mr. Johnson received a B.A. in English and an M.B.A. from Boston College.

Mr. Paul James Upchurch, Director

Mr. Paul James Upchurch joined the Board of Mphasis in September 2016.

Mr. Upchurch is the Chief Operating Officer, Europe, for Lombard International Assurance. In this role, he is restructuring for profitable growth and creating a long range sustainable operating model.

Mr. Upchurch joined Lombard International Assurance from Blackstone, where he led the Enterprise Systems function within Blackstone's Portfolio Operations group. He worked with senior leaders to drive high performance outcomes through the effective implementation of enterprise systems and business improvements across over 50 Blackstone portfolio companies. In addition, Mr. Upchurch was heavily involved in shaping the business development strategies across the consulting firms owned by Blackstone.

Mr. Upchurch has a unique blend of private equity, operating and consulting expertise that enables him to pivot across commercial, operational and technical needs of companies seamlessly.

Before joining Blackstone, Mr. Upchurch worked as an Executive Vice President and a member of the North America leadership team at Nielsen, previously owned by Blackstone. Mr. Upchurch led teams to elevate client relationships and tackle Nielsen clients' most pressing business issues.

Prior to that, Mr. Upchurch had a successful career in management consulting. He guided clients on a wide range of enterprise technology and operational improvements, serving as a leader on complex, multi-year transformations, outsourcing, as well as rapidturn carve-outs and integrations.

DIRECTORS' PROFILE

Mr. Amit Dixit, Director

Mr. Amit Dixit joined the Board of Mphasis in September 2016. Mr. Dixit is a Senior Managing Director, Co-Head of Asia Acquisitions, and Head of India for Blackstone Private Equity. Since joining Blackstone in 2007, Mr. Dixit has been involved with various investments and investment opportunities in India and South Asia. Previously, Mr. Dixit was a Principal at Warburg Pincus. Mr. Dixit 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. He currently serves as a Director of several other companies including TaskUs, Aadhar Housing Finance, EsselPropack, Aakash Education, Sona Comstar, IBS Software Pte Ltd, Jagran Prakashan and Mid-Day Infomedia. Mr. Dixit was previously a Director of Intelnet Global Services, Trans Maldivian Airways, Igarashi Motors India, S.H. Kelkar and Emcure Pharmaceuticals.

Mr. Amit Dalmia, Director

Mr. Amit Dalmia joined the Board of Mphasis in September 2016. Mr. Dalmia is an Operating Partner in the Corporate Private Equity group and is based in Mumbai. Since joining Blackstone in 2010, Mr. Dalmia has led significant improvement in the performance and development of Blackstone portfolio companies in India. Before joining Blackstone, Mr. Dalmia had diverse operational experience of over 13 years with Hindustan Unilever India ("HUL") in various management and business leadership roles.

Mr. Dalmia has undergone a management training program with the Indian Institute of Management, Ahmedabad. Mr. Dalmia 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 Lux joined the Board of Mphasis in August 2018. Mr. Lux has been a financial services consultant and practitioner for over 30 years and has been on company boards 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. Lux has a broad network of C-suite executives, with whom he has worked with on some of their most important issues. He 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. 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. 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. Lux is also a Senior Fellow at Wharton and Georgetown.

As a thought leader, Mr. 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. 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. 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. Marshall also attended Harvard Business School where he was a Baker and Ford Scholar (awarded to the number one student in each graduate school).

BOARD'S REPORT

Dear Shareholders,

We have pleasure in presenting you the twenty ninth Annual Report of your Company for the year ended 31 March 2020.

FINANCIAL PERFORMANCE

Key aspects of the financial performance of the Company are as follows:

(₹ million)

Particulars	CONSOLIDATED		STANDALONE	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
Total Income	90,214	79,077	46,704	35,526
Expenses	75,060	65,004	32,828	25,799
Profit before taxation	15,154	14,073	13,876	9,727
Net Profit	11,848	10,734	12,051	7,694
Transfer to General Reserve	1,205	769	1,205	769

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, in this Annual Report.

OUTLOOK

Technology companies globally have spent the past few years advising businesses to pivot their strategy to be 'Digital first'. As the ever-changing demand of consumers, powered by their new expectations through use of smart phones, increase pressure on businesses; the only way enterprises can count on surviving and thriving is by being agile, nimble and disruptive. However, what the world did not anticipate is a pandemic, that is literally, a bolt from the blue; causing economies to grind to a halt. This has impacted global supply chains, financial markets, international and domestic travel, crude oil prices, retail and consumer businesses among others. The latest Global Financial Stability Report shows that the financial system has already felt a significant impact, and a further spiralling of the crisis could affect global financial constancy.

As we step into the 'New Abnormal', universally we will undoubtedly witness short to medium term impact, including spike in volatility, deterioration in market liquidity, stress in funding markets, surge in public borrowings and plummeting of the asset prices all leading to a shrinking economy. However, monetary, fiscal and financial policies by various economies will work to cushion the impact of the pandemic shock and to ensure a steady, sustainable recovery once the virus is under control. The pandemic, although extensive in its impact on industry, is not indicative of a structural change; it does not signal a break in the system. It is a pause, and growth will return and markets will self-correct.

What is most critical for organizations to action in the new abnormal is to think ahead and strategize on two core aspects. In the short term - how to manage a gradually re-opening of business, focusing on key products and services, restructuring their priorities as well as employee and customer initiatives. Once this starts to take root, enterprise focus is likely to very quickly pivot to focusing on how to trigger the next wave of business growth. Going by the imperative that the pandemic has occasioned to virtualize nearly every industry, undoubtedly harnessing technology in all its forms is going to be a deciding factor for how companies survive and stay ahead. While the tsunami of exponential technological advancements continues to stack over one another, both in scale and impact; the technology industry will continue to write the operating system for digital global economy, one thing becomes more certain: digital adoption will accelerate exponentially. Even the most tightly regulated industries, including banking, insurance and healthcare will accelerate transforming business operations with urgency seamlessly and at scale. While it is tempting to backburner digital strategy, organizations need to rapidly rethink business models with digital first approach by embracing all forms of modernization and digital transformation to shorten time scales thus enabling end-to-end digital transaction and integration to emerge stronger than before and survive these testing times.

From the dotcom bust to 9/11 to the great recession, disruptions have thwarted digital strategies. According to Forrester Research, "CIOs even have a cost-cutting playbook that starts with hardware haircutting and elimination of new projects. But organizations that contained costs during past disruptions felt pressure from companies that took a pro-investment approach when the global economy rebounded."

BOARD'S REPORT

Your Company will spend all its efforts in leveraging the accelerated and urgent client needs and continue to become a trusted partner of choice to enable their transformation. Inspired by the exponentiality and disruptiveness of smart tech; as an Applied Tech Company, Mphasis is enabling rapid development and constant renewal of its offerings, while helping clients reduce their technical debt that comes with legacy. The Company identified a set of eight services to focus on, as part of bringing 'T back into IT' mindset – DevOps, Cloud Native App Dev, Legacy Modernization, Enterprise Automation, Next Gen Data, Application Management Services, Infrastructure Management Services and Cyber Security.

Mphasis reorganized its competency groups to become more agile, and created virtual Tribes around these services, as cross-functional teams, focused on developing, evolving and building next-gen offerings. The Company also reorganized the go-to-market teams as Squads on a need basis – with each portfolio Tribe having these Squads come together to build, bid and deliver specific offerings (or a cross section of offerings) in an agile manner. This is a strong indication of the Company's continued focus on building capability along these services, complementing them with strong industry domain as well as market leading engagement methodologies using Design Thinking, Architecture and Engineering capabilities to engage clients in solution design and problem identification, prioritization and deployment!

Recently, Amazon Web Services (AWS) awarded Mphasis the highest possible partner status - Premier Consulting Partner in the AWS Partner Network (APN). This was a result of successfully delivering platform led enterprise portfolio modernization and migration programs on industrial Development, Security and Operations (DevSecOps) foundations. The acquisition and integration of Stelligent, followed relentlessly on jointly achieving Premier Status by bringing the next generation of Dev(Sec)Ops enabled Cloud and Cognitive solutions on to AWS. Your Company is working towards bringing a financial service focused as well as horizontal set of solutions in application development, modernization, data and DevSecOps harnessing the power of the AWS platform in 2020. In addition, Mphasis' new Deep Learning algorithms are also available on Amazon Web Services (AWS) Marketplace for Machine Learning. The on-demand solutions target practical enterprise use cases such as influence analytics, insurance claims analysis, payment card fraud, and image analytics for supply chain and logistics. AWS Marketplace is enabling Mphasis put the power of machine learning into the hands of developers virtually everywhere.

Mphasis NEXT Labs has been granted a U.S. patent for its artificial intelligence (AI) system for tracking, managing and analyzing data from unstructured data sources. The patented algorithms have been integrated as part of Mphasis' NextLabs solutions such as HyperGraf™ a comprehensive, feature-rich, business intelligence and analytics solution, as well as DeepInsights™ a cognitive intelligence platform, which enables enterprises to gain faster and more effective access to insights from the data. The patent further validates Mphasis' leadership, innovation and capability to assist clients in utilizing the latest artificial technologies to examine cognitive analysis and emergent data.

In order to address the evolving needs and challenges Mphasis' clients face regarding their complex IT environment; your Company has partnered with various start-up and innovation organizations, including:

- QEDIT – to offer Privacy-Enhancing Technology solutions on Blockchain to enable enterprises fight fraud, verify identities, and uphold compliance with local data privacy regulations.
- Camunda - to boost clients' workflow and decision automation capabilities and gain a stronger digital foothold for existing Business Process Management (BPM) clients.
- Esgyn Corporation - to optimize Open-Source frameworks and expand industry footprint by harnessing big data thus providing business insights for both operational as well as strategic business needs.
- Quantel AI - to deliver AI-based Risk Management solutions to build contextual solutions for its clients across multiple industries.

Mphasis is poised to embrace a year of uncertainty, while at the same time having a finger on the pulse of change as we help clients reinvent themselves for changed times. This will require staying ahead of competition while remaining close to employees, clients and other stakeholders. When the world returns to business your Company will be riding the next wave.

DIVIDEND

Your directors are pleased to recommend a final dividend of ₹ 35/- per equity share of ₹ 10 each for the financial year ended 31 March 2020, subject to your approval at the ensuing Annual General Meeting.

ENTERPRISE RISK MANAGEMENT

Enterprise risk management (ERM) at Mphasis assists the company in identification, assessment, monitoring, mitigation and reporting of strategic, operations, financial, compliance and information risks. The program is aligned to the business strategy of the Company and has the following objectives:

1. Make risk informed decisions – no big mistakes;
2. Find the unexpected before it finds you – no big surprises; and
3. Improve readiness to tackle uncertainty – bring clarity and certainty

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.

BOARD'S REPORT

CORPORATE GOVERNANCE

A report on Corporate Governance along with a certificate from a Practising Company Secretary confirming the compliance for the year ended 31 March 2020 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed and forms part of this Report.

EMPLOYEES

Mphasis constantly encourages employees to be empowered and enthusiastic about work. The Company's HR programs are based on principles of equality and have been designed to support the Company's culture of high performance and innovation. We focus on attracting and onboarding the best-in-class future ready talent. In a move to aggressively pursue top talent in this digital age, we have implemented innovative processes, enhanced digital platform, characterized by state-of-the-art technology, with skill community-based hiring capabilities. We strongly believe in being an equal opportunity employer with focus on diversity and inclusion – and this is embedded in our hiring approach. Mphasis enables meritocracy and skill-development through various programs aimed at 'Pay for Performance' and 'Enable Skilling'. Our employees' pay structure and career progression are based on this ideology. This year, we have also undertaken multiple initiatives towards flexibility in leave/ vacation policies and better insurance programs across the globe, as we believe that we bring our best selves to work when we are able to balance all our needs. Our employees have vouched for the success of this approach resulting in your Company being certified as an Employer of choice by the 'Great Place to Work' institute and one of the Top fifteen Employers in the industry.

The Talent Next Program has evolved from a robust learning ecosystem into an overall HR ecosystem through a more holistic Talent transformation approach. While in the previous year, Talent Next primarily focused on aligning the competency development requirements to the X2C²™ strategy (read as capability building in Next Gen skills) and reward people for learnability, in FY20 the focus shifted to linking Talent Next to the overall Hire to Retire (H2R) processes. It became the focal point for strategic talent planning and integrated the talent acquisition, talent development, performance management, employee productivity, engagement, total rewards and retention. The Talent Next platform matured into a cognitive automation tool with learning recommendation engine based on both business requirements as well as employee aspirational needs. Further, it is powered with a host of immersive learning features and provides comprehensive learning resources for over 700 skills. On the learning adoption front, there has been a significant uptake compared to the previous year, especially in the New Gen skills.

The importance that Mphasis levies on celebrating Inclusion and Diversity (I&D) within the organization has taken paramount precedence this year. The office of I&D strengthened its commitment further by hosting an array of activities. These activities ranged from forums like 'Integrated Circuit' for interaction with successful leaders, particularly women from the industry, to sessions on inclusion of LGBTQ+ community within the work environment. Our consistent efforts in the I&D space have been instrumental in us achieving accolades such as: 'Best Employer for Diversity and Inclusion Policies (In Large Companies Category)' awarded by Associated Chamber of Commerce and Industry (ASSOCHAM), India, Top 100 Best Companies for Women to work in India, awarded by Avatar and Working Mother for 3 years in a row, amongst other recognitions.

As Employee Engagement, we recognized that every aspect of work should be re-imagined, shifting towards Employee Experience. Our engagement programs are conducted at various locations across the globe with calendared programs spread throughout the year spanning from Strategic Interventions to Rewards and Recognition, Pulse Surveys, Employee Experience and Communication, Process Consulting while also driving engagement through digital channels. Further details of employee engagement and wellness initiatives are described in the Business Responsibility Report forming part of this Report.

COMMUNITY OUTREACH

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Mphasis' CSR is executed through its philanthropic arm, Mphasis F1 Foundation. The Foundation invests in the areas of education, inclusion and livelihoods through non-profits and social enterprises (via incubators).

The current CSR strategy and operating principles aim to deliver substantial impact through identifying technology-based solutions/projects applied within our focus areas that benefit socially-excluded and economically disadvantaged groups. The selection process of these projects includes due diligence through primary and secondary research, reference checks with existing partners, along with formal review by the CSR Advisory Committee to drive the innovative solutions in the social space. Through this approach, it has been possible to build strategic relationships in the social sector and have the potential for scale and replication in the long term.

During the year, the Company spent ₹ 208 million on the CSR expenditure as against the mandated spend of ₹ 207.8 million.

The highlights of your Company's CSR activities are morefully described in the Business Responsibility Report forming part of this Report.

BOARD'S REPORT

PREVENTION OF SEXUAL HARASSMENT

Mphasis Code of Business Conduct (COBC) provides broad direction, as well as specific guidelines for all business transactions. The emphasis is on human rights, prevention of fraudulent and corrupt practices, avoidance of conflict of interest, prevention of Sexual Harassment and unyielding integrity at all times. The Company is committed to the provision of a workplace, free of Sexual Harassment ("SH") and to provide a redressal mechanism for all complaints of SH without fear or threat of reprisals in any form or manner whatsoever to all its employees irrespective of their gender and sexuality.

It is confirmed that during the year the Company has complied with applicable provisions in relation to sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, including the provisions relating to the constitution of Internal Complaints Committee under the said act.

During FY 2020, 54 sexual harassment complaints were filed, out of which 43 complaints were disposed off as on 31 March 2020. 11 complaints outstanding will be investigated and disposed off 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. As employees and representatives of the Company, they must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations. The Company has a Whistleblower Policy to enable persons who observe unethical practices (whether or not a violation of 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 breach of Code of Business Conduct and violation under code for prevention of Insider Trading. This Policy covers all Mphasis group companies and its affiliates and further extends to all Mphasis suppliers and contractors engaged in rendering their services.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The members, at the twenty fifth Annual General Meeting held on 4 November 2016, had appointed Ms. Jan Kathleen Hier as an Independent Director for a term of five years effective from 11 December 2015. Accordingly, the current term of Ms. Hier expires on 10 December 2020. Pursuant to Section 149 of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Hier is eligible for being re-appointed as an Independent Director for another term of five consecutive years effective 11 December 2020 ("the Re-appointment"). The Company has received a Notice under Section 160 of the Companies Act, 2013, from a member proposing the Re-appointment. Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 13 May 2020, approved, subject to approval of the members at the ensuing Annual General Meeting, the Re-appointment of Ms. Hier as an Independent Director.

In accordance with Section 152 of the Companies Act, 2013, Mr. Amit Dalmia and Mr. David Lawrence Johnson will retire by rotation at the ensuing Annual General Meeting and are eligible for re-election.

The profiles of the present directors including the directors seeking appointment/ re-appointment at the ensuing Annual General Meeting are provided in the Annual Report.

The Board recommends the appointment/ re-appointment of the above directors for approval of the members. Accordingly, necessary resolutions are being placed for approval of the members at the ensuing Annual General Meeting.

Mr. V Suryanarayanan ceases to be the Chief Financial Officer of the Company effective 15 May 2020 and will be retiring from the services by October 2020. The Board places on record its appreciation for the services rendered by Mr. Suryanarayanan as the Chief Financial Officer of the Company. The Board had at its meeting held on 16 March 2020, appointed Mr. Manish Dugar as the Chief Financial Officer of the Company effective 15 May 2020.

STATUTORY AUDITORS

The members have at the twenty seventh Annual General Meeting held on 7 August 2018, appointed M/s. BSR & Co. LLP (Registration No.101248W/W-100022), Chartered Accountants, as the Statutory Auditors of the Company under Section 139 of the Companies Act, 2013, for a period of 5 years, from the conclusion of twenty seventh Annual General Meeting till the conclusion of thirty second 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 2020.

BOARD'S REPORT

SECRETARIAL AUDITOR

The Board had in its meeting held on 6 February 2020 appointed Mr. S P Nagarajan, Practicing Company Secretary, as the Secretarial Auditor of the Company for the financial year ended 31 March 2020. In addition, as required under the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2019, 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) (Amendment) Regulations, 2019, the secretarial audit reports of the Company and its material subsidiary for the financial year 2020 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 of Directors confirm 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 2020.

BUSINESS RESPONSIBILITY REPORT (BRR)

The Company's business responsibility ingrains the spectrum of nine principles of National Voluntary Guidelines (NVG) issued by the Ministry of Corporate Affairs, Government of India, along with their key elements. The report has also incorporated the principles of the National Guidelines on Responsible Business Conduct (NGRBC) which are a revised version of the NVG's and are recommendatory as at the date. This is enabled by a suite of frameworks, governance, social objectives, codified culture, charters, policies, code of conduct and management systems integrated with the business process. Your Company reported its performance for the FY 2020 as per the BRR framework, describing initiatives taken from an environmental, social and governance perspective. A report detailing the business responsibility practices for the financial year ended 31 March 2020 is uploaded on the website of the Company at www.mphasis.com and forms part of the Annual Report.

OTHER DISCLOSURES

SUBSIDIARIES

As on 31 March 2020, 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 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 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 OPTIONS AND RESTRICTED STOCK UNITS

The Company's Employee Stock Options (ESOPs) are administered through the Mphasis Employees Equity Reward Trust and the Restricted Stock Units (RSUs) are administered through the Mphasis Employees Benefit Trust. Further, all the plans are administered by the ESOP Compensation Committee of the Board.

The Company has two stock option plans in operation, namely, Mphasis Employees Stock Option Plan - 1998 (ESOP 1998) (Version I and II) and Mphasis Employees Stock Option Plan -2016 (ESOP 2016), in addition to the Mphasis Restricted Stock Unit Plan -2015 (RSU 2015). During the year the Company has allotted 316,768 shares pursuant to the exercise of stock options and Restricted Stock Units.

The information to be disclosed as per Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014, for the financial year ended 31 March 2020 is annexed with this Report and also uploaded on the website of the Company at www.mphasis.com.

The Board of Directors of the Company, in its meeting held on 13 May 2020, based on the recommendations of the Nomination and Remuneration Committee and the ESOP Compensation Committee and subject to the approval of the members of the Company in this regard, keeping in view the talent retention measures, to enable the employees to further align with the long term interests of the Company and considering the capital market downtrend in the recent past in wake of COVID-19, approved extension of the exercise period under Employee Stock Option Plan 2016 (ESOP 2016) to sixty (60) months from the present exercise period of thirty six (36) months.

BOARD'S REPORT

Further the Board had at the above meeting, based on the recommendations of the Nomination and Remuneration Committee and the ESOP Compensation Committee and subject to the approval of the members of the Company in this regard, keeping in view the employee retention measures and as a gesture of gratitude to the retiring employees have approved acceleration of the unvested stock options as at the date of retirement, if the same is approved by the Compensation Committee. The accelerated options are proposed to be allowed to be exercised within 6 months from the date of retirement.

As per the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, any amendments to the stock option plans of the Company requires the approval of the members by means of a special resolution. Further, a separate special resolution is required to be passed by the members if the benefits of such amendments are required to be extended to the employees of the subsidiary companies. Accordingly, necessary resolutions in connection with the above are being placed before the meeting at the ensuing Annual General Meeting. The Board of Directors recommends the said resolutions for approval of the members by means of special resolutions.

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 2020 except Mr. Nitin Rakesh, Chief Executive Officer and Executive Director, who holds 909,000 stock options. None of the directors had any other interest in the share capital of the Company as at 31 March 2020. All the transactions entered into with Related Parties as defined under Section 2(76) of the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year were in the ordinary course of business and are at an 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.

SHARE CAPITAL

During the year under review, the Company has allotted, on various dates, 316,768 shares pursuant to the exercise of stock options and restricted stock units. The Issued Share Capital of the Company as on 31 March 2020 stood at ₹ 1,865 million and Reserves and Surplus stood at ₹ 56,431 million (consolidated basis) and ₹ 34,907 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, is 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, the particulars of the employees posted and working in a country outside India is not circulated to the members, but the same shall be filed with the Registrar of Companies while filing the Financial Statements and Board's Report.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return as at 31 March 2020 in Form MGT-9 is annexed and forms part of this Report.

PARTICULARS OF LOANS, GUARANTEES AND 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's operations involve low energy consumption. Mphasis is committed to conserving energy and efficient usage of energy. The key facilities have been awarded 5-star, 4-star or 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. Your Company has been awarded, by Confederation of Indian Industry, an Environment, Health and Safety (EHS) Award with a 3 rating for one of its facility at Bengaluru appreciating its sustainable initiatives. One of the Company's facilities at Bengaluru is certified ISO 14001:2015 by British Standards Institution (BSI) showcasing the demonstration towards the Environmental management system.

The Company has installed lighting energy savers and LED light fixtures, remote operation of AC by software application, occupancy sensors, enthalpy system, replacement of old Precision Air Conditioners (PACs) by new PACs which have environment friendly R 410 refrigerant at data center to minimize power consumption and solar inverters at certain facilities to promote sustainable energy usage. The old inefficient UPS are replaced by latest state of the art UPS which are more than 95% energy efficient. Hydrogen sensing system are installed at all the UPS battery rooms to give advance alarm if the batteries are heating up. The carbon footprints are monitored on a monthly basis. 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).

Your Company is one of the few IT companies in India who have implemented captive renewable energy generation in multi-locations as part of its sustainability initiatives.

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	38,247
(b) Foreign Exchange outgo in terms of actual outflows during the year	9,268

D. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS:

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.

ACKNOWLEDGEMENT

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. We also thank the government agencies of various other countries where we have our 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.

Your directors specially thank the employees in the front line and support staffs who had acted selflessly to keep the business continuity during the challenging times of COVID-19 and have supported to serve our clients and other stakeholders in the challenging times.

For and on behalf of the Board of Directors

New Delhi, India
13 May 2020

Davinder Singh Brar
Chairman

ANNEXURE TO THE BOARD'S REPORT

Annual Report on CSR Activities for the year ended 31 March 2020

1. A brief outline of the Company's CSR Policy, including overview of the projects and programs proposed to be undertaken and a reference to the web-link to the CSR policy, projects or programs:

The brief of the CSR Policy and the Programs are provided in the Board's Report and the CSR Policy is also uploaded on the website of the Company at:

<https://www.mphasis.com/content/dam/mphasis-com/global/en/investors/governance/policies/mphasis-csr-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:

- a. Mr. Narayanan Kumar – Chairman
- b. Mr. Davinder Singh Brar
- c. Mr. Amit Dalmia
- d. Mr. Nitin Rakesh

3. Average Net Profit of the Company for the last three financial years:

₹ 10,388 Million

4. Prescribed CSR Expenditure (two per cent of the amount above)

₹ 208 Million

5. Details of CSR spent during the financial year.

- a) Total amount spent during the financial year ended 31 March 2020 – ₹ 208.02 million
- b) Amount unspent, if any – Nil
- c) Reason for not spending the mandated amount: Not Applicable
- d) Manner in which the CSR amount was spent during the year: as per the details enclosed

It is confirmed that the implementation and monitoring of CSR Policy is in compliance with the CSR Objectives and CSR Policy of the Company.

For and on behalf of the Board

New York, USA
13 May 2020

Chennai, India
13 May 2020

Nitin Rakesh
Chief Executive Officer

Narayanan Kumar
Chairman of CSR Committee

ANNEXURE TO THE BOARD'S REPORT

Annexure to CSR Annual Report: Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR Project	Sector in which the Project is covered	Areas where the Projects are undertaken			CSR Amount Spent (₹ million)			Cumulative expenditure up to FY 2020 (₹ million)	Details of the Implementing Agency
			Local	District / State		CSR Amount outlay	Expenditure on Projects	Overheads		
1	Accessible transportation for persons with disabilities	Inclusion	✓	Karnataka-Bangalore & Maharashtra- Mumbai		34.63	34.63	Nil	139.32	Uber India
2	Acceleration support for startups in Assistive Technologies	Inclusion	X	Pan India		25.00	25.00	Nil	25.00	Foundation for Innovation & Social Entrepreneurship
3	Cognitive Computing Centre of Excellence	Education	✓	Karnataka-Bangalore		20.00	20.00	Nil	37.80	IIIT Bangalore
4	Support to Museum of Art & Photography	Inclusion	✓	Karnataka-Bangalore		20.00	20.00	Nil	20.00	Art & Photography Foundation
5	Make India Accessible	Inclusion	X	Pan India		16.18	16.18	Nil	72.34	National Centre for Promotion of Employment for disabled people
6	Support to communities affected by Gaja Cyclone	Inclusion	✓	Tamil Nadu- Chennai		14.30	14.30	Nil	14.30	United Way Bangalore
7	Support to Ashoka Youth Changemakers	Inclusion	X	Pan India		10.20	10.20	Nil	10.20	Ashoka Innovators for the Public (India)
8	Support to CSMEM School, Pune	Education	✓	Maharashtra- Pune		9.81	9.81	Nil	9.81	Akanksha Foundation
9	Support to Non-Profit start-up incubation-N/Core	Livelihood	✓	Karnataka - Bangalore		8.65	8.65	Nil	26.35	Nudge Lifeskills Foundation
10	English and life skills training for women	Livelihood	✓	Karnataka - Bangalore		8.13	8.13	Nil	8.13	Nudge Lifeskills Foundation
11	Arvu Disha	Education	✓	Karnataka-Bangalore		8.09	8.09	Nil	123.26	Headstreams
12	Support to Plaksha University	Education	X	Punjab-Mohali		5.48	5.48	Nil	15.48	Reimagining Higher Education Foundation
13	Mphasis Research Chair on Digital Accessibility at IIM Bangalore	Inclusion	X	Pan India		4.72	4.72	Nil	16.66	IIM Bangalore
14	Digital Literacy & Design ecosystem for rural artisans	Livelihood	✓	Tamil Nadu- Trichy		3.87	3.87	Nil	30.56	Digital Empowerment Foundation
15	Setting up on STP at Mahadevapura Lake	Inclusion	✓	Karnataka-Bangalore		3.32	3.32	Nil	15.71	United Way Bangalore
16	Nasscom Social Innovation Forum	Education	X	National		3.00	3.00	Nil	43.77	Nasscom Foundation
17	Katayst	Livelihood	✓	Pune-Maharashtra		2.34	2.34	Nil	9.00	Third Sector Partners
18	SOS Children's Villages of India	Education	✓	Karnataka-Bangalore		2.01	2.01	Nil	8.84	SOS Childrens Villages of India
19	Code Clubs for school children	Education	✓	Maharashtra- Pune		1.25	1.25	Nil	1.25	Pratham Education Foundation
20	Contribution to F1 Foundation	Inclusion	✓	Karnataka- Bangalore		0.23	0.23	Nil	0.73	Mphasis F1 Foundation
21	Residential skilling program	Livelihood	✓	Karnataka-Bangalore		0.00	Nil	Nil	31.64	The Nudge Foundation
22	NSRCEL IIM Bangalore	Education	✓	Karnataka-Bangalore		0.00	Nil	Nil	17.70	IIM Bangalore
23	Digital Financial Literacy Program	Inclusion	✓	Karnataka-Bangalore		0.00	Nil	Nil	1.42	Mphasis F1 Foundation
24	Chennai Floods Relief	Inclusion	✓	Chennai- Tamil Nadu		0.00	Nil	Nil	13.54	Habitat for Humanity
25	Skiltrain -Digital App for Skilling	Livelihood	X	Pan India		0.00	Nil	Nil	7.36	Villgro Innovations Foundation
26	National Digital Literacy Mission Centres	Education	✓	Pune-Maharashtra/ Chennai -Tamil Nadu		0.00	Nil	Nil	5.00	Nasscom Foundation
27	Vocational skilling program for persons with disabilities	Livelihood	✓	Karnataka-Bangalore		0.00	Nil	Nil	2.36	Enable India

ANNEXURE TO THE BOARD’S REPORT

Sl. No.	CSR Project	Sector in which the Project is covered	Areas where the Projects are undertaken		CSR Amount Spent (₹ million)			Cumulative expenditure up to FY 2020 (₹ million)	Details of the Implementing Agency
			Local	District / State	CSR Amount outlay	Expenditure on Projects	Overheads		
28	Nanagu Shaale - mainstreaming children with disabilities	Inclusion	✓	Karnataka-Bangalore	0.00	Nil	Nil	7.83	Fourth Wave Foundation
29	Kickstart Cabs	Inclusion	✓	Karnataka-Bangalore	0.00	Nil	Nil	23.28	IIT Bangalore
30	Aksharddeep-Remedial School Support Program	Education	✓	Maharashtra - Pune	0.00	Nil	Nil	2.37	Swadhar
31	Remedial School Support Program	Education	✓	Mumbai, Maharashtra	0.00	Nil	Nil	3.37	Each One Teach One
32	Education sponsorships for children	Education	✓	Tamil Nadu-Chennai	0.00	Nil	Nil	1.61	Siyam Charitable Trust
33	Remedial School Support Program	Education	✓	Maharashtra- Pune	0.00	Nil	Nil	0.73	Jaguti Seva Sanstha
34	Contribution to PM Relief Fund	Inclusion	✓	Assam	0.00	Nil	Nil	6.36	PM Relief Fund
35	Chetan Study Centre	Education	✓	Karnataka- Bangalore	0.00	Nil	Nil	0.10	Local Community Exchange Empowerment Trust
36	Market Aligned Skills Training	Livelihood	X	Orissa- Bhubaneshwar	0.00	Nil	Nil	1.41	Anudip Foundation
37	Aalamba-Women entrepreneurship support	Livelihood	✓	Karnataka- Bangalore	0.00	Nil	Nil	2.71	Headstreams
38	Chennai Floods Relief Support	Inclusion	✓	Tamil Nadu- Chennai	0.00	Nil	Nil	0.98	Bhoomika Trust
39	Education for children from migrant communities	Education	✓	Karnataka-Bangalore	0.00	Nil	Nil	0.50	Diya Ghar
40	Two school buses for Stonehill Govt. Higher Primary	Education	✓	Karnataka - Bangalore	0.00	Nil	Nil	4.80	Embassy Group
	CSR Office Costs				6.81	Nil	6.81	-	-
	Total				208.02	201.21	6.81	763.55	

New York, USA
13 May 2020

For and on behalf of the Board
Nitin Rakesh
Chief Executive Officer

Chennai, India
13 May 2020

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 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,
MPHASIS LIMITED
Bagmane World Technology Center,
Marathahalli Outer Ring Road,
Doddanakundi Village, Mahadevapura,
Bangalore-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 2020 ('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 2020 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, 2009 were not applicable during the year under review;
 - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
 - 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;
 - 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, 1998 were not applicable during the year under review;

ANNEXURE TO THE BOARD'S REPORT

- vi. The other laws to the extent applicable:
- a. The Registration Act, 1908
 - b. Indian Stamp Act, 1899
 - c. Limitation Act, 1963
 - d. Indian Contract Act, 1872
 - e. Negotiable Instrument Act, 1881
 - f. Sale of Goods Act, 1930
 - g. Information Technology Act, 2000
 - h. The Special Economic Zones Act, 2005
 - i. The Trade Marks Act, 1999
 - j. The Patents Act, 1970
 - k. Copyright Act, 1957
 - l. Designs Act, 2000
 - m. Income Tax Act, 1961
 - n. The Central Goods and Services Tax Act, 2017
 - o. Environment Protection Act, 1986
 - p. Trade Unions Act, 1926
 - q. Weekly Holidays Act, 1942
 - r. The Telecom Regulatory Authority of India Act, 1997
 - s. The Insurance Act, 1938
 - t. General Clauses, 1897
 - u. Foreign Trade (Development And Regulation) Act, 1992
 - v. Employees' Provident Funds And Miscellaneous Provisions Act, 1952
 - w. Employees' State Insurance Act, 1948
 - x. Employees' State Insurance (Central) Rules, 1950
 - y. 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
 - z. Bureau of Indian Standards Act, 1986
 - aa. E-waste (Management and Handling) Rules, 2011
 - bb. 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.
 - 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.
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.

ANNEXURE TO THE BOARD'S REPORT

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 28th Annual General Meeting held on 25th July 2019;
- h) minutes of proceedings of General Meeting, Postal Ballot 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 availed secured loan during the year under review and consequently has complied with the requisite provisions for creation 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 compliance by the Company of applicable financial laws such as direct and indirect taxation laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

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 Director and Independent Directors. 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 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 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.

ANNEXURE TO THE BOARD'S REPORT

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 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.

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 : A010028B000316941

Peer reviewed Unit - bearing Unique Identification Number:
I2002KR300400

Place : Bengaluru
Date : 13 May 2020

ANNEXURE TO THE BOARD'S REPORT

Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

[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,
Bangalore-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 2020 ('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 2020 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 Registration Act, 1908
 - b. Indian Stamp Act, 1899
 - c. Limitation Act, 1963
 - d. Indian Contract Act, 1872
 - e. Negotiable Instrument Act, 1881
 - f. Sale of Goods Act, 1930
 - g. Information Technology Act, 2000
 - h. The Special Economic Zones Act, 2005
 - i. The Trade Marks Act, 1999
 - j. The Patents Act, 1970
 - k. Copyright Act, 1957
 - l. Designs Act, 2000
 - m. Income Tax Act, 1961
 - n. The Central Goods and Services Tax Act, 2017
 - o. Environment Protection Act, 1986
 - p. Trade Unions Act, 1926
 - q. Weekly Holidays Act, 1942
 - r. The Telecom Regulatory Authority of India Act, 1997
 - s. The Insurance Act, 1938
 - t. General Clauses, 1897

ANNEXURE TO THE BOARD'S REPORT

- u. Foreign Trade (Development And Regulation) Act, 1992
- v. Employees' Provident Funds And Miscellaneous Provisions Act, 1952
- w. Employees' State Insurance Act, 1948
- x. Employees' State Insurance (Central) Rules, 1950
- y. 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
- z. Bureau of Indian Standards Act, 1986
- aa. E-waste (Management and Handling) Rules, 2011
- bb. 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 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 19th Annual General Meeting held on 11th September 2019;
- 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;
- 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.

ANNEXURE TO THE BOARD'S REPORT

I further report that compliance by the Company of applicable financial laws such as direct and indirect taxation laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

3. I further report that

The Board of Directors of the Company is duly constituted. During the year under review Mr. Ganesh Vembu was appointed as Director of the Company at the Nineteenth Annual General Meeting held on 11th September 2019 and Mr. Vijay Govindarajan resigned as Director with effect from 20th August 2019. The Company has complied with the requisite provisions of Companies Act, 2013 and rules made thereunder with regard to changes in Directorship.

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 : A010028B000351138

Peer reviewed Unit - bearing Unique Identification Number:

I2002KR300400

Place : Bengaluru
Date : 13 May 2020

ANNEXURE TO THE BOARD'S REPORT

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 134(5) of the Companies Act, 2013, your directors confirm, and state as follows for the financial year ended 31 March 2020:

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. Ind AS 116, applicable from 1 April 2019 had been adopted from the said date and been applied consistently for periods beginning thereafter.
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 we are responsible for establishing and maintaining internal financial controls to be followed by your Company that are adequate and operate effectively.

Your 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) Your 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 financial statements as at the balance sheet date.

For and on behalf of the Board of Directors

New Delhi, India
13 May 2020

Davinder Singh 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 2020, 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
13 May 2020

Nitin Rakesh
Chief Executive Officer

ANNEXURE TO THE BOARD’S REPORT

FORM AOC - I
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) Rules, 2014)

Sl. No.	Name of the subsidiary	Reporting Period	Reporting Currency	Share Capital			Reserves and 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)				
1	Mphasis Corporation	01-04-2019 to 31-03-2020	USD	75.665	-	-	8,027.79	22,847.91	14,620.12	-	42,486.26	2,005.99	916.60	1,089.39	-	100	
2	Mphasis Deutschland GmbH	01-04-2019 to 31-03-2020	EUR	82.770	2.10	-	(112.28)	527.49	637.67	-	986.86	(192.92)	20.36	(213.28)	-	91	
3	Mphasis Australia Pty Limited	01-04-2019 to 31-03-2020	AUD	46.075	0.05	-	320.64	1,469.86	1,149.17	-	3,605.24	(128.60)	76.82	(205.42)	-	100	
4	Mphasis (Shanghai) Software & Services Company Ltd	01-01-2019 to 31-12-2019	CNY	10.645	238.76	-	(41.57)	234.17	36.98	-	74.49	23.70	7.40	16.30	-	100	
5	Mphasis Consulting Limited	01-04-2019 to 31-03-2020	GBP	93.503	1.34	-	632.40	650.45	16.71	-	34.37	15.47	3.32	12.15	-	100	
6	Mphasis Belgium BV	01-04-2019 to 31-03-2020	EUR	82.770	0.43	-	0.43	679.09	1,055.80	378.28	-	1,463.64	298.72	101.61	197.11	-	100
7	Mphasis Europe BV	01-04-2019 to 31-03-2020	EUR	82.770	477.01	-	11,239.03	12,090.18	374.14	-	796.25	91.36	32.96	58.40	-	100	
8	Mphasis Pte Ltd	01-04-2019 to 31-03-2020	SGD	53.025	152.86	-	152.86	443.24	705.68	109.58	-	682.60	55.40	8.96	46.44	-	100
9	Mphasis UK Limited	01-04-2019 to 31-03-2020	GBP	93.503	0.24	-	0.24	10,769.40	1,625.82	-	3,799.17	181.96	32.38	149.58	-	100	
10	Mphasis Software & Services (India) Private Limited	01-04-2019 to 31-03-2020	INR	1.000	100.00	-	1,653.03	12,395.92	30.89	651.75	-	114.54	44.28	67.86	-	100	
11	Msource Mauritius Inc.	01-04-2019 to 31-03-2020	USD	75.665	592.35	-	592.35	630.84	2.96	-	(0.01)	(1.30)	-	(1.30)	-	100	
12	Msource (India) Private Limited	01-04-2019 to 31-03-2020	INR	1,000	66.85	-	9,384.22	9,765.49	314.42	8,606.16	-	1,923.16	783.02	186.01	597.01	-	100
13	Mphasis Ireland Limited	01-04-2019 to 31-03-2020	EUR	82.770	0.56	-	0.56	53.64	55.70	1.50	-	25.28	10.06	1.21	8.85	-	100
14	Mphasis Lanka (Private) Limited	01-04-2019 to 31-03-2020	LKR	0.400	55.49	-	55.49	(65.49)	-	-	-	-	-	-	-	-	100
15	Mphasis Infrastructure Services Inc.	01-04-2019 to 31-03-2020	USD	75.665	0.05	-	0.05	(1,340.37)	350.12	1,690.44	-	1,522.22	(23.60)	(47.24)	23.64	-	100
16	Mphasis Poland s.p.z.o.o.	01-04-2019 to 31-03-2020	PLN	18,232	1.99	-	1.99	(5.13)	124.14	127.28	-	140.62	4.08	1.89	2.19	-	100
17	PT. Mphasis Indonesia	01-04-2019 to 31-03-2020	IDR	0.005	4.60	-	4.60	(5.39)	0.53	1.32	-	(0.01)	(0.97)	-	(0.97)	-	100
18	Mphasis Wyde Inc.	01-04-2019 to 31-03-2020	USD	75.665	-	-	-	10,188.35	15,641.89	5,453.54	-	29.66	(140.52)	111.95	(252.47)	-	100
19	Wyde Corporation	01-04-2019 to 31-03-2020	USD	75.665	3.11	-	3.11	(972.11)	932.24	1,901.24	-	679.61	110.21	(2.33)	112.54	-	100
20	Mphasis Wyde SASU	01-04-2019 to 31-03-2020	EUR	82.770	2.53	-	(876.57)	641.72	1,515.76	-	583.42	(93.32)	-	(93.32)	-	100	
21	Wyde Solutions Canada Inc.	01-04-2019 to 31-03-2020	CAD	53.083	0.05	-	0.05	(99.97)	68.32	168.24	-	36.44	(20.72)	(22.10)	42.82	-	100
22	Mphasis Philippines Inc	01-04-2019 to 31-03-2020	PHP	1,486	11.34	-	11.34	5.37	17.21	0.50	-	(2.10)	(2.10)	-	(2.10)	-	100
23	Digital Risk LLC	01-04-2019 to 31-03-2020	USD	75.665	942.62	-	(750.76)	5,630.80	5,438.94	-	3,566.22	(484.52)	-	(484.52)	-	100	
24	Digital Risk Mortgage Services, LLC	01-04-2019 to 31-03-2020	USD	75.665	1,151.73	-	3,055.53	7,101.48	2,894.22	-	5,657.23	887.93	66.73	821.20	-	100	
25	Investor Services, LLC	01-04-2019 to 31-03-2020	USD	75.665	-	-	-	743.61	743.61	-	-	(0.03)	-	(0.03)	-	100	
26	Digital Risk Valuation Services, LLC	01-04-2019 to 31-03-2020	USD	75.665	-	-	(1,281.65)	3.53	1,285.18	-	-	(0.42)	-	(0.42)	-	100	
27	Stelligent Systems, LLC	01-04-2019 to 31-03-2020	USD	75.665	-	-	(113.66)	335.92	449.58	-	1,051.25	(180.26)	(61.19)	(119.07)	-	100	
Total				3,806.06	-	3,806.06	51,575.92	95,604.46	40,222.48	9,257.91	69,258.06	3,352.20	1,479.62	1,872.58			

- Notes :
- There are no other Subsidiaries which are yet to commence operation.
 - 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 8 November 2018 (acquisition date), the Company through its wholly owned subsidiary, Mphasis Corporation, obtained control of Stelligent Systems LLC.
 - The Company does not have any Associates & Joint Venture.
 - Exchange rate applied is at 31 March 2020.
 - 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 which is 31 December of every year.

For and on behalf of the Board of Directors

Nitin Rakesh Chief Executive Officer New York, USA	Narayanan Kumar Director Chennai, India
Suryanarayanan V Executive Vice President & Chief Financial Officer Bengaluru, India	Subramanian Narayan Vice President & Company Secretary Bengaluru, India

13 May 2020

ANNEXURE TO THE BOARD'S REPORT

DISCLOSURE UNDER SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Stock Options/ Restricted Stock Units (RSUs) granted to employees of Mphasis Limited & its subsidiaries:

Particulars	ESOP 1998		ESOP 2016	RSU 2014	RSU 2015
	Version I	Version II			
Date of Shareholders' Approval	31 July 1998		4 Nov 16	30 July 2014	9 Sep 2015
Total Number of Stock Options/Restricted Stock Units approved under the Plan	465,000 ^{Note 1}		8,400,000	550,000	2,500,000
Vesting Requirements	Time based vesting			Time and Performance based vesting	
Maximum term of Stock Options/Restricted Stock Units granted (refers to Exercise Period)	Until exercise	10 years	5 years	3 years	3 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	Primary	Primary	Combination	Combination
Variation in terms of options	Refer table below				
Pricing formula	Refer table below ^{Note 4}				
Total number of Stock Options/Restricted Stock Units outstanding at the beginning of the year (1 April 2019)	47,000	-	4,675,716	5,313	37,086
Number of Stock Options/Restricted Stock Units granted during the year	-	-	186,500	-	-
Number of Stock Options/Restricted Stock Units lapsed and forfeited during the year	-	-	266,336	3,350	9,250
No. of Stock Options/RSUs vested during the year (net of lapsed options)	-	-	900,942	-	-
No. of Stock Options/RSUs exercised during the year	-	-	286,969	1,963	27,836
Total number of shares arising as a result of exercise of Options	-	-	286,969	1,963	27,836
Money realized by exercise of options during the year (In Rupees)	-	-	151,102,700	19,630	278,360
Number of Stock Options/Restricted Stock Units outstanding as at the end of the year (31 March 2020)	47,000	-	4,308,911	-	-
Total number of options exercisable at the end of the year	47,000	-	1,972,913	-	-
Loan repaid by the Trust during the year from the exercise price received	-	-	-	-	-
Employee wise details of Options granted to					
(a) Senior Managerial Personnel refer ^{note 2}	-	-	40,000	-	-
(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}	-	-	132,500 (refer note below for details)	-	-
(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.	-	-	-	-	-
Valuation of Stock Options and their related impact on Profits and EPS	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 in Nil for the year ended 31 March 2020 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, whose exercise price either equals or exceeds or is less than the market price (₹) during the year	Refer to the additional disclosures given below ^{Note 7}				

Notes:

- Refers to Options as approved by shareholders and accordingly excludes the adjustment for Bonus Issues.
- The term senior managerial personnel include 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 2020, pursuant to issue of shares on exercise of options, is ₹ 63.09 per share.
- Pricing Formulae for the stock options/RSU schemes

ANNEXURE TO THE BOARD'S REPORT

Schemes	Pricing Formulae
ESOP 1998 (version I)	No options have been granted under this Scheme during the financial year 2019-20. 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 2019-20. 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.
RSU 2014	No RSUs have been granted under this Scheme during the financial year 2019-20. In terms of the scheme each of the Restricted stock units granted, 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 per share.
RSU 2015	No RSUs have been granted under this Scheme during the financial year 2019-20. In terms of the scheme each of the Restricted stock units granted, 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 per share.
ESOP 2016	During the year, 40,000 stock options have been granted at an exercise price of ₹ 900 per stock option and 146,500 stock options have been granted at an exercise of ₹ 850/- per stock option under this Plan. Each stock 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.

* The present Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 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. It is proposed to amend the Employee Stock Option Plan 2016 (ESOP 2016) to increase the exercise period of stock options from 36 months to 60 months and also provide for acceleration of unvested stock options upon retirement/superannuation of the Employee, subject to approval of the Compensation Committee. Necessary resolutions seeking approval of the members for the above amendments to the ESOP 2016, are being placed at the ensuing Annual General Meeting.

6. Details of Employees who received grant of options equivalent to 5% of more of the total options granted during the year ended 31 March 2020

Name	Designation	Number of options granted	Exercise Price (₹)
Senior Managerial Personnel			
Mr. Ravi Vasantraj	SVP and Global Head – Business Process Services	40,000	900
Other Employees who were granted 5% or more of options granted during the year			
Mr. Andres Ricaurte	Senior Vice-President (Sales), DCMU	24,000	850
Mr. Christopher Cory Schmeisser	Vice-President, ITO- HPCORE	13,500	850
Mr. Kolanchery Varghese Renjeev	Senior Vice-President, APPS	21,000	850
Mr. Krishna Srinivasan	Senior Vice-President (Sales), DCMU	10,000	850
Mr. Rajiv Kumar Naranjandass Malhotra	Senior Vice-President (Sales), DCMU	24,000	850

ANNEXURE TO THE BOARD'S REPORT

7. 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	-	-
ESOP 1998 Version II	-	-
RSU 2014	10	356.47
RSU 2015	10	435.09
ESOP 2016	526.55	123.72

Note: Stock Options issued under ESOP 1998 were not exercised during the financial year ended 31 March 2020. Accordingly, the Weighted Average Exercise Price and the Weighted Average Fair Value has not been provided.

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:

Sl. No.	Particulars	Assumptions	
1	Risk free interest rate	6.37% to 6.93%	
2	Expected Option life	1 to 5 years	
3	Expected volatility	23.46% to 31.31%	
4	Expected dividend yield %	1.68% to 2.93%	
5	Market price on date of grant (weighted average value of shares) (₹)	ESOP 1998 Version I	-
		ESOP 1998 Version II	-
		RSU 2014	399.15
		RSU 2015	479.75
		ESOP 2016	584.38
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 were not exercised during the financial year ended 31 March 2020.

8. 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	Nil	Nil	Nil	Nil

ANNEXURE TO THE BOARD'S REPORT

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 2019	2,520	Nil
Number of shares acquired during the year through		
a. Primary Issuance	286,969	29,799
b. Secondary acquisition	Nil	Nil
- % age of paid up share capital as at 31 March 2019	NA	NA
- Weighted Average cost of acquisition (₹)	NA	NA
Number of shares transferred to the employees against exercise of Stock Options/Restricted Stock Units	286,969	29,799
Number of shares sold along with the purpose thereof	Nil	Nil
Number of shares held at 31 March 2020	2,520	Nil

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
13 May 2020

Davinder Singh 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 –

- | | | |
|--|---|-----|
| <ul style="list-style-type: none"> (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:
 - i. 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. 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 2020. Please refer to Note 32 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 are 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
13 May 2020

Davinder Singh Brar
Chairman

ANNEXURE TO THE BOARD'S REPORT

FORM No. MGT-9

EXTRACT OF ANNUAL RETURN

as at 31 March 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

1. Registration and Other Details

a	CIN	L30007KA1992PLC025294
b	Registration Date	10 August 1992
c	Name of the Company	Mphasis Limited
d	Category / Sub- Category of the Company	Public Limited Company Limited by Shares
e	Address of the Registered office and contact details	Bagmane World Technology Centre, Marathalli Outer Ring Road, Doddanakhundi Village, Mahadevapura, Bengaluru, Karnataka, India. Telephone: +91 (080) 4690 1000 e-mail: investor.relations@mphasis.com
f	Whether listed Company	Yes
g	Name, Address and contact details of Registrar and Transfer Agent, if any	Integrated Registry Management Services Private Limited (Unit: Mphasis Limited) 30, Ramana Residency, 4 th Cross, Sampige Road, Malleswaram, Bengaluru -560 003 Phone: +91 (080) 2346 0815-818 Fax: +91 (080) 2346 0819 Contact Person : Mr. S Vijayagopal, Vice President

2. Principal Business Activities of the Company

All the Business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products /services	NIC Code of the Product/ service	% to total turnover of the Company
1	Computer Programming and related activities	620	100%

3. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held**	Appli- cable Section
1	Marble II Pte Limited	77 Robinson Road, # 13-00 Robinson, Singapore - 068896	NA	Holding Company	56.18	2(46)
2	Mphasis Software & Services (India) Private Ltd.	Bagmane World Technology Centre, Marathahalli Outer Ring Road, Doddenakhundi Village, Mahadevapura, Bengaluru – 560 048	U72200KA1998PTC038932	Subsidiary	100	2(87)(ii)
3	Msource (India) Private Limited	Bagmane World Technology Centre, Marathahalli Outer Ring Road, Doddenakhundi Village, Mahadevapura, Bengaluru – 560 048	U72200KA2000PTC038931	Subsidiary	100	2(87)(ii)
4	Mphasis Corporation	3411 Silverside Road, Tatnall Building #104, Wilmington, DE – 19810, New Castle County	NA	Subsidiary	100	2(87)(ii)
5	Mphasis Deutschland GmbH	Koblenzer, Street 34, Postfach 1221, D-56130, Bad Ems, Germany.	NA	Subsidiary	91	2(87)(ii)
6	Mphasis Australia Pty. Ltd.	Shop 5, 17-19, East Parade Sutherland NSW 2232.	NA	Subsidiary	100	2(87)(ii)

ANNEXURE TO THE BOARD'S REPORT

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Appli- cable Section
7	Mphasis (Shanghai) Software & Services Co. Ltd.	B101, 7F, No. 500 East Jinling Road, Huangpu district, Shanghai, P.R.C	NA	Subsidiary	100	2(87)(ii)
8	Mphasis Consulting Limited	1 Ropemaker Street, London EC2Y 9HT	NA	Subsidiary	100	2(87)(ii)
9	Mphasis Europe B.V.	Saturnusstraat 46, Hoofddorp, 2132 HB, Netherlands	NA	Subsidiary	100	2(87)(ii)
10	Mphasis UK Limited	1 Ropemaker Street, London EC2Y 9HT	NA	Subsidiary	100	2(87)(ii)
11	Mphasis Pte Ltd	6 Battery Road, Level 42 'The Executive Center', Singapore - 49909	NA	Subsidiary	100	2(87)(ii)
12	Msource Mauritius Inc.	C/o IQ EQ Corporate Services (Mauritius) Ltd., 33, Edith Cavell Street, Port Louis, Mauritius - 11324	NA	Subsidiary	100	2(87)(ii)
13	Mphasis Ireland Ltd	Boole House, Beech Hill Office Campus, Clonskeagh, Dublin 4, D04A563	NA	Subsidiary	100	2(87)(ii)
14	Mphasis Belgium BV	Leonardo Da Vincilaan 9, B-1935 Zaventem, Belgium	NA	Subsidiary	100	2(87)(ii)
15	Mphasis Lanka (Private) Limited	C/o Julius & Creasy, No.9/5, Thambiah Avenue, Colombo 07	NA	Subsidiary	100	2(87)(ii)
16	Mphasis Poland Sp. z o.o.	50-102 Wroclaw, Rynek 39/40	NA	Subsidiary	100	2(87)(ii)
17	Mphasis Infrastructure Services Inc.	3411 Silverside Road, Tatnall Building #104 Wilmington, DE 19810, New Castle County	NA	Subsidiary	100	2(87)(ii)
18	PT. Mphasis Indonesia	One Pacific Place, Level 11, Sudirman Central Business District (SCBD), Jln. Jend. Sudirman Kav.52-53, Jakarta 12190, Indonesia	NA	Subsidiary	100	2(87)(ii)
19	Mphasis Wyde Inc.	3411 Silverside Road, Tatnall Building #104 Wilmington, DE 19810, New Castle County	NA	Subsidiary	100	2(87)(ii)
20	Wyde Corporation	3411 Silverside Road Tatnall Building #104 Wilmington, DE 19810, New Castle County	NA	Subsidiary	100	2(87)(ii)
21	Wyde Solutions Canada Inc.	2828 Boulevard Laurier Suite 700 Quebec City G1V 0B9 Canada	NA	Subsidiary	100	2(87)(ii)
22	Mphasis Wyde SASU	103-105 rue Anatole France, 92300 Levallois-Perret	NA	Subsidiary	100	2(87)(ii)
23	Mphasis Philippines Inc.	8 th Floor, Sun Life Centre, 5 th Avenue cor. Rizal Drive, Bonifacio Global city, Taguig City, Philippines	NA	Subsidiary	100	2(87)(ii)
24	Digital Risk, LLC	Corporate Creations Network, 3411 Silverside Road, Tatnall Building, Suite 104, Wilmington, DE 19810	NA	Subsidiary	100	2(87)(ii)
25	Digital Risk Mortgage Services, LLC	Corporate Creations Network, 3411 Silverside Road, Tatnall Bldg. Suite 104, Wilmington, DE 19810	NA	Subsidiary	100	2(87)(ii)
26	Digital Risk Valuation Services, LLC	Corporate Creations Network, 3411 Silverside Road, Tatnall Bldg. Suite 104, Wilmington, DE 19810	NA	Subsidiary	100	2(87)(ii)
27	Investor Services, LLC	Corporate Creations Network, 3411 Silverside Road, Tatnall Bldg. Suite 104, Wilmington, DE 19810	NA	Subsidiary	100	2(87)(ii)
28	Stelligent Systems LLC	11710 Plaza America DR STE 2000, Reston VA20190	NA	Subsidiary	100	2(87)(ii)

NA- Not Applicable / **Represents % of shares held in the Share Capital of the Company.

ANNEXURE TO THE BOARD'S REPORT

4. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category - wise Share Holding

Sl. No.	Category of Shareholders	No. of shares held at the beginning of the year			No. of shares held as at the end of the year			% change during the year
		Demat	Physical	Total	Demat	Physical	Total	
(A) (1)	Promoters	-	-	-	-	-	-	-
	Indian	-	-	-	-	-	-	-
	a) Individuals/Hindu Undivided Family	-	-	-	-	-	-	-
	b) Central Government	-	-	-	-	-	-	-
	c) State Government(s)	-	-	-	-	-	-	-
	d) Bodies Corporate	-	-	-	-	-	-	-
	e) Banks/ Financial Institutions	-	-	-	-	-	-	-
	f) Any Other (specify)	-	-	-	-	-	-	-
(2)	Sub-Total (A)(1):-	-	-	-	-	-	-	-
	Foreign	-	-	-	-	-	-	-
	a) NRIs-Individuals	-	-	-	-	-	-	-
	b) Other- Individuals	-	-	-	-	-	-	-
	c) Bodies Corporate	97,317,781	-	97,317,781	104,799,577	-	104,799,577	56.18
	d) Banks/ Financial Institutions	-	-	-	-	-	-	3.92
	e) AnyOther (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(2):-	97,317,781	-	97,317,781	104,799,577	-	104,799,577	3.92
(B) (1)	Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	97,317,781	-	97,317,781	104,799,577	-	104,799,577	3.92
	Public shareholding	-	-	-	-	-	-	-
	Institutions	-	-	-	-	-	-	-
	a) Mutual Funds	14,103,580	-	14,103,580	12,647,398	-	12,647,398	(0.79)
	b) Banks/Financial Institutions	732,339	-	732,339	3,883,046	-	3,883,046	(1.69)
	c) Central Government	-	-	-	-	-	-	-
	d) State Government(s)	-	-	-	-	-	-	-
	e) Venture Capital Funds	-	-	-	-	-	-	-
(2)	f) Alternative Investment Funds	88,677	-	88,677	101,350	-	101,350	0.00
	g) Insurance Companies	-	-	-	9,807,174	-	9,807,174	5.26
	h) FIIs	738,121	100	738,221	-	-	-	-
	i) Foreign Venture Capital Funds	-	-	-	-	-	-	-
	j) Others (specify)	-	-	-	-	-	-	-
	Sub-Total (B)(1) :-	15,662,717	100	15,662,817	26,438,968	-	26,438,968	14.17
	Non-Institutions	-	-	-	-	-	-	-
	a) Bodies Corporate	9,351,279	1000	9,352,279	1,613,393	1,000	1,614,393	0.88
(2)	(i) Indian	-	-	-	-	-	-	-
	(ii) Overseas	-	-	-	-	-	-	-

ANNEXURE TO THE BOARD'S REPORT

Sl. No.	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held as at the end of the year				% change during the year
		Demat	Physical	Total	%	Demat	Physical	Total	%	
b)	Individuals									
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	6,251,490	89,558	6,341,048	3.41	6,201,747	72,758	6,274,505	3.36	(0.04)
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	2,536,089	-	2,536,089	1.36	2,506,160	-	2,506,160	1.34	(0.02)
	c) Any other (specify)									
	- Director	-	-	-	-	-	-	-	-	-
	- Mphasis Limited Unclaimed Suspense Account	4,500	-	4,500	0.00	4,300	-	4,300	0.00	0.00
	- Trusts	4,950	-	4,950	0.00	3,511	-	3,511	0.00	0.00
	- Clearing Member	313,898	-	313,898	0.17	310,185	-	310,185	0.17	0.00
	- Foreign Portfolio Investors	54,640,957	-	54,640,957	29.34	44,523,459	100	44,523,559	23.87	(5.47)
	- IEPF	40,306	-	40,306	0.02	56,235	-	56,235	0.03	0.01
	- NBFC Registered with RBI	4,414	-	4,414	0.00	4,414	-	4,414	0.00	0.00
	Sub-Total (B)(2):-	73,147,883	90,558	73,238,441	39.33	55,223,404	73,858	55,297,262	29.64	(9.68)
	Total Public Shareholding (B) = (B)(1) + (B)(2)	88,810,600	90,658	88,901,258	47.74	81,662,372	73,858	81,736,230	43.82	(3.92)
(C)	Shares held by Custodians for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A) + (B) + (C)	186,128,381	90,658	186,219,039	100	186,461,949	73,858	186,535,807	100	-

ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year				Shareholding at the end of the year				% change
	No. of Shares	%	% of Shares Pledged		No. of Shares	%	% of Shares Pledged		
Marble II Pte Ltd.	97,317,781	52.26	-		104,799,577	56.18	-		3.92
Total	97,317,781	52.26	-		104,799,577	56.18	-		3.92

Notes:

1. % refers to the percentage to total shares of the Company.
2. % change refers to the percentage change in the shareholding during the year ended 31 March 2020 over 31 March 2019.
3. % of Shares pledged refers to percentage of shares pledged/encumbered to total shares.
On 20 June 2017, Marble II (Holding Company of Marble II Pte. Ltd.) has created a pledge on its entire shareholding in Marble II Pte. Ltd., in favour of DB International Trust (Singapore) Limited (being the trustee and collateral agent), as a security in relation to the senior notes issued by Marble II Pte. Ltd. The disclosure in terms of Regulation 31 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("Takeover Regulations") in this regard was already made on 29 June 2017. There is no encumbrance on the shares of the Company held by Marble II Pte. Ltd.
4. % within brackets denotes reduction and without brackets denotes increase.
5. Shareholding at the beginning of the year signifies shareholding as at 1 April 2019 on the basis of the SHP as of 31 March 2019 and shareholding at the end of the year signifies shareholding as on 31 March 2020 on the basis of the SHP as of 31 March 2020.

ANNEXURE TO THE BOARD'S REPORT

iii) Change in the Promoter's Shareholding

Name of Shareholder	Changes during the year		Cumulative Shareholding	
	Shares	%	Shares	%
Marble II Pte Ltd.				
Shareholding at the beginning of the year	-	-	97,317,781	52.26
Purchase of Shares through Open Market from 17 March 2020 to 20 March 2020	7,481,796	3.92	104,799,577	56.18
Shareholding at the end of the year ^{Refer Note 3}	-	-	104,799,577	56.18

Note:

1. % refers to the percentage to total shares of the Company
2. % change during the year represents the difference between the % change in cumulative holdings before and after the change.
3. The reduction in the % shareholding of the promoters at the end of the year also includes reduction due to allotment of shares from time to time, during the year, on account of exercise of stock options.
4. % within brackets denotes reduction and without brackets denotes increase.
5. Shareholding at the beginning of the year i.e. 1 April 2019 and shareholding at the end of the year, i.e. 31 March 2020, are the same as cumulative shareholding.

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

NAME OF THE SHAREHOLDERS	ABERDEEN GLOBAL INDIAN EQUITY LIMITED	THE NOMURA TRUST AND BANKING CO., LTD AS THE TRUST	HDFC LIFE INSURANCE COMPANY LIMITED	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	FIRST STATE ASIAN EQUITY PLUS FUND	ABERDEEN STANDARD SICAV I - ASIAN SMALLER COMPANIES FUND	STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL	PPFAS MUTUAL FUND - PARAG PARIKH LONG TERM EQUITY	AXIS MUTUAL FUND - TRUSTEE LIMITED A/C AXIS MUTUAL FUND	LIFE INSURANCE CORPORATION OF INDIA
Shareholding as at 01.04.2019	3,935,589	3,172,709	2,666,335	2,639,828	1,971,180	1,474,841	1,158,723	438,255	397,368	-
% of Total Shares	2.11	1.70	1.43	1.42	1.06	0.79	0.62	0.24	0.21	-
05-04-2019	-	-	67,739	3,526	-	-	-	-	-	-
12-04-2019	-	-	-	64,097	-	-	60,000	-	-	-
19-04-2019	107,000	25,000	-	-	-	-	-	-	-	-
26-04-2019	-	25,000	-	(23)	-	-	-	14,070	-	-
03-05-2019	-	-	-	(23)	-	9,944	-	10,508	23,632	-
10-05-2019	83,529	-	708	-	-	28,006	-	-	-	-
17-05-2019	116,471	-	3,648	7,481	-	39,050	-	25,000	-	-
24-05-2019	-	-	22,459	13,732	-	-	-	21,878	50,797	-
31-05-2019	-	-	48,225	(51,483)	-	-	-	-	123,000	-
07-06-2019	-	-	-	-	-	-	-	-	79,831	-
14-06-2019	-	(190,000)	50	(13,595)	-	-	-	204,729	-	-
21-06-2019	-	(97,428)	(20,000)	(44)	-	250,000	-	-	54,372	-

ANNEXURE TO THE BOARD'S REPORT

NAME OF THE SHAREHOLDERS	ABERDEEN GLOBAL INDIAN EQUITY LIMITED	THE NOMURA TRUST AND BANKING CO., LTD AS THE TRUST	HDFC LIFE INSURANCE COMPANY LIMITED	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	FIRST STATE ASIAN EQUITY PLUS FUND	ABERDEEN STANDARD SICAV I - ASIAN SMALLER COMPANIES FUND	STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL	PPFAS MUTUAL FUND - PARAG PARIKH LONG TERM EQUITY	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND	LIFE INSURANCE CORPORATION OF INDIA
29-06-2019	-	-	25,062	(25,847)	7,087	-	-	-	-	-
05-07-2019	-	(150,000)	(271)	152,294	375,992	-	-	-	-	-
12-07-2019	-	-	-	(120,854)	-	-	-	-	-	-
19-07-2019	-	-	(2,919)	-	-	-	(18,959)	-	15,000	259,286
26-07-2019	-	-	104	(34,164)	-	-	(10,454)	23,660	-	433,331
02-08-2019	-	(94,000)	30	(268,950)	-	-	422,061	-	366,000	76,073
09-08-2019	-	(50,000)	779	-	-	-	71,492	-	-	51,887
16-08-2019	-	-	(124)	(24,761)	-	-	59,688	-	-	47,665
23-08-2019	-	-	(84)	(10,557)	-	-	82,919	-	-	85,421
30-08-2019	-	-	8	(85,274)	-	-	75,150	-	-	121,379
06-09-2019	-	-	(277)	(61)	-	-	-	-	-	133,651
13-09-2019	-	-	49,997	(57,883)	-	-	-	-	-	139,995
20-09-2019	-	-	(63)	(115,217)	-	-	-	-	-	175,533
27-09-2019	-	-	86	(11,818)	(61,393)	-	-	63,124	-	188,513
30-09-2019	-	-	-	-	(4,767)	-	-	-	-	54,273
04-10-2019	-	-	(127)	(53,417)	(246,028)	-	-	-	-	226,422
11-10-2019	-	-	85,874	-	-	-	-	112	-	409,965
18-10-2019	-	-	13,621	-	-	-	-	100,133	-	220,354
25-10-2019	-	-	49,892	(1,043)	-	-	-	11,002	-	135,432
01-11-2019	-	-	(274)	(276)	-	-	-	3,775	-	98,201
08-11-2019	-	-	-	(37)	-	-	-	9,801	-	21,000
15-11-2019	-	-	(287)	-	-	-	50,201	46,641	-	-
22-11-2019	-	-	2,259	(1,307)	-	-	149,799	-	-	-
29-11-2019	-	-	48,837	17,869	-	-	472,358	209,653	(82,924)	-
06-12-2019	-	-	5,318	88,736	(15,075)	-	39,700	-	-	-
13-12-2019	-	-	(143)	144,764	(48,344)	-	129,969	-	-	-
20-12-2019	-	-	(4,508)	279,847	-	-	197,219	-	-	-
27-12-2019	-	-	(753)	148,951	-	-	27,799	-	-	-
31-12-2019	-	-	(1,365)	-	-	-	15,885	-	-	-
03-01-2020	-	(200,000)	23,444	(32,432)	-	-	-	-	-	-
10-01-2020	-	(300,000)	(2,541)	51,434	-	-	685,250	-	-	-

ANNEXURE TO THE BOARD'S REPORT

NAME OF THE SHAREHOLDERS	ABERDEEN GLOBAL INDIAN EQUITY LIMITED	THE NOMURA TRUST AND BANKING CO., LTD AS THE TRUST	HDFC LIFE INSURANCE COMPANY LIMITED	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	FIRST STATE ASIAN EQUITY PLUS FUND	ABERDEEN STANDARD SICAV I - ASIAN SMALLER COMPANIES FUND	STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL	PPFAS MUTUAL FUND - PARAG PARIKH LONG TERM EQUITY	AXIS MUTUAL FUND - TRUSTEE LIMITED A/C AXIS MUTUAL FUND	LIFE INSURANCE CORPORATION OF INDIA
17-01-2020	-	-	(340)	152,991	-	-	67,157	-	-	-
24-01-2020	-	-	6,451	713,931	-	-	-	-	-	-
31-01-2020	-	-	52	16,442	-	-	-	-	34,506	-
07-02-2020	-	-	125,125	(5,660)	-	-	-	-	-	-
14-02-2020	-	-	(6,865)	(9,220)	-	-	-	-	53,418	-
21-02-2020	-	-	858	(30,219)	-	-	-	-	-	-
28-02-2020	(300,000)	(100,000)	200,150	134,689	-	-	(11,873)	6,921	-	-
06-03-2020	(136,213)	-	5,009	(49,000)	-	-	(18,809)	102,636	60,000	-
13-03-2020	(42,442)	(47,005)	83,450	-	-	-	15,405	120,000	-	-
20-03-2020	(133,534)	(200,000)	129,904	(555,838)	-	-	-	76,821	465,000	-
27-03-2020	(246,466)	-	6,678	284,638	-	-	200,000	-	18,388	-
31-03-2020	-	-	165,017	-	-	-	(15,296)	300,000	-	-
Shareholding as at 31.03.2020	3,383,934	1,794,276	3,466,194	3,356,247	1,978,652	1,801,841	3,915,384	1,788,719	1,658,388	2,878,381
% to Total Shares	1.81	0.96	1.86	1.80	1.06	0.97	2.10	0.96	0.89	1.54
% Change during the year	(0.30)	(0.74)	0.43	0.38	-	0.18	1.48	0.72	0.68	1.54

Notes :

- The figures within the bracket denotes decrease in the shareholding and figures without brackets denotes increase in the shareholding on account of market transactions.
- % change during the year refers to the change during the year ended 31 March 2019 over 31 March 2020.

ANNEXURE TO THE BOARD'S REPORT

3. Top 10 shareholders as at 31 March 2020 has been considered for the above disclosure.

v) **Shareholding of Directors and Key Managerial Personnel as at 31 March 2020**

Sl. No.	Names of the Directors and KMP	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year* (Number of Shares)	Shareholding at the end of the year	
		No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the Company
1	Nitin Rakesh (CEO)	-	-	refer to the table below	-	-
2	V.Suryanarayanan (CFO)	17,988	0.01		25,948	0.01
3	Subramanian Narayan (CS)	2,572	-		3,672	0.00

Notes :

- Shareholding at the beginning of the year signifies shareholding as at 1 April 2019 i.e. on the basis of the SHP as of 31 March 2019 and shareholding at the end of the year signifies shareholding as on 31 March 2020 i.e. on the basis of the SHP of 31 March 2020.
- The increase/decrease in the shareholding of the Directors and KMPs are given below:

Name of the Director and KMP	Increase / (Decrease) in Shareholding	Date of Transaction	Reason for Increase/Decrease
V. Suryanarayanan	6,000	3 July 2019	Increase: Allotment of shares against exercise of stock options.
	(500)*	28 Aug 2019	
	(500)*	4 Sep 2019	
	1,500	30 Oct 2019	
	1,460	16 March 2020	
Subramanian Narayan	(200)*	11 Sep 2019	Decrease*: Sale of shares in market
	(700)*	12 Sep 2019	
	2000	20 Nov 2019	

5. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i. Principal Amount	-	2,383.10	-	2,383.10
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	7.22	-	7.22
Total (i+ii+iii)	-	2,390.32	-	2,390.32
Change in the indebtedness during the financial year	-	-	-	-
Addition	-	7,864.41	-	7,864.41
Reduction	-	(7,906.99)	-	(7,906.99)
Net Change	-	(42.58)	-	(42.58)
Indebtedness at the end of the financial year	-	-	-	-
i. Principal Amount	-	2,345.62	-	2,345.62
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	2.12	-	2.12
Total (i+ii+iii)	-	2,347.73	-	2,347.73

ANNEXURE TO THE BOARD'S REPORT

6. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole Time Directors (WTD), Manager and Key Managerial Personnel other than MD /Manager/WTD as at 31 March 2020

Sl. No.	Particulars of Remuneration	Mr. Nitin Rakesh (CEO)	Mr. V. Suryanarayanan (CFO)	Mr. Subramanian Narayan (CS)	Total Amount
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	45.74	22.62	5.89	74.25
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.68	0.86	0.03	1.56
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Options	30.98	1.47	0.46	32.92
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of Profit	-	-	-	-
	- Others, specify	-	-	-	-
5	Others -				
	- PF and other funds	-	0.50	0.16	0.66
	- Remuneration paid from subsidiary <small>refer note</small>	45.40	-	-	45.40
	Total (A)	122.81	25.44	6.54	154.79
	Ceiling as per the Companies Act, 2013	601.33	Not Applicable	Not Applicable	

Note :

- The remuneration of Mr. Nitin Rakesh represents remuneration is paid from Mphasis Corporation, wholly owned subsidiary of the Company, for the year ended to 31 March 2020, pursuant secondment to Mphasis Corporation.

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of the Independent Directors (1)			Total Amount	Name of other Non-Executive Directors (2)					Total Amount	Total (1 +2)
		Mr. Davinder Singh Brar	Ms. Jan Kathleen Hier	Mr. Narayanan Kumar		Mr. David Lawrence Johnson	Mr. Paul James Upchurch	Mr. Marshall Lux	Mr. Amit Dixit	Mr. Amit Dalmia		
1	Fee for attending Board Committee Meetings	-	-	-	-	-	-	-	-	-	-	-
2	Commission	6.07	5.17	5.52	16.76	4.88	4.83	4.83	-	-	14.54	31.30
3	Others, please specify	-	-	-	-	-	-	-	-	-	-	-
	Total (B)	6.07	5.17	5.52	16.76	4.88	4.83	4.83	-	-	14.54	31.30
	Total Managerial Remuneration											186.09
	Overall Ceiling as per the Companies Act, 2013											1,322.93

ANNEXURE TO THE BOARD’S REPORT

7. Penalties/Punishment/Compounding of Offence - Nil

Type	Section of the Companies Act, 2013	Brief Description		Details of Penalty/Punishment/compounding fee imposed		Authority (IRD/NCLT/COURT)	Appeal made, if any (give details)
A. Company							
Penalty	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL	NIL	NIL
B. Directors							
Penalty	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Other officers in Default							
Penalty	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors

New Delhi, India
13 May 2020

Davinder Singh Brar
Chairman

CORPORATE GOVERNANCE

I. COMPANY'S POLICY ON CORPORATE GOVERNANCE

Governance at Mphasis encompasses structures, practices and processes adopted in every sphere of the Company's operations to provide long-term value to its stakeholders through ethical and transparent standards. Moral values, clarity, responsibility, accountability, compliance, trust and confidence values, are the core elements of governance at Mphasis. The Company, as a responsible corporate citizen, believes that the spirit of Corporate Governance stretches beyond statutory acquiescence to meet the ethical, legal, economic and social responsibilities and is centric to stakeholder 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.

Mphasis has charted a growth trajectory along four parameters of growth; competitiveness, consistency, profitability and responsibility to benefit our employees, customers, investors and the community at large.

The Company has complied with the governance requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and hereby presents the Corporate Governance Report for the financial year ended 31 March 2020.

II. BOARD OF DIRECTORS

Mphasis believes that an effective Board requires an optimum combination of professionals from different spheres with diversity and independence. The primary responsibility of the Board is to provide effective governance over the Company's affairs. The Company's business is conducted by its employees under the overall supervision of the Chief Executive Officer, who is assisted by a council of senior managerial personnel in different functions.

(a) Composition of the Board

As of 31 March 2020, the Board is comprised of nine directors (including a woman independent director) of which, one is an Executive Director, five directors are nominated by Marble II Pte. Ltd., the Promoter (forming a part of the Blackstone Group of companies) and three 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.

Ms. Jan Kathleen Hier was appointed as an Independent Director effective 11 December 2015 by the shareholders at the 25th Annual General Meeting held on 4 November 2016. Accordingly, she holds office of the Independent Director till 10 December 2020. It is proposed to appoint, Ms. Jan Kathleen Hier as an Independent Director, for another term of five years, at the ensuing Annual General Meeting, effective 11 December 2020.

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 in the online data bank maintained by the Indian Institute of Corporate Affairs. Mr. Davinder Singh Brar and Mr. Narayanan Kumar are exempted from the one-line proficiency self - assessment test and Ms. Jan Kathleen Hier has completed the self-assessment test for the year ended 31 March 2020.

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 of the Company 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 hereto.

(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 and compliance are reviewed. The annual calendar of meetings is communicated to the directors in advance to ensure maximum participation. The Board is regularly apprised on the performance of the Company and is provided with necessary information and presentations on matters concerning business, 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, through their participation in board meetings, provide inputs to the management from their relevant fields of knowledge and expertise, viz. information technology, business process outsourcing, finance, accounting, marketing and management sciences.

CORPORATE GOVERNANCE

The 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 Board Meetings.

The Chairmen/Chairperson of the respective Committees update the Board regarding Committee meetings held since the date of the last Board Meeting and notes recommendations. During the year under review, in all instances 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 the necessary skills and knowledge which enable the Board to make informed decisions. Thoughtful and thorough orientation is key for directors to realize their full potential to contribute to the collective mindset of the Board and avoid wastage of opportunities.

A director orientation program is a process which begins when a person is appointed as a director. 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 on a one-on-one basis to the new director, 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 by understanding the strategy and provide effective guidance on select topic areas. This process provides an effective mechanism for the director to acquire specialized orientation. The Company conducts an annual Board strategy meeting, which discusses topics *inter-alia* covering the Company's strategies, Industry landscape, Investors and Customers perspective etc. which helps a 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/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.










During the year ended 31 March 2020, the Independent Directors of the Board were updated on topics in relation to business models, industry trends, leadership development and compliance aggregating to fourteen hours.

CORPORATE GOVERNANCE

(c) Board Meetings held during the year, attendance of the Directors and details of the Directorships, Committee Membership/ Chairmanship:

During the financial year 2020, five meetings of the Board were held on 27 and 28 May 2019, 25 July 2019, 13 and 14 November 2019, 6 February 2020 and 16 March 2020. 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 2019-20			Other Directorship, Committee Membership / Chairmanship			
	Board Meetings		Attendance at the Last AGM	Other Directorships (Directorships in Public Limited Companies) ¹	Independent Directorships in other Listed Companies	Committee Memberships ²	Committee Chairmanships ²
	Number of meetings held during tenure	No. of meetings attended					
Executive Director							
Mr. Nitin Rakesh Chief Executive Officer and Executive Director	5	5		Nil	Nil	1	1
Independent Directors							
Mr. Davinder Singh Brar Chairman	5	5		13 (3)	3	5	2
Ms. Jan Kathleen Hier	5	5		Nil	Nil	1	Nil
Mr. Narayanan Kumar	5	5		10 (7)	6	4	2
Non-Executive Directors (Non-Independent Directors)							
Mr. David Lawrence Johnson	5	5		Nil	Nil	Nil	Nil
Mr. Paul James Upchurch	5	5		Nil	Nil	Nil	Nil
Mr. Amit Dixit	5	5		8 (5)	Nil	2	Nil
Mr. Amit Dalmia	5	5		1 (1)	Nil	2	Nil
Mr. Marshall Lux	5	5		Nil	Nil	Nil	Nil

Notes:





















1. Does not include directorships in foreign companies and membership in governing councils, chambers and other bodies.
2. Includes membership/Chairmanship in Audit Committee and Stakeholders Relationship Committee of public limited companies, including Mphasis Limited.
3. There are no relationships inter-se directors as on 31 March 2020.

CORPORATE GOVERNANCE

(d) Details of Other Directorships

None of the directors hold directorship in more than entities than permitted as per the law. Given below is the list of other directorship of the Directors in listed entities as at 31 March 2020.

 - Independent Director  - Whole time Director  - Non-Independent Director

Name of the Companies	Mr. Davinder Singh Brar, Chairman	Mr. Nitin Rakesh, CEO and Executive Director	Ms. Jan Kathleen Hier, Independent Director	Mr. Narayanan Kumar, Independent Director	Mr. David Lawrence Johnson, Non-Executive Director	Mr. Paul James Up- church, Non-Executive Director	Mr. Marshall Lux, Non- Executive Director	Mr. Amit Dixit, Non-Executive Director	Mr. Amit Dalmia, Non-Executive Director
Mphasis Limited									
Maruti Suzuki India Limited									
Wockhardt Limited									
Essel Propack Limited									
Bharati Infratel Limited									
Entertainment Network (India) Limited									
Take Solutions Limited									
Larsen and Toubro Limited									
L&T Technology Services Limited									
SH Kelkar Company Limited									
Jagran Prakashan Limited									

(e) Independent Directors Meeting:

In accordance with Section 149 read with Schedule IV to the Companies Act, 2013 ("the Act") and Listing Regulations, the Independent Directors of the Company meets without the presence of management. 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 taking into account 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, Ms. Jan Kathleen Hier, Independent Director of the Company, has been appointed 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 following is the matrix setting 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. Based on the skill set mapping carried out by the directors, it is confirmed that each of the director has the skillset defined in the matrix though the elements defining the skills could differ for each of the director.

CORPORATE GOVERNANCE

Technical Skills and Experience	A. Industry Knowledge and Engagement B. Business Operations understanding C. Ability to guide on strategic matters D. Accounting and Financial Knowledge E. Compliance and Governance understanding
Personal Traits	A. Commitment, Integrity and Ethics B. Interpersonal relations C. Analytical Skills D. Mentoring and Leadership abilities

III. 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 the 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 2020, five meetings of the Audit Committee were held on 27 May 2019, 25 July 2019, 13 November 2019, 06 February 2020 and 16 March 2020.

The composition of the Committee and the attendance of the members at each of the meetings held during the year ended 31 March 2020 are given below:

Member	No. of Meetings held during the tenure	 - Present  - Absent				
		No. of Meetings attended				
Mr. Narayanan Kumar, Chairman	    	    				
Mr. Davinder Singh Brar	    	    				
Ms. Jan Kathleen Hier	    	    				
Mr. Amit Dixit	    	    				

Note: the attendance of the members is reported in the chronology of the meetings.

(b) Share Transfer Committee

In order to expedite the requests of the shareholders, in connection with transfers, demat and other related processes, the Board has 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.

CORPORATE GOVERNANCE

The present composition of the Committee is as follows:

Mr. Nitin Rakesh	-	Member
Mr. Davinder Singh Brar	-	Member
Mr. Amit Dalmia	-	Member

During the year ended 31 March 2020, the Share Transfer Committee passed resolutions dated 26 April 2019, 7 May 2019, 10 May 2019 and 24 April 2020 for approval of rectification of name of the shareholder, transfer of equity shares to Investor Education and Protection Fund, and issue of duplicate share certificate.

In terms of Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective 1 April 2019, except in case of transmission or transposition of securities, request for effecting transfer of shares are not processed unless such shares are held in the dematerialized form. The Company ensures that the transmission of shares and other requests are affected 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.

















(c) 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 2020, two meetings of the Nomination and Remuneration Committee were held on 27 May 2019 and 06 February 2020. The composition of the Committee and the attendance at each of the meetings held during the year ended 31 March 2020 are given below:

Member	No. of Meetings held during the tenure		No. of Meetings attended	
Ms. Jan Kathleen Hier, Chairperson				
Mr. Davinder Singh Brar				
Mr. Amit Dixit				
Mr. David Lawrence Johnson				

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.

CORPORATE GOVERNANCE

The remuneration matrix for the Non-Executive Directors is set out below:

Particulars	Factor	Max Remuneration (₹ Lacs)
Fixed Remuneration	Flat Fee p.a.	44.00
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

Note : The portions of the remuneration denominated as "Per Meeting" are applicable in respect of the meetings actually held and participated by the Non-Executive Directors and Independent Directors which is statutorily counted for quorum.

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 (Executive Director) of the Company. The Board of Directors / the Nomination and Remuneration Committee of Directors 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. It is computed on the basis of specific targets set for the Executive Director every year which is linked to the Company's performance; 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/stock units plan of the Company, which aligns with the long-term interests of the Company and stakeholders.

Considering the business requirements of Mphasis Corporation, a wholly owned subsidiary of the Company, Mr. Nitin Rakesh has been seconded to Mphasis Corporation, USA, vide secondment agreement dated 16 October 2018. The term of secondment agreement is for a period of one year, which is automatically renewed for another period of one year from the expiry of the previous term. Accordingly, the remuneration of Mr. Nitin Rakesh disclosed includes remuneration paid from Mphasis Corporation.

(c) Other Employees

The Company's executive remuneration policy for the 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 is hosted on the website of the Company at www.mphasis.com in the Investors section.

CORPORATE GOVERNANCE

iii. Details of Remuneration to the Directors for the year 2019-20:

(₹ million)

Name of Director	Salary ²	Bonus	Benefits / Perquisite	Commission	Total
Mr. Nitin Rakesh	45.75	45.40	31.66	-	122.81
Mr. Davinder Singh Brar	-	-	-	6.07	6.07
Mr. Narayanan Kumar	-	-	-	5.52	5.52
Ms. Jan Kathleen Hier	-	-	-	5.17	5.17
Mr. David Lawrence Johnson	-	-	-	4.88	4.88
Mr. Paul James Upchurch	-	-	-	4.83	4.83
Mr. Marshall Lux	-	-	-	4.83	4.83
Mr. Amit Dixit	-	-	-	-	-
Mr. Amit Dalmia	-	-	-	-	-
Total	45.75	45.40	31.66	31.30	154.11

Notes:

(1) There is no provident fund contributed for Mr. Nitin Rakesh.

(2) Represents remuneration paid from Mphasis Corporation, wholly owned subsidiary of the Company, for the year ended 31 March 2020.

The notice period for severance of employment for Mr. Nitin Rakesh, CEO and Executive Director, is 90 days. In the event of termination of employment of Mr. Nitin Rakesh, for convenience, consequent to a change in control, subject to the other provisions of the employment contract, the severance compensation to be paid is US\$ 900,000.

As at the date of the report, Mr. Nitin Rakesh, CEO and Executive Director, holds 979,000 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.

The Independent Directors of the Company are not eligible for any stock options and none of the other non-executive directors were granted any stock options of Mphasis Limited during the year ended 31 March 2020.

Mr. Marshall Lux, Non-Executive Director, hold 50,000 stock-based incentive units of Mphasis Corporation, a wholly owned subsidiary of the Company, which were granted on 11 October 2016. The incentive units' vests over 5 equal tranches and can be exercised any time upto 6 months from the date of termination of the Contract by 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.

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 2020:

Remuneration to Non-Executive Directors

Name of the Directors	Remuneration (₹ Million)		Ratio of Remuneration
	2019-20	MR (in times)	NP (in %)
Mr. Davinder Singh Brar	6.07	9	0.05
Mr. Narayanan Kumar	5.52	8	0.05
Ms. Jan Kathleen Hier	5.17	8	0.04
Mr. David Lawrence Johnson	4.88	7	0.04
Mr. Paul James Upchurch	4.83	7	0.04
Mr. Marshall Lux	4.83	7	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.

CORPORATE GOVERNANCE

Remuneration to Key Managerial Personnel (KMPs) as at 31 March 2020:

Name of the KMPs	Remuneration (₹ Million)		Ratio of Remuneration	
	2019-20	% Increase	MR (in times)	NP (in %)
Mr. Nitin Rakesh, Chief Executive Officer <small>Refer Note 4</small>	122.81	6.5	180	1.04
Mr. V Suryanarayanan, Chief Financial Officer	25.44	5.0	37	0.22
Mr. Subramanian Narayan, Company Secretary	6.54	5.0	10	0.06

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 to 31 March 2020, pursuant to his secondment to Mphasis Corporation.

During the year, in line with the Industry standards and to remain competitive in the marketplace, the Company had awarded 5% average increase in the remuneration to the employees. The details of increment given to the Key Managerial Personnel has been disclosed above. The median remuneration of the employees increased by 4.07% during the year. There are no employees receiving remuneration in excess of remuneration received by the CEO and Executive Director of the Company. As at 31 March 2020, there were 18,865 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 2020, none of the directors held any equity shares.

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, mapping their skill-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) is a woman Independent Director on the Board of the Company.



















CORPORATE GOVERNANCE

(d) 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 2020, a telecon meeting of the CSR Committee was held on 16 May 2019 to take note of update on CSR programs, amount spent for FY 2019 and proposed CSR spend for FY 2020 and a meeting of the Committee was held on 13 November 2019 to take note of the CSR updates.

The composition of the Committee and the attendance of the members at each of the meetings held during the year ended 31 March 2020 are given below:

Member	No. of Meetings held during the tenure (including telecon meetings)	 - Present  - Absent	
		No. of Meetings attended (including telecon meetings)	
Mr. Narayanan Kumar, Chairman	 	 	
Mr. Davinder Singh Brar	 	 	
Mr. Nitin Rakesh	 	 	
Mr. Amit Dalmia	 	 	

(e) 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) Regulations, 2014.

During the year ended 31 March 2020, the ESOP Compensation Committee has, on a periodic basis, approved exercise of 316,768 equity shares of ₹10 each under various Employee Stock Options Schemes and Restricted Stock Units schemes in force. 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 of the Company including the grants made thereunder.

The present composition of the Committee is as below:

Mr. Narayanan Kumar	-	Chairman
Mr. Davinder Singh Brar	-	Member
Mr. Amit Dixit	-	Member

During the year, the Committee approved a grant of 186,500 stock options under Employees Stock Option Plan 2016.

(f) 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.

During the year ended 31 March 2020, a meeting of the Stakeholders Relationship Committee was held on 13 November 2019, wherein all the members were present.

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.

CORPORATE GOVERNANCE

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 2020, is as under:

Complaints as on 1 April 2019	:	Nil
Complaints received during the year	:	4
Complaints resolved during the year	:	4
Complaints pending as on 31 March 2020	:	Nil

All the grievances have been resolved.

The Complaints pertains to non-receipt of dividend and non-receipt of Annual Reports and Buyback Letter of Offer.

The present composition of the Committee is as below:

Mr. Davinder Singh Brar	-	Chairman
Mr. Nitin Rakesh	-	Member
Mr. Amit Dalmia	-	Member

Name, Designation and Address of the Compliance Officer

Mr. Subramanian Narayan
Vice President and Company Secretary,
Mphasis Limited
Bagmane World Technology Center, Marathahalli Outer Ring Road,
Doddanakhundi Village, Mahadevapura, Bengaluru - 560048

(g) Treasury and Operations Committee

The Board has constituted a "Treasury and Operations Committee" considering the 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.

The present composition of the Committee is as below:

Mr. Davinder Singh Brar	-	Chairman
Mr. Nitin Rakesh	-	Member
Mr. Amit Dalmia	-	Member

During the year ended 31 March 2020, a telecon meeting of the Committee was held on 04 November 2019 wherein all the above members were present.

(h) 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 present 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. Paul James Upchurch	-	Member
Mr. Marshall Lux	-	Member

CORPORATE GOVERNANCE

(i) Risk Governance and Management Committee

The Board has constituted a Risk Governance and Management Committee (RGMC) with primary function is to review and approve annually, an Enterprise Risk Management framework, review and recommend changes to the approved, value 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 2020, a telecon meeting of the Committee was held on 16 May 2019 and a meeting of the Committee was held on 06 February 2020.

The composition of the Committee and the attendance of the members at each of the meetings held during the year ended 31 March 2020 are given below:

Member	No. of Meetings held during the tenure (including telecon meetings)	 - Present  - Absent	
		No. of Meetings attended (including telecon meetings)	
Mr. Amit Dalmia, Chairman	 	 	
Mr. Narayanan Kumar	 	 	
Mr. Nitin Rakesh	 	 	
Mr. David Lawrence Johnson	 	 	
Mr. Marshall Lux	 	 	
Mr. Suryanarayanan	 	 	
Mr. Eric Winston	 	 	

IV. 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:

AGM	Date and Time	Venue
Twenty sixth Annual General Meeting	26 July 2017 10:30 AM	The Chancery Pavilion Hotel, No. 135, K.S. Thimmaiah Road, (Residency Road), Bengaluru – 560025.
Twenty seventh Annual General Meeting	7 August 2018 10:30 AM	- do -
Twenty eighth Annual General Meeting	25 July 2019 10:30 AM	Taj MG Road, 41/3, Mahatma Gandhi Road, Bengaluru 560001.

(b) Special resolutions transacted at the Annual General Meetings held in the last three years

Date of AGM	Special Resolutions transacted
7 August 2018	Approval for re-appointment of Mr. Narayanan Kumar as an Independent Director.
25 July 2019	Approval for re-appointment of Mr. D S Brar as an Independent Director.

(c) Special resolutions transacted through Postal Ballot last year

During the year, no special resolution was transacted through Postal Ballot. None of the items, being placed at the ensuing Annual General Meeting, are required to be passed through Postal Ballot.

V. DISCLOSURES

There are no materially significant related party transactions which have potential conflict with the interests of the Company at large. The details of material related party transactions, if any, are filed with the stock exchanges every quarter. 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 Regulations 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.

CORPORATE GOVERNANCE

The code of conduct of the Board of Directors and senior management has 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 Listing Regulations.

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:

1. Quarterly Shareholding Pattern
2. Disclosures of Voting Results
3. Letters of 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

VI. Details of fees paid to the Statutory Auditors

The details of total fees paid by the Company and its subsidiaries to B S R & 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	15,535,993
Total fees paid by the subsidiaries of the Company	975,000

VII. 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.

CORPORATE GOVERNANCE

Some of the salient features of the internal control system in place are:-

1. Adherence to applicable Accounting Standards and Policies.
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 of the Company to mitigate the same.

In addition, the Company uses the services of an external 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 quarterly 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.

VIII. 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 Pan India. 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 transcripts of the earnings call are hosted on the Company's website for the information of other Investors as required under the provisions of the Listing Regulations.

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:

CORPORATE GOVERNANCE



<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 Listing Regulations are also uploaded on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre respectively.

IX. GENERAL SHAREHOLDERS INFORMATION

(a) Details of the AGM

Date

Thursday, 23 July 2020

Time

9:00 AM (IST)

Venue

The Company is conducting the meeting through Video Conferencing pursuant to the circular of Ministry of Corporate Affairs dated 5 May 2020 and hence there is no requirement for physical venue of the meeting.

SCHEDULE OF EVENTS FOR THE VOTING AND DECLARATION OF VOTING RESULTS

Events	Planned dates
Dispatch of Annual Report	Tuesday, 30 June 2020 (Latest date)
Advertisement regarding dispatch of notices and public notice regarding e-voting in English and Kannada	Tuesday, 30 June 2020 (Latest date)
Cut-off date for remote e-voting	Thursday, 16 July 2020
Commencement of remote e-voting	Saturday, 18 July 2020
Closing of the e-voting	Wednesday, 22 July 2020
Voting at AGM	Thursday, 23 July 2020
Declaration of results of voting	Friday, 24 July 2020

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.

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(b) Financial Calendar

Financial Year	1 April 2019 to 31 March 2020
Results Announced	13 May 2020
Book Closure Dates	4 July 2020 to 23 July 2020 (both days inclusive)
Posting of Annual Reports	By 30 June 2020 (latest Date)
Annual General Meeting	23 July 2020
Dividend Payment Date	On or before 21 August 2020

(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, 4 th 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 2021.

(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	Marathon Futurex, A-Wing, 25 th Floor, Mafatlal Mills Building, N.M. Joshi Marg, Lower Parel (E), Mumbai - 400 013.

The Company has paid the custodial charges to the respective depository participants for the year ending 31 March 2021.

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 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 2020, 99.73% shareholders held 99.96% of shares in demat form.

(e) Corporate Identity Number

The Corporate Identity Number (CIN), allotted by the Ministry of Corporate Affairs, Government of India, is L30007KA1992PLC025294 and the Company's Registration Number is 25294.

The Company's Master Data and details of the compliance filings by the Company with the Ministry of Corporate Affairs, Government of India, may be viewed by the members and other stakeholders at www.mca.gov.in (MCA21eServices) using the above mentioned CIN.

CORPORATE GOVERNANCE

(f) Market Quotation

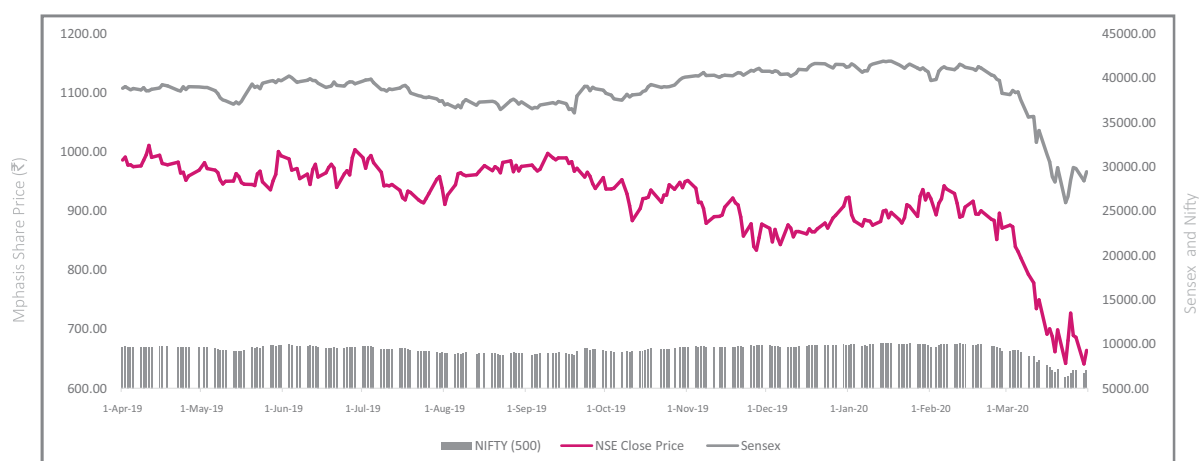
The month wise high low and closing prices and the volume of shares of the Company traded for the period 1 April 2019 to 31 March 2020 on The National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) are given below:

Month	NSE				BSE			
	High	Low	Close	Volume for the month	High	Low	Close	Volume for the month
	(₹)	(₹)	(₹)	(Shares)	(₹)	(₹)	(₹)	(Shares)
Apr-19	1,017.40	950.00	969.40	3,365,633	1,016.00	950.00	965.15	131,485
May-19	1,003.00	917.55	993.85	4,779,509	1,006.00	917.85	994.45	691,155
Jun-19	1,017.90	930.20	1,004.10	3,375,252	1,015.00	932.10	1,006.25	182,355
Jul-19	1,015.75	890.20	938.90	6,418,882	1,015.00	890.60	937.35	297,853
Aug-19	999.50	905.05	975.80	2,432,053	995.05	890.60	975.55	94,965
Sep-19	999.35	935.00	954.50	2,615,141	999.00	935.50	960.80	125,395
Oct-19	962.95	880.10	950.25	4,207,366	962.00	830.00	951.05	211,862
Nov-19	954.95	827.75	878.35	4,272,717	954.40	828.15	879.00	84,188
Dec-19	932.80	832.90	922.25	2,999,512	912.00	834.00	920.70	359,888
Jan-20	949.70	868.05	929.85	5,804,272	949.15	862.65	929.80	159,283
Feb-20	956.95	840.00	871.55	4,770,460	955.00	842.05	870.85	215,832
Mar-20	893.55	630.00	664.45	17,499,145	891.70	612.05	664.50	2,515,107

Note: The prices have been rounded off to the nearest rupee.

Based on the closing quotation of ₹ 664.45 per share as at 31 March 2020 at the National Stock Exchange of India Limited (NSE), the market capitalization of the Company is ₹ 124 billion (market capitalisation as at 31 March 2019 was ₹ 185 billion). The share price of the Company had been adversely affected due to fall in the stock market from 28 February 2020 due to unprecedented COVID-19 pandemic. Based on the share price of ₹ 896.70 as at 27 February 2020, the market capitalisation of the Company is ₹ 167 billion.

Performance of Mphasis Stock Vis-à-vis Market Indices



CORPORATE GOVERNANCE

(g) Members' Profile

The shareholding pattern of the members of the Company as on 31 March 2020 is as follows :

Category	Total No. of shareholders	Shares held in demat form	Shares held in physical form	Total No. of shares	% to total capital
Promoter	1	104,799,577	-	104,799,577	56.18
Foreign Portfolio Investors	309	44,523,459	-	44,523,459	23.87
Alternate Investment Funds	3	101,350	-	101,350	0.05
Financial Institutions and Banks	11	3,883,046	100	3,883,146	2.08
Mutual Funds	54	12,647,398	-	12,647,398	6.78
Insurance Companies	18	9,807,174	-	9,807,174	5.26
Bodies Corporate	610	1,613,393	1,000	1,614,393	0.87
NBFC's registered with RBI	1	4,414	-	4,414	-
Non-Resident Indians	2,956	1,737,705	-	1,737,705	0.93
Resident Indians	57,027	6,921,098	72,758	6,993,856	3.75
Others	148	423,335	-	423,335	0.23
Total	61,138	186,461,949	73,858	186,535,807	100.00

(h) Distribution of Shareholding as on 31 March 2020:

Category	Shareholders		Shares held	
	Number	Percentage	Number	Percentage
Upto 500	59,152	96.75	3,887,656	2.08
501 - 1000	808	1.32	609,528	0.33
1001 - 2000	382	0.62	548,607	0.29
2001 - 3000	132	0.22	334,849	0.18
3001 - 4000	90	0.15	317,551	0.17
4001 - 5000	71	0.12	328,400	0.18
5001 - 10000	145	0.24	1,054,387	0.57
10001 & above	358	0.59	179,454,829	96.20
Total	61,138	100.00	186,535,807	100.00

(i) Details regarding the shares in the Unclaimed Suspense Account:

Sl. No.	Particulars	No. of shareholders	No. of Shares
1	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account as at 1 April 2019	12	4,500
2	Transfer of Shares to Investor Education and Protection Fund during the year, pursuant to Section 124(6) of the Companies Act, 2013 <small>Refer Note 1</small>	1	200
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 at 31 March 2020	11	4300

Notes:

- 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.
- As at the date of the report, 1,300 shares have been transferred to the Investor Education Protection Fund, pursuant to Section 124 of the Companies Act, 2013, in respect of which the dividend has remained unclaimed for a period of seven consecutive years.

The voting rights on the shares outstanding in the suspense account shall remain frozen till the rightful owner of such shares claims the shares.

CORPORATE GOVERNANCE

(j) Address for Communication

Company Contact
<p>Mr. Subramanian Narayan 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 1000</p>

RTA Contact
<p>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 Fax: +91 (080) 2346 0819</p>

For and on behalf of the Board of Directors

New Delhi, India
13 May 2020

Davinder Singh 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 2020, 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, 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) during the year ended March 31, 2020. 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 : 10028
CP No. : 4738
UDIN : A010028B000316917

Date : 13 May 2020
Place : Bengaluru
Peer reviewed unit - bearing Unique Identification Number : I2002KR300400

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 Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
MPHASIS LIMITED
Bagmane World Technology Center,
Marathahalli Outer Ring Road,
Doddanakundi Village, Mahadevapura,
Bangalore-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 **MPHASIS 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, Bangalore – 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 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 & 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, 2020 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	Whole-time Director	26/07/2017
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.	07593638	PAUL JAMES UPCHURCH	Director	01/09/2016
9.	08178748	MARSHALL JAN LUX	Director	07/08/2018

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

Date: 13 May 2020
Place: Bengaluru

ACS : 10028
CP No. : 4738
UDIN : A010028B000316664

Peer reviewed unit - bearing Unique Identification Number : I2002KR300400

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 2020, the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the 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 ('the 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 2020, profit and other comprehensive income, changes in equity and its 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 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 ('KAM') 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.

Description of Key Audit Matters

The key audit matter	How the matter was addressed in our audit
Adoption of Ind AS 116, Leases	
<p>As described in Note 2 to the standalone financial statements, during the current year the Company has adopted Ind AS 116, Leases ('Ind AS 116'), the new standard on lease accounting. The application and transition to this accounting standard is complex and is an area of focus in our audit as the Company has a large number of leases with different contractual terms.</p> <p>Ind AS 116 introduces a new lease accounting model wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on its balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term.</p> <p>The Company adopted the modified retrospective approach method to transition to Ind AS 116, consequently comparative financial information was not restated.</p>	<p>Our audit procedures on adoption of Ind AS 116 include the following:</p> <ul style="list-style-type: none"> Evaluated the design and implementation of the processes and internal controls relating to implementation of the new lease standard. Based on our evaluation of the contractual agreements entered into and our knowledge of the business, assessed the appropriateness of the leases identified by the Company. Involved our internal valuation specialists to evaluate the reasonableness of the discount rates used in computing the lease liabilities. On transition to Ind AS 116 with effect from 1 April 2019: <ul style="list-style-type: none"> Evaluated the method of transition and related adjustments. Tested completeness of the lease data by reconciling the Company's operating lease commitments as at 31 March 2019 to data used in computing the ROU asset and related lease liabilities.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Description of Key audit matters (continued)

The key audit matter	How the matter was addressed in our audit
<p>Additionally, the standard mandates detailed disclosures with respect of transition.</p> <p>Refer Note 2 and Note 4 to the standalone financial statements.</p>	<ul style="list-style-type: none"> Selected samples using the statistical sampling approach. For such samples selected, we assessed the key terms and conditions of each lease with the underlying lease contracts, evaluated computation of lease liabilities and challenged the key estimates such as discount rates and the lease term. For new / modified leases, tested the lease accounting and estimates/ judgments used by the Company. Evaluated the appropriateness of the accounting policy, disclosures provided under the new lease standard and assessed the completeness and mathematical accuracy of the relevant disclosures, including those related to transition.
Evaluation of tax positions	
<p>The Company operates in India and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including direct tax, transfer pricing and indirect tax matters. 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 financial statements.</p> <p>Refer Note 22 and Note 30 to the standalone financial statements.</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> Obtained an understanding of key tax litigations and potential tax exposures. The audit team, along with our internal tax experts: <ul style="list-style-type: none"> read and analyzed select key correspondences and consultations carried out by the Company including with external tax experts for key tax litigations and potential tax exposures. discussed with appropriate senior management, evaluated and challenged key assumptions and grounds of appeal considered by the Company in estimating the current and deferred tax balances. evaluated the status of the recent tax assessments / inquiries, results of previous tax assessments, legal precedence / judicial rulings and changes in the tax environment 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 relating to taxes.

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 standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Management's and Board of Directors' Responsibility 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 (including 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, 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 management and the Board of Directors either intend 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 in place adequate internal financial controls with reference to standalone financial statements 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 management and Board of Directors in the standalone financial statements.
- Conclude on the appropriateness of management's and Board of Director's use of the going concern basis of accounting 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.

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 auditors' 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("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.
- (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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 standalone 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 Auditors' 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:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 30 to the standalone financial statements.
 - ii. Provision has been made in the standalone financial statements, as required under the applicable law or Ind AS, for material foreseeable losses on long-term contracts including derivative contracts. Refer Note 16 to the standalone financial statements.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.
- (C) With respect to the matter to be included in the Auditors' 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 limits 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

UDIN: 20060154AAAAFV3545

Bengaluru
13 May 2020

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Annexure A to the Independent Auditors' Report

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) 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 three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain property, plant and equipment were physically verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not have any immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company.

In respect of immovable properties taken on lease and disclosed as right-of-use-assets in the standalone financial statements, the lease agreements are in the name of the Company.

- (ii) The Company is a service company and accordingly, it does not hold any physical inventories. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, where applicable, with respect to the loans given, investments made, guarantees and securities given.
- (v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of sections 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 of the Act for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, Duty of Customs, Cess and any other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Duty of excise and Sales tax.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and any other material statutory dues were in arrears as at 31 March 2020, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or Duty of Customs or Duty of Excise or Value added tax which have not been deposited by the Company on account of disputes, except for the following:

Name of the statute	Nature of dues	Amount* (Rs. in millions)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	Income tax	3,950.70	2004-05, 2006-07, 2008-09, 2009-10, 2012-13, and 2013-14	Income Tax Appellate Tribunal
		3,188.03	2009-10, 2010-11, 2011-12, 2014-15 and 2016-17	Commissioner of Income Tax, Appeals
		365.99	2000-01 to 2005-06	Supreme Court
Income Tax Act, 1961	Withholding taxes	4,956.63	2005-06 to 2011-12	Income Tax Appellate Tribunal
		1,933.40	2012-13, 2013-14 and 2014-15	Commissioner of Income Tax, Appeals
		3.37	1999-00 to 2001-02	Supreme Court

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Annexure A to the Independent Auditors' Report (Continued)

Name of the statute	Nature of dues	Amount* (Rs. in millions)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Finance Act, 1994	Service tax	147.51	2004-05 to 2008-09	CESTAT, Karnataka
		18.74	October 2011 to March 2015	Commissioner (Appeals), Karnataka
Karnataka Value Added Tax Act, 2003	Sales tax	0.73	2015-16	Assistant commissioner of Commercial Taxes, Karnataka
Tennessee Sales and Use Tax Regulations, USA	Sales and Use Tax	428.49	December 2011 to April 2015	Department of Revenue, Tennessee

* Net of amounts paid under protest amounting to Rs. 2,643.86 million.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions or Government and there are no dues to debenture holders during the year.
- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on 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, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Chartered Accountants

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

Amit Somani

Partner

Membership No: 060154

UDIN: 20060154AAAAFV3545

Bengaluru
13 May 2020

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Annexure B to the Independent Auditors' report on the standalone financial statements of Mphasis Limited

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 Companies Act, 2013

(Referred to in paragraph 1(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 standalone financial statements of Mphasis Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year then ended.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone 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 Responsibility 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 standalone 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 the 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone 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 standalone 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 standalone financial statements were established and maintained and whether 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 standalone financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Annexure B to the Independent Auditors' report (Continued)

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone 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 standalone 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.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **BSR & Co. LLP**

Chartered Accountants

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

Amit Somani

Partner

Bengaluru
13 May 2020

Membership No: 060154
UDIN: 20060154AAAFV3545

STANDALONE FINANCIAL STATEMENTS

STANDALONE BALANCE SHEET

		(₹ million)	
	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,306.95	886.05
Capital work-in-progress		72.67	15.77
Right-of-use assets	4	4,939.67	-
Other intangible assets	5	97.27	90.35
Intangible assets under development		-	13.41
Financial assets			
Investments	6	14,997.93	14,982.29
Trade receivables	7	-	10.60
Loans	8	612.74	702.06
Other financial assets	9	151.78	612.10
Deferred tax assets (net)	22	1,922.47	712.01
Income tax assets (net)	22	4,118.10	4,402.10
Other assets	10	1,238.48	840.87
Total non-current assets		29,458.06	23,267.61
Current assets			
Financial assets			
Investments	11	3,166.79	5,864.70
Trade receivables	7	7,684.46	5,017.52
Unbilled receivables		3,596.83	2,818.67
Cash and cash equivalents	12	7,485.30	1,438.31
Bank balances other than cash and cash equivalents	13	-	27.03
Loans	8	1,158.28	1,032.18
Other financial assets	9	584.67	1,134.84
Other assets	10	1,989.24	2,176.20
Total current assets		25,665.57	19,509.45
TOTAL ASSETS		55,123.63	42,777.06

STANDALONE FINANCIAL STATEMENTS

STANDALONE BALANCE SHEET

(₹ million)

	Notes	As at 31 March 2020	As at 31 March 2019
EQUITY AND LIABILITIES			
Equity			
Share capital	14	1,865.43	1,862.26
Other equity	15	34,906.59	30,773.97
Total equity		36,772.02	32,636.23
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities		4,853.38	-
Other financial liabilities	16	627.52	39.57
Employee benefit obligations	17	687.76	778.59
Other liabilities	18	-	91.52
Total non-current liabilities		6,168.66	909.68
Current liabilities			
Financial liabilities			
Borrowings	19	2,345.62	2,383.10
Lease liabilities		951.04	-
Trade payables	20		
- outstanding dues to micro and small enterprises		5.07	4.87
- outstanding dues to creditors other than micro and small enterprises		5,028.00	3,321.10
Other financial liabilities	16	2,750.84	1,786.13
Employee benefit obligations	17	187.06	180.52
Provisions	21	55.34	83.23
Income tax liabilities (net)	22	311.59	1,101.03
Other liabilities	18	548.39	371.17
Total current liabilities		12,182.95	9,231.15
TOTAL EQUITY AND LIABILITIES		55,123.63	42,777.06

Summary of significant accounting policies

2

The accompanying notes are 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

13 May 2020

for and on behalf of the Board of Directors

Nitin Rakesh

Chief Executive Officer

New York

V. Suryanarayanan

Executive Vice President &

Chief Financial Officer

Bengaluru

13 May 2020

Narayanan Kumar

Director

Chennai

Subramanian Narayan

Vice President & Company Secretary

Bengaluru

STANDALONE FINANCIAL STATEMENTS

STANDALONE STATEMENT OF PROFIT AND LOSS

		(₹ million)	
	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	23	43,471.39	34,340.19
Other income	24	3,232.90	1,185.86
Total income (I)		46,704.29	35,526.05
Expenses			
Employee benefits expense	25	16,621.10	14,411.37
Finance costs	26	630.43	66.74
Depreciation and amortization expense	27	1,532.43	383.85
Other expenses	28	14,043.96	10,937.09
Total expenses (II)		32,827.92	25,799.05
Profit before tax (III) [(I)-(II)]		13,876.37	9,727.00
Tax expenses	22		
Current tax		2,029.91	1,994.99
Deferred tax		(204.09)	37.68
Total tax expenses		1,825.82	2,032.67
Profit for the year (A)		12,050.55	7,694.33
Other comprehensive income / (losses) ('OCI')			
Items to be reclassified to profit or loss in subsequent periods			
Net change in fair value of derivatives designated as cash flow hedges		(1,877.62)	227.90
Income tax effect on the above		656.11	(79.64)
Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains / (losses) on defined employee benefit plans		41.97	0.49
Income tax effect on the above		(14.67)	(0.17)
Total OCI for the year, net of tax (B)		(1,194.21)	148.58
Total comprehensive income for the year (A+B)		10,856.34	7,842.91
Earnings per equity share (par value ₹ 10 per share)	29		
Basic (₹)		64.66	40.18
Diluted (₹)		64.17	39.78

Summary of significant accounting policies

2

The accompanying notes are 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

13 May 2020

for and on behalf of the Board of Directors

Nitin Rakesh

Chief Executive Officer

New York

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Executive Vice President &

Chief Financial Officer

Bengaluru

13 May 2020

Narayanan Kumar

Director

Chennai

Subramanian Narayan

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 2018	193.26	1,932.67
Issue of shares	0.28	2.80
Equity shares extinguished on buy back [refer note 14(d)(ii)(b)]	(7.32)	(73.21)
As at 31 March 2019	186.22	1,862.26
As at 1 April 2019	186.22	1,862.26
Issue of shares	0.32	3.17
As at 31 March 2020	186.54	1,865.43

b. Other equity

(₹ million)

	Attributable to the equity owners of the Company								Total
	Reserves and surplus							Items of OCI	
	a	b	c	d	e	f	g	h	
	Securities Premium	General reserve	Retained earnings	Capital reserve	Capital redemption reserve	Special Economic Zone reinvestment reserve	Share based payments	Hedging reserve	
As at 1 April 2018	95.18	742.07	35,308.68	265.16	173.70	-	318.23	238.55	37,141.57
Profit for the year	-	-	7,694.33	-	-	-	-	-	7,694.33
Other comprehensive income	-	-	0.32	-	-	-	-	148.26	148.58
Dividends *	-	-	(4,661.87)	-	-	-	-	-	(4,661.87)
Buy back of equity shares [refer note 14(d)(ii)(b)]	(176.59)	(743.89)	(8,962.27)	-	73.21	-	-	-	(9,809.54)
Buy back expenses	-	-	(66.44)	-	-	-	-	-	(66.44)
Transfer to general reserve	-	769.43	(769.43)	-	-	-	-	-	-
Transferred to Special Economic Zone re-investment reserve	-	-	(1,411.16)	-	-	1,411.16	-	-	-
Transferred from Special Economic Zone re-investment reserve	-	-	416.98	-	-	(416.98)	-	-	-
Issue of bonus shares	-	-	(0.01)	-	-	-	-	-	(0.01)
Share based expenses	-	-	-	-	-	-	226.45	-	226.45
Issue of shares on exercise of stock options	150.67	1.93	-	-	-	-	(51.70)	-	100.90
As at 31 March 2019	69.26	769.54	27,549.13	265.16	246.91	994.18	492.98	386.81	30,773.97
As at 1 April 2019	69.26	769.54	27,549.13	265.16	246.91	994.18	492.98	386.81	30,773.97
Transition impact of Ind AS 116 **	-	-	(953.34)	-	-	-	-	-	(953.34)
Restated balance as at 1 April 2019	69.26	769.54	26,595.79	265.16	246.91	994.18	492.98	386.81	29,820.63
Profit for the year	-	-	12,050.55	-	-	-	-	-	12,050.55
Other comprehensive income	-	-	27.30	-	-	-	-	(1,221.51)	(1,194.21)
Dividends *	-	-	(6,065.31)	-	-	-	-	-	(6,065.31)
Transfer to general reserve	-	1,205.06	(1,205.06)	-	-	-	-	-	-
Transferred to Special Economic Zone re-investment reserve	-	-	(1,390.63)	-	-	1,390.63	-	-	-
Transferred from Special Economic Zone re-investment reserve	-	-	624.29	-	-	(624.29)	-	-	-
Share based expenses	-	-	-	-	-	-	146.70	-	146.70
Issue of shares on exercise of stock options	196.92	9.78	-	-	-	-	(58.47)	-	148.23
As at 31 March 2020	266.18	1,984.38	30,636.93	265.16	246.91	1,760.52	581.21	(834.70)	34,906.59

* Including dividend distribution tax thereon amounting to ₹ 1,034.18 million (31 March 2019: ₹ 794.88 million).

** Refer note 4

STANDALONE FINANCIAL STATEMENTS

STANDALONE STATEMENT OF CHANGES IN EQUITY

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** - 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.
- 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 is utilized in accordance with the provisions of section 69 of the Companies Act, 2013.
- 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 new plant and machinery for the purpose of its business.
- g. **Share based payments** - 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. **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.

Summary of significant accounting policies. (Note 2)

The accompanying notes are 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
13 May 2020

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer
New York

V. Suryanarayanan
Executive Vice President &
Chief Financial Officer

Bengaluru
13 May 2020

Narayanan Kumar
Director
Chennai

Subramanian Narayan
Vice President & Company Secretary

Bengaluru

STANDALONE FINANCIAL STATEMENTS

STANDALONE STATEMENT OF CASH FLOWS

	(₹ million)	
	Year ended 31 March 2020	Year ended 31 March 2019
Operating activities		
Profit before tax	13,876.37	9,727.00
Adjustments to reconcile profit before tax to net cash provided by operating activities:		
Depreciation and amortization expense	1,532.43	383.85
Utilization of the rent equalisation reserve	-	412.43
Profit on sale of property, plant and equipment and intangible assets	(15.46)	(23.17)
Net gain on investments carried at fair value through profit and loss	(380.86)	(706.40)
Share based payment expenses	39.58	79.76
Provision for expected credit loss	89.19	42.67
Provision against investment in subsidiary	-	4.38
Finance costs	630.43	66.74
Interest income	(386.25)	(102.11)
Dividend income	(2,021.82)	(0.04)
Others	(108.05)	(4.27)
Unrealized exchange (gain)/loss, net	(150.62)	87.76
Operating profit before changes in operating assets and liabilities	13,104.94	9,968.60
Changes in operating assets and liabilities		
Trade receivables and unbilled receivables	(3,193.03)	(419.29)
Loans	(168.28)	193.56
Other financial assets	487.33	191.30
Other assets	(400.04)	(139.40)
Trade payables	1,707.10	211.56
Other financial liabilities	380.90	825.01
Provisions and employee benefit obligations	(70.21)	(112.43)
Other liabilities	178.19	(185.74)
Total changes in operating assets and liabilities	(1,078.04)	564.57
Income tax paid (net of refunds)	(2,596.99)	(2,077.27)
Net cash flows generated from operating activities (A)	9,429.91	8,455.90

STANDALONE FINANCIAL STATEMENTS

STANDALONE STATEMENT OF CASH FLOWS

	(₹ million)	
	Year ended 31 March 2020	Year ended 31 March 2019
Investing activities		
Purchase of property, plant and equipment and intangible assets	(913.77)	(702.16)
Proceeds from sale of property, plant and equipment and intangible assets	17.11	28.73
Purchase of investments	(55,705.05)	(50,331.68)
Sale of investments	58,768.18	55,440.85
Interest received	176.34	131.12
Dividends received	2,021.82	0.04
Re-investment of dividend	-	(0.04)
Investments in bank deposits	(70.00)	(187.18)
Redemption / maturity of bank deposits	27.01	163.15
Net cash flows generated from investing activities (B)	4,321.64	4,542.83
Financing activities		
Proceeds from issue of shares	151.40	103.69
Payment towards buy back of shares (including buy-back expenses ₹ 66.44) [refer note 14(d)(ii)(b)]	-	(9,949.19)
Repayment of borrowings	(5,841.60)	(1,371.13)
Availment of borrowings	5,587.49	2,393.99
Interest paid	(599.07)	(58.83)
Repayment of lease liabilities	(937.53)	-
Dividends paid	(6,065.25)	(4,654.82)
Net cash flows used in financing activities (C)	(7,704.56)	(13,536.29)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	6,046.99	(537.56)
Cash and cash equivalents at the beginning of the year	1,438.31	1,975.87
Cash and cash equivalents at the end of the year (refer note 12)	7,485.30	1,438.31

Refer note 19 for supplementary information on cash flow movement

Summary of significant accounting policies. (Note 2)

The accompanying notes are 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

13 May 2020

for and on behalf of the Board of Directors

Nitin Rakesh

Chief Executive Officer

New York

V. Suryanarayanan

Executive Vice President &

Chief Financial Officer

Bengaluru

13 May 2020

Narayanan Kumar

Director

Chennai

Subramanian Narayan

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 2020 have been approved by the Board of Directors on 13 May 2020.

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.

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.

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 of plan assets less present value of defined benefit obligations.

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, except for the adoption of Ind AS 116 – Leases, which was adopted with effect from 1 April 2019.

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 judgments and the use of assumptions in the standalone financial statements have been disclosed below:

- **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit 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 forecast for future years. These do not include restructuring activities that the Company 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 as well as the expected future cash-inflows and the long-term growth rates. These estimates are most relevant to other intangibles with indefinite useful lives recognized by the Company.

- **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. 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 income and 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 (refer note 22).

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 (refer note 36).

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, 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 internal valuation techniques. The inputs to these models are taken from observable markets 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.

- **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 judgment. 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 past practices and reasonably estimated / anticipated future events. 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.

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- **Revenue recognition**

Refer the below policy on revenue recognition for discussion on judgements and estimates on revenue.

Revenue recognition

Revenue is recognized upon transfer of control of promised goods or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

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.

Effective 1 April 2018, the Company has applied Ind AS 115, the adoption of the standard did not have any material impact on the standalone financial statements of the Company.

- Revenue from rendering application development and maintenance services comprise income from time-and-material and fixed price contracts. Revenues from call center and business & knowledge process outsourcing operations arise from both time-based and unit-priced contracts. Revenues from infrastructure outsourcing services arise from time-based, unit-priced and fixed price 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 effort incurred up to the reporting date to estimated cost of total effort.
- 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.
- 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 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 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 is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

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 unavoidable costs of meeting the obligations under a 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.

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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 customer consideration 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 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 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 stand-alone 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 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 its fixed-price contracts requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Judgement is also exercised in determining provisions for estimated losses, if any, on uncompleted contracts based on the expected contract cost estimates as at the reporting date.
- 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.

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 (refer note 34).

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 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.

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Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the assets. Leasehold land is amortised over the lease term. 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 or disposal. 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 the management
Computer equipment	3	3
Furniture and fixtures	10	5
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
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

Policy applicable with effect from 1 April 2019

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:

- 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.

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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. 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 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.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning from 1 April 2019 using the modified retrospective method with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1 April 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019.

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Company as a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognizes right of use assets and lease liabilities for most leases i.e. these leases are on balance sheet.

On transition, the Company has applied following practical expedients:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with similar end date.
- Applied the exemption not to recognise right-of-use-assets and liabilities for leases with less than 12 months of lease term on the date of transition.
- Excluded the initial direct costs from the measurement of the right-of -use-asset at the date of transition.
- Grandfathered the assessment of which transactions are, or contain leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
- Relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The Company has also applied recognition exemptions of short-term leases to all categories of underlying assets.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. Refer note 4 for details on impact due to Ind AS 116 application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

Company as a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Company does not have any significant impact on account of sub-lease on the application of this standard.

Policy applicable before 1 April 2019

Refer note 2 – Significant accounting policies – Leases in annual report of the Company for the year ended 31 March 2019, for the policy as per Ind AS 17, the previous standard on leases.

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, debt instruments at fair value through other comprehensive income, trade receivables and other financial assets, the Company assesses at each date of balance sheet 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.

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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.

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, unbilled receivables, investments in equity and debt securities and eligible current and non-current assets;
- financial liabilities, which include long and short-term loans and borrowings, finance lease liabilities, bank overdrafts, 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 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.

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 bank 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. 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.

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.

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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 generally 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 forecast cash 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.

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 (refer note 38).

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.

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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.

Retirement and other employee benefits

a. Employee benefits

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 and other social security schemes are charged to the standalone statement of profit or loss on an accrual basis.

b. 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 project unit credit method. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income (OCI). 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.

c. 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.

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 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.

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 straight-line 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.

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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 similar companies. 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 as additional share dilution 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.

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 or substantively 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 is 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 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 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.

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Deferred tax assets include Minimum Alternative Tax ("MAT") paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realized. In the year in which the MAT credit becomes eligible to be recognized as an asset, it is recorded by way of a credit to the standalone statement of profit and loss and shown as deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified future period.

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 unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with 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.

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 Indian Accounting Standards

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

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 2018	91.28	451.21	295.50	71.81	33.99	66.69	72.60	1,083.08
Additions	37.55	144.29	115.56	49.19	39.69	-	285.89	672.17
Disposals	(7.24)	(6.80)	(1.31)	(0.66)	(2.40)	(16.32)	(0.92)	(35.65)
At 31 March 2019	121.59	588.70	409.75	120.34	71.28	50.37	357.57	1,719.60
Additions	16.38	374.50	114.27	54.10	39.41	-	198.00	796.66
Disposals	(4.74)	(2.85)	(0.78)	(1.70)	(4.16)	(12.66)	(0.26)	(27.15)
At 31 March 2020	133.23	960.35	523.24	172.74	106.53	37.71	555.31	2,489.11
Depreciation								
At 1 April 2018	41.73	245.62	118.20	35.72	20.17	33.20	59.40	554.04
Charge for the year	23.65	161.66	53.43	17.73	7.27	11.42	34.44	309.60
Disposals	(6.73)	(6.01)	(1.31)	(0.62)	(2.10)	(12.40)	(0.92)	(30.09)
At 31 March 2019	58.65	401.27	170.32	52.83	25.34	32.22	92.92	833.55
Charge for the year	18.13	184.70	72.50	27.09	16.25	8.91	46.53	374.11
Disposals	(4.54)	(2.75)	(0.54)	(1.62)	(4.13)	(11.66)	(0.26)	(25.50)
At 31 March 2020	72.24	583.22	242.28	78.30	37.46	29.47	139.19	1,182.16
Net block								
At 31 March 2019	62.94	187.43	239.43	67.51	45.94	18.15	264.65	886.05
At 31 March 2020	60.99	377.13	280.96	94.44	69.07	8.24	416.12	1,306.95

4. LEASES

RIGHT-OF-USE ASSETS

	Buildings	Plant and equipment	Servers and networks	Furniture and fixtures	Vehicles	Total
Cost						
At 1 April 2019	4,201.35	574.92	18.35	27.41	17.79	4,839.82
Additions	1,529.40	17.27	-	-	9.67	1,556.34
Modifications / terminations	(434.22)	-	-	-	(2.00)	(436.22)
At 31 March 2020	5,296.53	592.19	18.35	27.41	25.46	5,959.94
Depreciation						
At 1 April 2019	-	-	-	-	-	-
Charge for the year	696.63	342.67	16.45	17.43	7.92	1,081.10
Modifications / terminations	(60.26)	-	-	-	(0.57)	(60.83)
At 31 March 2020	636.37	342.67	16.45	17.43	7.35	1,020.27
Net block as at 31 March 2020	4,660.16	249.52	1.90	9.98	18.11	4,939.67

STANDALONE FINANCIAL STATEMENTS

On transition to Ind AS 116 with effect from 1 April 2019, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at 1 April 2019. Accordingly, a right-of-use asset of ₹ 4,839.82 million and a corresponding lease liability of ₹ 5,800.57 million was recognised. The cumulative effect on transition in retained earnings, net of taxes amounted to ₹ 953.34 million (including the deferred tax impact of ₹ 104.35 million). The principal portion of the lease payments have been disclosed under cash flows from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flows from operating activities. Applicable incremental borrowing rates have been applied to lease liabilities recognised in the standalone balance sheet at the date of initial application. The weighted average incremental borrowing rate of 8.62% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at 31 March 2019 compared to the lease liability as accounted as at 1 April 2019 is primarily attributable to the impact of discounting the future lease payments during the non-cancellable lease term to the present value thereof, including the present value of lease payments during the cancellable period (to the extent of lease term determined under Ind AS 116) and exclusion of leases for which the Company has chosen to apply the practical expedients available.

During the year ended 31 March 2020, the Company incurred expenses amounting to ₹ 357.53 million short-term leases and leases of low-value assets. For the year ended 31 March 2020, the total cash outflows for leases, including short-term leases and low-value assets amounted to ₹ 1,771.64 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:

	(₹ million)
	Year ended 31 March 2020
Depreciation	1,081.10
Interest on lease liabilities	476.58
	1,557.68

The Company has also subleased office space under cancellable operating lease agreements. The total sublease rental income under cancellable operating leases amounted to ₹ 77.44 million for the year ended 31 March 2020 (31 March 2019: ₹ 66.94 million). The total sublease rental income under non-cancellable operating leases for the year ended 31 March 2020 amounted to ₹ nil (31 March 2019: ₹ 9.30 million).

Impact of the Global Pandemic ('Covid-19')

The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered into with lessors for buildings are long term in nature and no changes in terms of those leases are expected due to the Covid-19.

	As at 31 March 2020	As at 31 March 2019
5. OTHER INTANGIBLE ASSETS		
Software		
Cost		
Balance as per previous financial statements	331.43	294.79
Additions	84.14	49.71
Disposals	(0.03)	(13.07)
	415.54	331.43
Amortization		
Balance as per previous financial statements	241.08	179.90
Amortization	77.22	74.25
Disposals	(0.03)	(13.07)
	318.27	241.08
Net block	97.27	90.35

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	As at 31 March 2020			As at 31 March 2019		
	Shares	Per share	₹ million	Shares	Per share	₹ million
6. NON-CURRENT INVESTMENTS						
Investments carried 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	33,81,654	€ 1	9,647.64
Investment in subsidiaries (A)			14,166.12			14,166.12
Investments carried at amortized cost						
Quoted bonds						
7.19% India Infrastructure Finance Company Limited	599,500	1,000	599.50	599,500	1,000	599.50
Quoted fixed maturity plan securities						
Aditya Birla Sun Life FTP – Series PH Direct Growth	20,000,000	11.6156	232.31	20,000,000	10.8334	216.67
Investments other than subsidiaries (B)			831.81			816.17
Total non-current investments (A+B)			14,997.93			14,982.29
Aggregate value of unquoted non-current investments in subsidiaries			14,228.80			14,228.80
Aggregate value of quoted non-current investments			831.81			816.17
Aggregate amount of impairment in value of investments			(62.68)			(62.68)

(₹ million)

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
7. TRADE RECEIVABLES				
Unsecured				
Trade receivables *	-	10.60	7,792.07	5,049.06
Allowance for doubtful receivables	-	-	(107.61)	(31.54)
Considered good	-	10.60	7,684.46	5,017.52
Trade receivables	-	-	407.64	371.00
Allowance for doubtful receivables	-	-	(407.64)	(371.00)
Credit impaired	-	-	-	-
	-	10.60	7,684.46	5,017.52

* Includes receivables from subsidiaries (refer note 31).

STANDALONE FINANCIAL STATEMENTS

(₹ million)

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
8. LOANS				
Unsecured - considered good				
Deposits	612.74	702.06	1,031.83	1,010.22
Employee advances	-	-	126.45	21.96
	612.74	702.06	1,158.28	1,032.18

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
9. OTHER FINANCIAL ASSETS				
Unsecured - considered good				
Bank balances (refer note 13)*	133.31	133.32	70.03	-
Accrued interest	-	-	26.36	15.39
Recoverable from subsidiaries (refer note 31)	-	-	154.21	581.90
Derivative assets	18.47	478.78	290.84	512.47
Others	-	-	43.23	25.08
	151.78	612.10	584.67	1,134.84

* Includes restricted deposits of ₹ 81.14 million (31 March 2019: ₹ 11.14 million).

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
10. OTHER ASSETS				
Unsecured - considered good				
Rent equalization reserve	-	5.63	-	53.62
Contract assets	89.14	-	99.28	80.63
Contract fulfilment cost	10.36	-	3.19	-
Employee advances	-	-	6.39	10.34
Capital advances	376.43	376.38	-	-
Prepaid expenses	112.02	208.33	587.34	470.16
Advances to suppliers	400.00	-	179.90	397.86
Indirect tax recoverable	250.53	250.53	1,113.14	1,163.59
	1,238.48	840.87	1,989.24	2,176.20

STANDALONE FINANCIAL STATEMENTS

	As at 31 March 2020			As at 31 March 2019		
	Units	NAV (₹)	₹ million	Units	NAV (₹)	₹ million
11. CURRENT INVESTMENTS						
Investments carried at FVTPL						
Unquoted mutual funds						
Kotak Equity Arbitrage Fund Direct Growth	41,469,740	29.0690	1,205.48	41,470,753	27.2030	1,128.13
HDFC Ultrashort Term	-	-	-	33,707,973	10.4744	353.07
HDFC Overnight Fund	32,558	2,969.1201	96.67	-	-	-
IDFC Cash Fund	-	-	-	841,901	2,266.5224	1,908.19
ABSL Money Manager Fund Direct	-	-	-	1,594,133	251.6049	401.09
ICICI Prudential Money Market Fund	499,384	279.2649	139.46	-	-	-
IDFC Low Duration Fund	14,650,786	28.8946	423.33	-	-	-
IDFC Arbitrage Fund	27,715,199	25.7308	713.13	-	-	-
Quoted debentures						
Citicorp Finance (India) Ltd.	5,000.00	100,570.00	502.85	18,500	107,870.00	1,995.60
Quoted bonds						
0 % Nabard 2020	1,700	19,313.9832	32.83	1,700	17,818.14	30.29
0 % REC 2020	1,830	28,975.9196	53.04	1,830	26,410.77	48.33
			3,166.79			5,864.70
Aggregate value of quoted current investments			588.72			2,074.22
Aggregate net asset value of unquoted mutual fund investments			2,578.07			3,790.48

(₹ million)

	As at 31 March 2020	As at 31 March 2019
12. CASH AND CASH EQUIVALENTS		
In current accounts	3,826.54	1,306.59
Deposits with original maturity of less than 3 months	3,637.98	111.00
Unclaimed dividend	20.78	20.72
	7,485.30	1,438.31

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS				
Deposits with remaining maturity of more than 12 months	133.31	133.32	-	-
Deposits with remaining maturity of less than 12 months	-	-	70.03	27.03
	133.31	133.32	70.03	27.03
Disclosed under other financial assets (refer note 9)	(133.31)	(133.32)	(70.03)	-
	-	-	-	27.03

	As at 31 March 2020	As at 31 March 2019
14. EQUITY SHARE CAPITAL		
Authorised share capital		
245,000,000 (31 March 2019: 245,000,000) equity shares of ₹ 10 each	2,450.00	2,450.00
Issued, subscribed and fully paid-up shares		
186,535,807 (31 March 2019: 186,219,039) equity shares of ₹ 10 each fully paid-up	1,865.36	1,862.19
Add: Amount originally paid-up on forfeited shares	0.07	0.07
Total issued, subscribed and fully paid-up share capital	1,865.43	1,862.26

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

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	₹ million	Number of shares	₹ million
At the beginning of the year	186,219,039	1,862.19	193,260,182	1,932.60
Issue of shares upon exercise of employee stock options	316,768	3.17	278,712	2.79
Issue of bonus shares	-	-	700	0.01
Buy back of shares [refer note 14(d)(ii)(b)]	-	-	(7,320,555)	(73.21)
Outstanding at the end of the year	186,535,807	1,865.36	186,219,039	1,862.19

(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.

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 2020	As at 31 March 2019
Marble II Pte Ltd. (subsidiary of the ultimate holding company) *		
104,799,577 (31 March 2019: 97,317,781) equity shares of ₹ 10 each fully paid	1,048.00	973.18

* The ultimate holding company is Blackstone Capital Partners (Cayman II) VI L.P.

(d) Equity shares movement during five years immediately preceding 31 March 2020.

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

	As at 31 March 2020	As at 31 March 2019
Equity shares allotted as fully paid bonus shares by capitalization of securities premium / retained earnings	700	700

(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.

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

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% of holding	Number of shares	% of holding
Marble II Pte Limited	104,799,577	56.18	97,317,781	52.26

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 plan of the Company, refer note 15.

STANDALONE FINANCIAL STATEMENTS

	(₹ million)	
	As at	As at
	31 March 2020	31 March 2019
15. OTHER EQUITY		
Securities premium		
Balance as per previous financial statements	69.26	95.18
Utilized for buy back of equity shares	-	(176.59)
Premium received on issue of shares	148.23	100.90
Transferred from share based payment reserve, on exercise of options	48.69	49.77
Closing balance	266.18	69.26
General reserve		
Balance as per previous financial statements	769.54	742.07
Utilized for buy back of equity shares	-	(743.89)
Reversal on lapse of options granted	9.78	1.93
Transferred from retained earnings	1,205.06	769.43
Closing balance	1,984.38	769.54
Retained earnings		
Balance as per previous financial statements	27,549.13	35,308.68
Re-measurement gains / (losses) on defined benefit plans	27.30	0.32
Profit for the year	12,050.55	7,694.33
Issue of bonus shares	-	(0.01)
Transition impact of Ind AS 116 (refer note 4)	(953.34)	-
Utilized for buy back of equity shares	-	(8,889.06)
Transferred to CRR on buy back of equity shares	-	(73.21)
Buy back expenses	-	(66.44)
Transferred to Special Economic Zone re-investment reserve	(1,390.63)	(1,411.16)
Transferred from Special Economic Zone re-investment reserve	624.29	416.98
Less: Appropriations		
Dividends	5,031.13	3,866.99
Dividend Distribution Tax	1,034.18	794.88
Transfer to general reserve	1,205.06	769.43
Total appropriations	7,270.37	5,431.30
Closing balance	30,636.93	27,549.13
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	173.70
Transferred from retained earnings on buy back of equity shares	-	73.21
Closing balance	246.91	246.91
Share based payments		
Balance as per previous financial statements	492.98	318.23
Expense for the year	146.70	226.45
Transferred to securities premium on exercise of options	(48.69)	(49.77)
Reversal on lapse of options granted	(9.78)	(1.93)
Closing balance	581.21	492.98
Special Economic Zone re-investment reserve		
Balance as per previous financial statements	994.18	-
Transfer from retained earnings	1,390.63	1,411.16
Utilization during the year	(624.29)	(416.98)
Closing balance	1,760.52	994.18
Hedging reserve		
Balance as per previous financial statements	386.81	238.55
Transactions during the year	(1,074.33)	(715.85)
Transfer to statement of profit and loss	(147.18)	864.11
Closing balance	(834.70)	386.81
Total other equity	34,906.59	30,773.97

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Dividend on equity shares

The Board of Directors, at its meeting held on 27 May 2019 had proposed the final dividend of ₹ 27 per share for the year ended 31 March 2019. The dividend proposed by the Board of Directors has been approved by the shareholders' in the Annual General meeting held on 25 July 2019. This resulted in a cash outflow of ₹ 6,065.25 million, inclusive of dividend distribution tax of ₹ 1,034.18 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:

	Year ended 31 March 2020		Year ended 31 March 2019	
	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
Options outstanding at the end	47,000	34.38	47,000	34.38
Exercisable at the end	47,000	34.38	47,000	34.38

The options outstanding as at 31 March 2020 have an exercise price of ₹ 34.38 (31 March 2019: ₹ 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 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 thirty-six 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:

	Year ended 31 March 2020		Year ended 31 March 2019	
	No. of options	Weighted Average Exercise Price (₹)	No. of options	Weighted Average Exercise Price (₹)
2016 Plan				
Options outstanding at the beginning	4,675,716	561.53	4,958,886	541.91
Granted	186,500	860.72	223,000	941.00
Forfeited	228,374	584.92	289,760	560.28
Lapsed	37,962	515.81	12,500	500.00
Exercised	286,969	526.55	203,910	504.84
Options outstanding at the end	4,308,911	575.97	4,675,716	561.53
Exercisable at the end	1,972,913	542.57	1,388,326	527.78

The weighted average share price as at the date of exercise of stock option was ₹ 919.93 (31 March 2019: ₹ 1,064.34) The options outstanding as at 31 March 2020 have an exercise price ranging from ₹ 500.00 to ₹ 941.00 (31 March 2019: ₹ 500.00 to ₹ 941.00) and the weighted average remaining contractual life is of 3.43 years (31 March 2019: 4.24 years).

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The weighted average fair value of stock options granted during the year was ₹ 214.25 (31 March 2019: ₹ 298.19). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Year ended 31 March 2020	Year ended 31 March 2019
Weighted average share price on the date of grant (₹)	926.48	972.80
Exercise Price (₹)	850.00 to 900.00	941.00
Expected Volatility	23.46% to 31.31%	37.57%
Life of the options granted in years	1-5 years	1 -5 Years
Average risk-free interest rate	6.37% to 6.93%	7.53%
Expected dividend rate	1.68% to 2.93%	1.68%

Total employee compensation cost pertaining to 2016 Plan during the year is ₹ 39.58 million, (31 March 2019: ₹ 79.76 million) net of cross charge to subsidiaries.

Restricted Stock Unit Plan-2014 ('RSU Plan-2014')

Effective 20 October 2014, the Company instituted the Restricted Stock Unit Plan-2014. The Board and the shareholders of the Company approved RSU Plan-2014 on 14 May 2014. The RSU Plan-2014 provides for the issue of restricted units to employees and directors of the Company and its subsidiaries.

The RSU Plan-2014 is administered by the Mphasis Employees Benefit Trust. Each unit, granted under the RSU Plan-2014, 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 thirty-six months from the date of grant. The exercise period is three years from the date of vesting.

The movements in the units under the RSU Plan -2014 are set out below:

	Year ended 31 March 2020		Year ended 31 March 2019	
	No. of units	Weighted Average Exercise Price (₹)	No. of units	Weighted Average Exercise Price (₹)
RSU 2014 Plan				
Units outstanding at the beginning	5,313	10.00	35,455	10.00
Lapsed	3,350	10.00	1,354	10.00
Exercised	1,963	10.00	28,788	10.00
Units outstanding at the end	-	-	5,313	10.00
Exercisable at the end	-	-	5,313	10.00

The weighted average share price as at the date of exercise of stock unit was ₹ 966.39 (31 March 2019: ₹ 1,063.72).

Restricted Stock Unit Plan-2015 ('RSU Plan-2015')

Effective 29 July 2015, the Company instituted the Restricted Stock Unit Plan-2015. The Board and the shareholders of the Company approved RSU Plan-2015 on 9 September 2015. The RSU Plan-2015 provides for the issue of restricted units to employees and directors of the Company and its subsidiaries.

The RSU Plan-2015 is administered by the Mphasis Employees Benefit Trust. Each unit, granted under the RSU Plan-2015, 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 thirty-six months from the date of grant. The exercise period is three years from the date of vesting.

The movements in the units under the RSU Plan-2015 are set out below:

	Year ended 31 March 2020		Year ended 31 March 2019	
	No. of units	Weighted Average Exercise Price (₹)	No. of units	Weighted Average Exercise Price (₹)
RSU 2015 Plan				
Units outstanding at the beginning	37,086	10.00	83,850	10.00
Lapsed	9,250	10.00	750	10.00
Exercised	27,836	10.00	46,014	10.00
Units outstanding at the end	-	-	37,086	10.00
Exercisable at the end	-	-	37,086	10.00

The weighted average share price as at the date of exercise of stock unit was ₹ 922.85 (31 March 2019: ₹ 1,098.70).

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(₹ million)

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
16. OTHER FINANCIAL LIABILITIES				
Salary related costs	19.46	-	1,518.52	1,308.07
Capital creditors	-	-	51.53	40.96
Other payables	0.62	0.85	93.99	117.80
Unpaid dividend*	-	-	20.78	20.72
Derivative liabilities	607.44	38.72	1,066.02	298.58
	627.52	39.57	2,750.84	1,786.13

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

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
17. EMPLOYEE BENEFIT OBLIGATIONS				
Provision for gratuity [refer note 36 (a)]	687.76	778.59	-	-
Provision for employee compensated absences	-	-	187.06	180.52
	687.76	778.59	187.06	180.52

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
18. OTHER LIABILITIES				
Unearned revenue	-	-	219.30	91.53
Advances received from customers	-	-	-	0.02
Rent equalization reserve	-	91.52	-	0.97
Statutory dues	-	-	329.09	278.65
	-	91.52	548.39	371.17

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
19. BORROWINGS				
Unsecured				
Loan from Citibank *	-	-	-	1,000.00
Pre-shipment loan in foreign currency from bank **	-	-	2,345.62	1,383.10
	-	-	2,345.62	2,383.10

	As at 31 March 2020	As at 31 March 2019
Balance as per previous financial statements	2,383.10	1,299.60
Cash flow movement	(254.11)	1,022.86
Non-cash changes relating to foreign exchange movements	216.63	60.64
Closing balance	2,345.62	2,383.10

* Loan from Citibank carried interest @ 8.5% (31 March 2019: 8.5%). The loan was repaid on 31 July 2019.

** Pre-shipment loan carries interest @ LIBOR plus 0.48% (31 March 2019: LIBOR plus 0.6%) p.a. The loan is repayable on 28 May 2020. Refer note 38 for the Company's exposure to interest rate, foreign currency and liquidity risks.

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(₹ million)

	As at 31 March 2020	As at 31 March 2019
20. TRADE PAYABLES		
Outstanding dues of micro and small enterprises	5.07	4.87
Trade payables *	5,028.00	3,321.10
	5,033.07	3,325.97

* includes payables to subsidiaries (refer note 31)

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 2020 and 31 March 2019. The details in respect of such dues are as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount	5.07	4.87
- Interest	0.72	1.03
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	0.67	0.51
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	17.49	16.10

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.

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
21. PROVISIONS				
Provision for loss on long-term contract	-	-	-	10.20
Other provisions	-	-	55.34	73.03
	-	-	55.34	83.23

Provisions	Provision for loss on long-term contract	Others
As at 1 April 2019	10.20	73.03
Utilised / paid	(10.20)	(17.69)
As at 31 March 2020	-	55.34
Current	-	55.34
As at 1 April 2018	200.00	81.03
Utilised / paid	(189.80)	(8.00)
As at 31 March 2019	10.20	73.03
Current	10.20	73.03

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22. TAXES

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

(₹ million)

	Year ended 31 March 2020	Year ended 31 March 2019
Taxes		
Current taxes	2,029.91	1,994.99
Deferred taxes	(204.09)	37.68
Total taxes	1,825.82	2,032.67

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 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, tax deductions and tax effect on allowances / disallowances etc.

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.

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 2020 and 31 March 2019 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 2020	Year ended 31 March 2019
Profit before tax	13,876.37	9,727.00
Applicable tax rates in India	34.944%	34.944%
Computed tax charge (A)	4,848.96	3,399.00
Tax effect on exempt operating income	(869.33)	(801.12)
Tax effect on exempt non - operating income	(18.30)	(22.32)
Tax effect on non - deductible expenses	71.83	43.19
Tax effect on differential domestic/overseas tax rate and other disallowances	(706.84)	0.01
Reversal of tax expenses pertaining to prior period*	(1,755.05)	(763.40)
Tax effect on unrecognized deferred tax assets	(90.23)	178.26
Tax effect on foreign source dividend**	353.25	-
Others, net	(8.47)	(0.95)
Total adjustments (B)	(3,023.14)	(1,366.33)
Total tax expenses (A+B)	1,825.82	2,032.67

Income tax expense for the year ended 31 March 2020 and 31 March 2019 includes reversal (net of provisions) of ₹ 1,755.05 million and ₹ 763.40 million, respectively.

* During the current year, pursuant to completed tax assessments and an independent opinion obtained from a Senior Counsel, the Company has reversed provisions amounting to ₹ 770.29 million (31 March 2019: ₹ nil).

** Income taxes include a tax expense of ₹ 353.25 million (31 March 2019: ₹ nil) relating to dividend received during the year from an overseas subsidiary.

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(₹ million)

	As at 31 March 2020	As at 31 March 2019
Income tax assets (Net)		
Advance income-tax (net of provision for taxation)	4,118.10	4,402.10
	4,118.10	4,402.10
Income tax liabilities (Net)		
Provision for taxation	311.59	1,101.03
	311.59	1,101.03
Net income tax asset	3,806.51	3,301.07

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

	As at 31 March 2020	As at 31 March 2019
Deferred tax asset (net)		
Property, plant and equipment and other intangible assets	333.78	347.85
Provision for doubtful debts and advances	171.68	142.56
Provision for employee benefits	371.54	361.41
Provision for loss on long-term contract	16.23	16.23
Rent equalization reserve	-	(14.22)
On carried forward long term capital loss	41.71	105.63
Derivative liabilities	448.33	(207.77)
MAT credit entitlement	260.57	-
Others	278.63	(39.68)
	1,922.47	712.01

Significant components of net deferred tax assets are as follows:

	As at 1 April 2019	Statement of Profit and loss	OCI	Others	As at 31 March 2020
Deferred tax asset (net)					
Property, plant and equipment and other intangible assets	347.85	(14.07)	-	-	333.78
Provision for doubtful debts and advances	142.56	29.12	-	-	171.68
Provision for employee benefits	361.41	24.79	(14.66)	-	371.54
Provision for loss on long-term contract	16.23	-	-	-	16.23
Rent equalization reserve	(14.22)	-	-	14.22	-
On carried forward long term capital loss	105.63	(63.92)	-	-	41.71
Derivative liabilities	(207.77)	-	656.10	-	448.33
MAT credit entitlement	-	-	-	260.57	260.57
Others	(39.68)	228.17	-	90.14	278.63
Total	712.01	204.09	641.44	364.93	1,922.47

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	As at 1 April 2018	Statement of Profit and loss	OCI	Others	(₹ million) As at 31 March 2019
Deferred tax asset (net)					
Property, plant and equipment and other intangible assets	415.14	(67.29)	-	-	347.85
Provision for doubtful debts and advances	157.92	(15.36)	-	-	142.56
Provision for employee benefits	364.89	(3.31)	(0.17)	-	361.41
Provision for loss on long-term contract	16.23	-	-	-	16.23
Rent equalization reserve	(132.50)	118.28	-	-	(14.22)
On carried forward long term capital loss	123.02	(17.39)	-	-	105.63
Derivative liabilities	(128.13)	-	(79.64)	-	(207.77)
Others	12.93	(52.61)	-	-	(39.68)
Total	829.50	(37.68)	(79.81)	-	712.01

	Year ended 31 March 2020	Year ended 31 March 2019
23. REVENUE FROM OPERATIONS		
Sale of services	43,324.21	35,204.30
Profit / (loss) on cash flow hedges reclassified to revenue	147.18	(864.11)
	43,471.39	34,340.19

Information in relation to revenue disaggregation is disclosed in note 34.

Reconciliation of revenue recognised with contracted price is as follows:

	Year ended 31 March 2020	Year ended 31 March 2019
Contracted price	43,664.63	35,334.65
Reductions towards variable consideration components	(340.42)	(130.35)
Revenue as per statement of profit and loss	43,324.21	35,204.30

A. Contract balances

The following table discloses the movement in contract assets:

	Year ended 31 March 2020	Year ended 31 March 2019
Balance as per previous financial statements	80.63	6.77
Revenue recognized during the year	1,046.81	135.81
Invoiced during the year	(968.74)	(62.52)
Exchange gain / (loss)	29.72	0.57
Closing balance	188.42	80.63

The following table discloses the movement in unearned revenue balances:

	Year ended 31 March 2020	Year ended 31 March 2019
Balance as per previous financial statements	91.53	301.02
Revenue recognised that was included in the unearned revenue balance at the beginning of the year	(7.22)	(230.70)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	135.06	19.38
Exchange (gain) / loss	(0.07)	1.83
Closing balance	219.30	91.53

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B. Remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized 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 to the customer of the Company's performance completed to date, typically those contracts where invoicing is on time and material, unit price basis.

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2020 is ₹ 8,408.00 million (31 March 2019: ₹ 4,168.00 million). Out of this, the Company expects to recognize revenue of around 30% (31 March 2019: 31%) 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.

Impact of Covid-19

The Company has evaluated the impact of Covid-19 resulting from

- the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts,
- potential onerous contract obligations,
- penalties relating to breaches of service level agreements and,
- termination / deferment of contracts by customers.

The Company has concluded that the impact of Covid-19 is not material based on above mentioned evaluation. Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods given the nature and duration of Covid-19.

	(₹ million)	
	Year ended 31 March 2020	Year ended 31 March 2019
24. OTHER INCOME		
Interest income on		
Bank deposits	16.56	38.28
Long term bonds	43.22	63.83
Others	350.72	78.41
Dividend income	2,021.82	0.04
Net gain on investments carried at FVTPL *	380.86	706.40
Foreign exchange gain / (loss), (net)	188.12	180.69
Profit on sale of fixed assets, (net)	15.46	23.17
Sublease income	77.43	76.24
Miscellaneous income	138.71	18.80
	3,232.90	1,185.86

*includes profit on sale of investments amounting to ₹ 496.02 million (31 March 2019: ₹ 64.52 million).

	Year ended 31 March 2020	Year ended 31 March 2019
25. EMPLOYEE BENEFITS EXPENSE		
Salaries and bonus	15,388.26	13,346.19
Contribution to provident and other funds	799.95	609.99
Employee share based payments	39.58	79.76
Staff welfare expenses	393.31	375.43
	16,621.10	14,411.37

	Year ended 31 March 2020	Year ended 31 March 2019
26. FINANCE COSTS		
Interest expense	117.26	66.74
Interest expense on lease liabilities	476.58	-
Exchange difference to the extent considered as an adjustment to borrowing costs	36.59	-
	630.43	66.74

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(₹ million)

	Year ended 31 March 2020	Year ended 31 March 2019
27. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation of property, plant and equipment (refer note 3)	374.11	309.60
Amortization of intangible assets (refer note 5)	77.22	74.25
Depreciation of right-of-use assets (refer note 4)	1,081.10	-
	1,532.43	383.85

	Year ended 31 March 2020	Year ended 31 March 2019
28. OTHER EXPENSES		
Subcontracting charges	8,518.75	4,445.21
Legal and professional charges	1,714.61	1,793.56
Facility expenses	504.07	1,766.59
Travel	436.16	489.83
Software support and annual maintenance charges	905.36	848.11
Communication expenses	297.15	276.26
Recruitment expenses	238.84	146.31
Power and fuel	342.59	303.84
Insurance	94.60	75.84
Rates and taxes	34.18	-
Repairs and maintenance - others	109.98	72.12
Provision for expected credit loss	89.19	42.67
Sales support and marketing expenses	71.06	67.39
Corporate Social Responsibility expense (refer note 41)	208.02	182.20
Miscellaneous expenses	463.86	412.40
Auditor's remuneration (refer details below)	15.54	14.76
	14,043.96	10,937.09

Auditor's remuneration *

Statutory audit fee	12.54	11.40
Other services (certification fees)	1.30	3.12
Reimbursement of expenses	1.70	0.24
	15.54	14.76

* excluding Goods and Service Tax.

29. EARNINGS PER SHARE ('EPS')

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

	Year ended 31 March 2020	Year ended 31 March 2019
Profit for the year (₹ in million)	12,050.55	7,694.33
Number of weighted average shares considered for calculation of basic earnings per share	186,374,412	191,495,657
Add: Dilutive effect of stock options	1,424,811	1,906,012
Number of weighted average shares considered for calculation of diluted earnings per share	187,799,223	193,401,669
Earnings per equity share (par value ₹ 10 per share)		
Basic	64.66	40.18
Diluted	64.17	39.78

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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 2016-17. 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 and indirect tax matters not acknowledged as debts amount to ₹ 8,665.84 million (31 March 2019: ₹ 10,120.47 million).

In relation to other tax demands not included above, the Company has furnished bank guarantees amounting to ₹ 6,661.95 million (31 March 2019: ₹ 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 2020: ₹ 167.15 million (31 March 2019: ₹ 145.61 million) pertains to guarantees on behalf of the Company to regulatory authorities.
- c. In addition to the above matters, the Company has other claims not acknowledged as debts amounting to ₹ 489.82 million (31 March 2019: ₹ 707.59 million).

There has been a Supreme Court judgement dated 28 February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the Provident Fund Act, 1952. However, considering that there are numerous interpretative issues relating to this judgment, including the effective date of the application and based on expert advice obtained, the Company is unable to reasonably estimate the expected impact of the Supreme Court decision. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

- d. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at 31 March 2020: ₹ 150.25 million (31 March 2019: ₹ 77.57 million).

31. RELATED PARTY TRANSACTIONS

Entities where control exists:

Blackstone Capital Partners (Cayman II) VI L.P.	Ultimate holding company
Blackstone Capital Partners (Singapore) VI Holding Co Pte Ltd	Intermediate holding company
Marble I Pte Ltd.	Intermediate holding company
Marble II Pte Ltd.	Holding company

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')

* On 16 April 2018, the shareholders of PT. Mphasis Indonesia resolved to dissolve and liquidate the entity. Accordingly, an amount of ₹ 4.38 million had been provided for in the financial statements of the Company during the year ended 31 March 2019.

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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
Paul James Upchurch	Director
Marshall Jan Lux	Director – Appointed w.e.f. 7 August 2018
Amit Dixit	Director
Amit Dalmia	Director
Dario Zamarian	Director – Resigned w.e.f. 6 August 2018
Nitin Rakesh	Chief Executive Officer and Executive Director
V. Suryanarayanan	Executive Vice President & Chief Financial Officer
Subramanian Narayan	Vice President & Company Secretary

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

(₹ million)

	Year ended 31 March 2020	Year ended 31 March 2019
Rendering of services	11,096.77	11,425.52
Mphasis USA	8,136.48	8,782.72
Others	2,960.29	2,642.80
Subcontracting charges	7,821.68	3,286.05
Mphasis USA	6,754.19	2,697.93
Msource India	377.86	363.52
Others	689.63	224.60
Sales support and marketing expenses	71.06	67.39
Mphasis UK	71.06	67.39
Dividend paid (on cash basis)	2,628.30	2,025.08
Marble II Pte Ltd.	2,627.58	2,024.62
Others	0.72	0.46
Remuneration / Commission to key management personnel	76.08	140.24
Nitin Rakesh*	12.77	79.05
Others	63.31	61.19
Dividend Income received from entities where control exists	2,021.82	-
Mphasis USA	2,021.82	-
Sub-lease rental income	77.44	76.24
Msource India	58.32	58.52
Digital Risk Mortgage Services, LLC	19.12	17.72
Corporate guarantee commission - income	43.20	10.86
Mphasis USA	43.20	10.86

* With effect from 16 October 2018, the Company has entered into an agreement with Mphasis Corporation, a wholly owned subsidiary, pursuant to which Nitin Rakesh had been deputed for a period of 12 months with automatic renewal, unless terminated by the Company. Effective, 16 October 2018, salaries and all other employee benefits for Nitin Rakesh (excluding the annual bonus) amounting to ₹ 110.04 million (31 March 2019: ₹ 41.74 million) have been discharged by Mphasis Corporation.

STANDALONE FINANCIAL STATEMENTS

In addition to the above, the Company and its subsidiaries incur reimbursable expenses on behalf of each other in the normal course of business.

(₹ million)

	Year ended 31 March 2020	Year ended 31 March 2019
Expenses incurred on behalf of related parties	172.89	205.42
Mphasis USA	112.89	143.59
Msource India	13.00	12.73
Others	47.00	49.10
Cost allocation by related parties	31.95	20.22
Wyde Corporation	-	10.44
Mphasis USA	31.95	9.78
Expenses incurred by related parties on Company's behalf	51.73	44.35
Msource India	1.08	0.04
Mphasis USA	50.56	44.29
Others	0.09	0.02

Managerial remuneration*

Expenses include the following remuneration to the key management personnel:

	Year ended 31 March 2020	Year ended 31 March 2019
Short-term employee benefits	41.75	76.99
Share based payment	1.93	31.2
Commission to independent directors	31.33	31.03
Other benefits	1.07	1.02
	76.08	140.24

* 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 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 will 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) 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.

The balances receivable from and payable to related parties are as follows:

	Year ended 31 March 2020	Year ended 31 March 2019
Trade receivables	4,765.46	2,627.45
Mphasis USA	3,716.97	2,177.26
Others	1,048.49	450.19
Trade payables	3,368.68	1,429.09
Mphasis USA	2,847.99	1,283.51
Others	520.69	145.58
Remuneration / Commission payable to key management personnel	8.22	8.11
Davinder Singh Brar	1.60	1.57
Narayanan Kumar	1.46	1.42
David Lawrence Johnson	1.28	1.28
Jan Kathleen Hier	1.38	1.34
Paul James Upchurch	1.25	1.25
Marshall Lux	1.25	1.25
Other receivables *	154.21	581.90
Mphasis USA	21.63	342.70
Mphasis China	-	136.16
Msource India	40.16	-
Wyde Corporation	50.48	-
Others	41.94	103.04

* includes collection on behalf of the Company.

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32. During the year ended 31 March 2020, the Company has remitted dividend in foreign currency of ₹ 2,630.39 million (31 March 2019: ₹ 2,026.28 million) to non-residents holding 97,421,703 (31 March 2019: 101,313,815) equity shares of the Company.

	Year ended 31 March 2020	Year ended 31 March 2019
Number of shareholders	13	9
Number of shares held	97,421,703	101,313,815
Amount remitted (₹ million)	2,630.39	2,026.28
Year to which the dividend relates	31 March 2019	31 March 2018

33. 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.

34. DISAGGREGATION OF REVENUE

(₹ million)

	Year ended 31 March 2020	Year ended 31 March 2019
Business verticals		
Banking and Capital Market	18,421.82	13,616.76
Insurance	7,322.58	6,997.56
Information Technology, Communication and Entertainment	5,392.17	5,119.86
Emerging Industries	12,187.64	9,470.12
Unallocated - hedge	147.18	(864.11)
Total	43,471.39	34,340.19
Geographic revenues		
USA	32,051.94	25,206.76
India	4,454.80	4,473.03
EMEA	5,315.43	4,092.98
ROW	1,502.04	1,431.53
Unallocated - hedge	147.18	(864.11)
Total	43,471.39	34,340.19
Services rendered		
Application development	13,307.39	8,022.70
Application maintenance	16,617.21	14,866.52
Infrastructure management services	7,884.47	7,412.41
Knowledge Processing Services	55.63	22.02
Service / Technical helpdesk	930.95	1,030.94
Transaction processing service	4,027.19	3,333.69
Customer Service	468.53	507.01
License income	32.84	9.01
Unallocated - hedge	147.18	(864.11)
Total	43,471.39	34,340.19
Delivery location		
Onsite	7,667.68	4,052.74
Offshore	35,656.53	31,151.56
Unallocated - hedge	147.18	(864.11)
Total	43,471.39	34,340.19

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	(₹ million)	
	Year ended 31 March 2020	Year ended 31 March 2019
Project type		
Time and material	27,503.16	23,375.84
Fixed price	15,821.05	11,828.46
Unallocated - hedge	147.18	(864.11)
Total	43,471.39	34,340.19
Market		
Direct international	30,144.21	23,189.09
DXC / HP business	10,263.89	9,284.49
Others	2,916.11	2,730.72
Unallocated - hedge	147.18	(864.11)
Total	43,471.39	34,340.19

35. CAPITAL MANAGEMENT

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

	As at 31 March 2020	As at 31 March 2019
Total equity attributable to the share holders of the Company (A)	36,772.02	32,636.23
Borrowings (B)	2,345.62	2,383.10
Total borrowings as a percentage of capital (B / C)	6.00%	6.81%
Total capital C (A+B)	39,117.64	35,019.33
Total equity as a percentage of total capital (A / C)	94.00%	93.19%

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.

36. 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 2020	Year ended 31 March 2019
Changes in present value of defined benefit obligations		
Obligations at beginning of the year	1,107.15	1,117.81
Service cost	54.32	19.73
Interest cost	73.31	79.55
Benefits paid	(100.89)	(105.57)
Re-measurement (gain) / loss (through OCI)	(40.84)	(4.37)
Obligations at end of the year	1,093.05	1,107.15
Change in plan assets		
Plan assets at beginning of the year, at fair value	328.56	398.52
Expected return on plan assets	25.89	40.13
Re-measurement gain / (loss) (through OCI)	1.13	(3.88)
Employer contributions	158.23	5.26
Benefits paid	(100.89)	(105.57)
Administration charges	(7.63)	(5.90)
Plan assets at end of the year	405.29	328.56
Present value of defined benefit obligation at the end of the year	1,093.05	1,107.15
Fair value of plan assets at the end of the year	405.29	328.56
Net liability recognised in the balance sheet	(687.76)	(778.59)

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	(₹ million)	
	Year ended 31 March 2020	Year ended 31 March 2019
Expenses recognised in statement of profit and loss		
Service cost	54.32	19.73
Interest cost (net)	47.42	39.42
Net gratuity cost	101.74	59.15
Re-measurement gains / (losses) in OCI		
Actuarial (gain) / loss due to financial assumption changes	(1.47)	10.19
Actuarial (gain) / loss due to experience adjustments	(39.36)	(14.57)
Re-measurement - return on plan assets (greater) less than discount rate	(1.14)	3.89
Total expenses routed through OCI	(41.97)	(0.49)
Assumptions		
Discount rate	6.47%	7.34%
Expected rate of return on plan assets	6.47%	7.34%
Salary increase	4.00%	5.00%
Attrition rate	20.00%	20.00%
Retirement age	60 years	60 years
Future payouts (year ended 31 March)		
Year-1	168.09	201.84
Year-2	145.50	165.15
Year-3	126.24	136.15
Year-4	110.59	110.39
Year-5	96.31	89.55
Year-6-10	286.37	220.74
Year-10 and above	159.95	183.33

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%
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Sensitivity analysis	Year ended 31 March 2020		Year ended 31 March 2019	
Change in discount rate	1% increase	1% decrease	1% increase	1% decrease
Effect on the defined benefit obligation	(44.27)	40.99	(41.30)	44.73
Change in salary increase rate				
Effect on the defined benefit obligation	42.08	(44.82)	45.28	(42.52)

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 deficiency in the interest cost 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 as at 31 March 2020. 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 2020 and 31 March 2019.

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

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

(₹ million)

	As at 31 March 2020	As at 31 March 2019
Plan assets at the year end	9,265.12	8,213.92
Present value of benefit obligation at year end	9,265.12	8,213.92
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	6.13%	7.00%
Remaining term of maturity (in years)	12	12
Expected guaranteed rate of return	8.50%	8.65%

The Company contributed ₹ 612.09 million during the year ended 31 March 2020 (31 March 2019: ₹ 453.76 million).

37. FINANCIAL INSTRUMENTS

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

Particulars (as at 31 March 2020)	FVTPL	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortized cost	Total
Financial assets					
Cash and cash equivalents	-	-	-	7,485.30	7,485.30
Investments (other than investment in subsidiaries)	3,166.79	-	-	831.81	3,998.60
Trade receivables	-	-	-	7,684.46	7,684.46
Loans	-	-	-	1,771.02	1,771.02
Derivative assets	-	186.41	122.90	-	309.31
Unbilled receivables	-	-	-	3,596.83	3,596.83
Other financial assets	-	-	-	427.14	427.14
Total	3,166.79	186.41	122.90	21,796.56	25,272.66
Financial liabilities					
Borrowings	-	-	-	2,345.62	2,345.62
Lease liabilities	-	-	-	5,804.42	5,804.42
Trade payables	-	-	-	5,033.07	5,033.07
Derivative liabilities	-	1,469.45	204.01	-	1,673.46
Other financial liabilities	-	-	-	1,704.90	1,704.90
Total	-	1,469.45	204.01	14,888.01	16,561.47

Particulars (as at 31 March 2019)	FVTPL	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortized cost	Total
Financial assets					
Cash and cash equivalents	-	-	-	1,438.31	1,438.31
Bank balances other than cash and cash equivalents	-	-	-	27.03	27.03
Investments (other than investment in subsidiaries)	5,864.70	-	-	816.17	6,680.87
Trade receivables	-	-	-	5,028.12	5,028.12
Loans	-	-	-	1,734.24	1,734.24
Derivative assets	-	897.68	93.57	-	991.25
Unbilled receivables	-	-	-	2,818.67	2,818.67
Other financial assets	-	-	-	755.69	755.69
Total	5,864.70	897.68	93.57	12,618.23	19,474.18
Financial liabilities					
Borrowings	-	-	-	2,383.10	2,383.10
Trade payables	-	-	-	3,325.97	3,325.97
Derivative liabilities	-	303.09	34.21	-	337.30
Other financial liabilities	-	-	-	1,488.40	1,488.40
Total	-	303.09	34.21	7,197.47	7,534.77

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Fair Value hierarchy:

(₹ million)

Particulars	As at 31 March 2020				As at 31 March 2019			
	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	3,166.79	2,578.07	588.72	-	5,864.70	3,790.48	2,074.22	-
Derivative assets	309.31	-	309.31	-	991.25	-	991.25	-
Liabilities								
Derivative liabilities	1,673.46	-	1,673.46	-	337.30	-	337.30	-

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.

The quantitative information about offsetting financial asset is as follows:

	As at 31 March 2020	As at 31 March 2019
Gross amount of recognised trade receivables	10,776.83	5,800.34
Gross amount of recognised factored trade receivables and volume discount set off in the balance sheet	(3,092.37)	(772.22)
Net amount presented in balance sheet	7,684.46	5,028.12

38. 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 of 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 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 Company's established policies, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored. Two customer groups individually accounted for more than 10% of the accounts receivable for the years ended 31 March 2020 and 31 March 2019. One customer group accounted for more than 10% of the unbilled receivables for the year ended 31 March 2020 (31 March 2019: Two customer groups).

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Credit Risk Exposure

The Company's credit period generally ranges from 30 – 60 days. The particulars of outstanding are as below: (₹ million)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables	7,684.46	5,028.12
Unbilled receivables	3,596.83	2,818.67
Total	11,281.29	7,846.79

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

The allowance for lifetime expected credit loss for the years ended 31 March 2020 and 31 March 2019 was ₹ 89.19 million and ₹ 42.67 million respectively. The reconciliation is as follows :

	Year ended 31 March 2020	Year ended 31 March 2019
Balance as per previous financials statements	42.67	-
Charge for the year	89.19	42.67
Closing balance	131.86	42.67

Impact of Covid-19

Trade receivables and unbilled receivables of ₹ 11,281.29 million as at 31 March 2020 forms a significant part of the financial assets carried at amortized cost which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have evaluated the likelihood of increased credit risk and consequential default considering emerging Covid-19 situation. This assessment considers the current collection pattern across various verticals and the financial strength of customers. The Company is closely monitoring the developments across various business verticals. Basis this assessment, provision made towards ECL is considered adequate.

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 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. Pursuant to the impact of Covid-19, the Company has assessed the counterparty credit risk and concluded the carrying / fair value, as applicable, of the financial instruments and deposits with banks to be appropriate. One bank individually accounted for more than 10% of the Company's deposits and bank balances for the years ended 31 March 2020 and 31 March 2019.

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 and the cash flow that is generated from operations. The Company believes that the cash and cash equivalents 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 2020	As at 31 March 2019
Cash and cash equivalents	7,485.30	1,438.31
Bank balances other than cash and cash equivalents	-	27.03
Current Investments	3,166.79	5,864.70
Total	10,652.09	7,330.04

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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. (₹ million)

Financial liabilities (31 March 2020)	On demand	0-180 days	180 to 365 days	365 days and above	Total
Trade payables	159.12	4,873.95	-	-	5,033.07
Borrowings	-	2,345.62	-	-	2,345.62
Lease liabilities	-	740.72	633.68	6,310.93	7,685.33
Other financial liabilities	26.70	2,724.14	-	627.52	3,378.36
Total financial liabilities	185.82	10,684.43	633.68	6,938.45	18,442.38
Financial liabilities (31 March 2019)					
Trade payables	179.44	3,146.53	-	-	3,325.97
Borrowings	-	2,383.10	-	-	2,383.10
Other financial liabilities	27.94	1,758.19	-	39.57	1,825.70
Total financial liabilities	207.38	7,287.82	-	39.57	7,534.77

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 any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. 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 (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.

Below is the summary of foreign currency exposure of Company's financial assets and liabilities:

31 March 2020	₹ million				
Financial assets	USD	GBP	EUR	Others	Total
Trade receivables	6,602.75	151.90	219.20	263.52	7,237.37
Cash and cash equivalents	3,186.84	-	-	-	3,186.84
Other financial assets	104.39	12.87	1.93	-	119.19
Unbilled receivables	2,761.62	81.37	136.58	156.02	3,135.59
Total financial assets	12,655.60	246.14	357.71	419.54	13,678.99
Financial liabilities					
Trade payables	3,477.60	0.72	0.97	-	3,479.29
Borrowings	2,345.62	-	-	-	2,345.62
Other financial liabilities	16.59	-	-	-	16.59
Total financial liabilities	5,839.81	0.72	0.97	-	5,841.50
Net financial assets	6,815.79	245.42	356.74	419.54	7,837.49
31 March 2019	₹ million				
Financial assets	USD	GBP	EUR	Others	Total
Trade receivables	3,710.31	205.51	204.86	154.44	4,275.12
Cash and cash equivalents	1,134.19	-	-	-	1,134.19
Other financial assets	263.13	23.32	12.27	126.00	424.72
Unbilled receivables	2,126.05	84.17	101.03	57.72	2,368.97
Total financial assets	7,233.68	313.00	318.16	338.16	8,203.00
Financial liabilities					Total
Trade payables	1,456.34	0.09	-	72.09	1,528.52
Borrowings	1,383.10	-	-	-	1,383.10
Other financial liabilities	32.93	-	-	-	32.93
Total financial liabilities	2,872.37	0.09	-	72.09	2,944.55
Net financial assets	4,361.31	312.91	318.16	266.07	5,258.45

STANDALONE FINANCIAL STATEMENTS

The Company 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 receivables are as below:

Currency	As at 31 March 2020		As at 31 March 2019	
	Amount (million)	Amount in (₹ million)	Amount (million)	Amount in (₹ million)
Balance sheet hedges				
USD	110.8	8,383.68	64.79	4,480.55
GBP	5.13	479.67	3.28	296.79
EUR	7.62	630.71	5.40	419.51
CAD	1.84	97.67	2.49	128.23
AUD	5.56	256.18	2.13	104.41
SGD	0.47	24.92	1.00	51.04
SEK	5.64	42.14	-	-

Forward contracts outstanding against payables are as below:

USD	31.00	2,345.62	20.00	1,383.10
GBP	3.42	319.78	-	-

Sensitivity analysis

For every 1% appreciation/depreciation of the respective foreign currencies, the Company's profit before taxes will be impacted by approximately ₹ 4.80 million for the year ended 31 March 2020 (31 March 2019: ₹ 6.50 million).

38. 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 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.

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 Company uses foreign exchange forward contracts to manage exposure on some of its transactions. The counterparty, for all derivative financial instruments is a bank.

The Company has taken cash flow hedges on account of highly probable forecast transactions. 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.

STANDALONE FINANCIAL STATEMENTS

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

Currency	As at 31 March 2020			As at 31 March 2019		
	Number of contracts	Notional amount (million)	Fair value gain/(loss) (₹ million)	Number of contracts	Notional amount (million)	Fair value gain/(loss) (₹ million)
USD	492	549.20	(1,392.68)	360	461.70	391.60
GBP	84	15.53	36.50	59	15.23	68.72
EUR	83	14.60	30.37	53	13.77	105.64
AUD	70	9.88	42.77	36	8.70	28.62
Total			(1,283.04)			594.58

The movement in cash flow hedging reserve for derivatives designated as cash flow hedges is as follows: (₹ million)

	Year ended 31 March 2020	Year ended 31 March 2019
Balance at the beginning of the period	386.81	238.55
Change in fair value of effective portion of cash flow hedge	(1,730.44)	(636.21)
(Gain) / loss transferred to statement of profit and loss on occurrence of forecasted hedges	(147.18)	864.11
Income tax effect on the above	656.11	(79.64)
Total	(834.70)	386.81

Sensitivity analysis

Every 1% appreciation/depreciation of the respective underlying foreign currencies, the Company's OCI will decrease or increase approximately by ₹ 443.00 million for the year ending 31 March 2020 (31 March 2019: ₹ 330.00 million).

Impact of Covid-19

The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by Covid-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

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 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. Gross amount required to be spent by the Company during the year was ₹ 207.76 million (31 March 2019: ₹ 182.20 million). The expenses incurred towards CSR activities amounting to ₹ 208.02 million (31 March 2019: ₹ 182.20 million) has been charged to the statement of profit and loss and is disclosed under other expenses.

Amount spent during the year ended 31 March 2020 and 31 March 2019 is as as follows:

Particulars	Year ended 31 March 2020			Year ended 31 March 2019		
	Paid	Not paid	Total	Paid	Not paid	Total
Construction / acquisition of any asset	-	-	-	-	-	-
On purposes other than above	208.02	-	208.02	182.20	-	182.20

STANDALONE FINANCIAL STATEMENTS

42. Subsequent events

The Board of Directors in their meeting held on 13 May 2020 have proposed a final dividend of ₹ 35 per equity share for the year ended 31 March 2020 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 ₹ 6,528.75 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
13 May 2020

for and on behalf of the Board of Directors

Nitin Rakesh
Chief Executive Officer
New York

V. Suryanarayanan
*Executive Vice President &
Chief Financial Officer*

Bengaluru
13 May 2020

Narayanan Kumar
Director
Chennai

Subramanian Narayan
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
- Bagmane Parin,
No. 65/2, Block A, 7th 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
Mylasandra & Patanegere Villages
RVCE post, Kengeri Hobli
Bengaluru - 560 059
Tel: 080 - 6732 5000
- Tower E, Ground 1st and 2nd Floor
Global Village SEZ
Mylasandra - Patanegere Villages
Kengeri Hobli,
Off Bengaluru Mysore Express Way,
RVCE Post, Bengaluru - 560 059
Tel: 080 - 6815 7000
- 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,
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

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

AMERICAS

Canada

- 2828, Boulevard Laurier Suite 700
Quebec City, G1V 0B9
- 176, Great George Street,
Suite 414, Charlotte Town, PE, C1A4K
- 5925, Airport Road, Suite 200,
Mississauga, Ontario, L4V, 1W1,
Canada
- Lecours, Hébert avocats inc.
354, rue Notre-Dame Ouest
Bureau 100, Montréal (Québec)
H2Y 1T9, Canada
- 90 University Avenue
Charlottetown,
Prince Edward Island, C1A4K9
- 340 King Street East, Toronto,
Ontario M5A 1K8 Canada

USA

- 460 Park Avenue South,
New York 10016
Tel : +1 (212) 686-6655
- 1220N Market Street,
Suit 806, Wilmington, Delaware 19801
- 2711 Centerville Road,
Suite 400 Wilmington,
County of New Castle, Delaware 19808
- Corporate Creations Network,
3411, Silverside Road
Tatnall Bldg, Suite 104,
Wilmington – Delaware 19810
- # 7460, Warren Parkway,
Suite 100 Frisco,
Texas - 75034

- 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.
- 314, Wall Street, Building J
Montgomery Township,
Somerset County, New Jersey - 08540.
- 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
- The Point at Inverness, 8310,
S.Valley Hwy, 3rd Floor, Englewood,
Co, Englewood, Colorado - 80112
- 11710, Plaza America, DR STE 2000
Reston VA 20190
- One Metropolitan Square,
Suite 2200, St. Louis, Missouri 63102
4120, International Parkway, Suite
2300, Carrollton, Dallas, Texas - 75007

France

- 103-105, Rue Anatole France
92300 Levallois-Perret
- 32, Allee de Boutart Regus, Bordeaux
Raveziez 33070, Bordeaux CEDEX

Hungary

- Hun 33 Váci Street,
Budapest, H -1134

Germany

- Koblenzer, Street 34,
Postfach 1221, D 56130 Bad Ems,
Germany
Tel : 49-2603504151
- Office no# 520 and 521, 5th Floor,
MainzerLandstraße 69,
60329 Frankfurt Deutschland/Germany

Belgium

- Leonadro Da Vincilaan 9,
B-1935 Zaventum, Belgium

The Netherlands

- Saturnusstraat 46, Hoofddorp,
2132 HB, Netherlands

Ireland

- Boole House, Beech Hill Office
Campus, Clonskeagh, Dublin 4,
D04A563

Poland

- 50-102, Wroclaw, Rynek 39/40
- KGHM Kuprum
Ul.Gen.W.Sikorskiego, 2-8 Wroclaw
- Regus Management Sp Zoo. Ul,
Grabariska 1 Pegaz, Budynek B3, pietro,
Wroclaw 50079

Sweden

- C/o Hellstrom Advokatbyrå KB
Box 7305, 103 90 Stockholm Sweden

Switzerland

- Kolinplatz 2, 6300 Zug
UK
- 1 Ropemaker Street, London, EC2 Y9HT

- Regus Slough UK
Spaces- Slough, The Porter Building
1, Brunei way, Slough SL11FQ, UK
- Regus House, Herons Way Chestier
Business Park, Chestier, Cheshire,
CH49QR

ASIA PACIFIC AND JAPAN

Japan

- Kabutocho Daiichi Heiwa Building,
3rd Floor, 5-1, Nihonbashi Kabutocho,
Chuo-ku, Tokyo, 1030026, Japan

Singapore

- The Executive Center, Level 42,
6, Battery Road, Singapore, 49909
Tel : + 65 63721737

Taiwan

- 2/FA, 170 Dunhua North Rd. Songshan
District, Taipei, 10548, Taiwan

China

- B-101, 7F, No. 500 East Jinling Road,
Huangpu District, Shanghai, P.R.C.
- Shanghai Chamtime Plaza,
Office No. 641, 6/F Office Tower C,
Chamtime Plaza, No. 3,
Pudong New District, Shanghai, 201203

Philippines

- 8th Floor, Sunlife Centre,
5th Avenue Corner, Rizal Drive,
Bonifacio, Global City,
Taguig City, Philippines

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

- Level 1, 50 Customhouse Quay,
Wellington, NZ

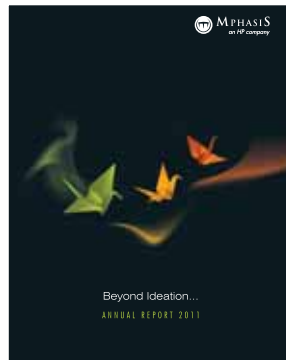
AFRICA

Mauritius

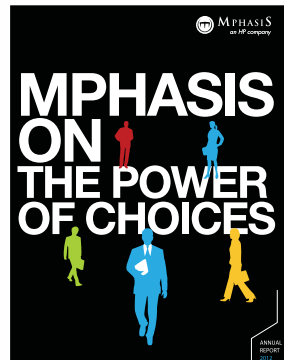
- C/o IQ EQ Corporate Services (Mauritius) Ltd.,
33, Edith Cavell Street,
Port Louis, Mauritius - 11324



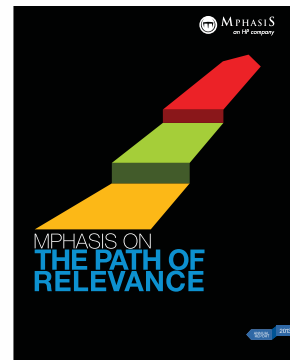
2010 Beyond a Billion



2011 Beyond Ideation



2012 Power of Choices



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

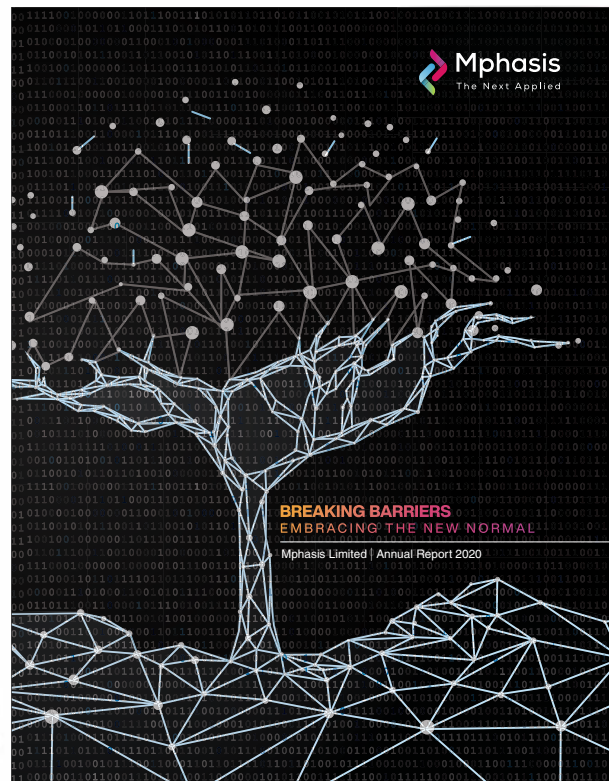


2018 The Next Applied



2019 Bringing
'T' back into IT


A tree is a perfect example of how the universe works. Everything is connected, and serving its unique purpose. It's a self-sustaining mechanism. It's free-flowing. And it's life. If you notice, nature doesn't come to a standstill. It finds a way around an obstacle. The roots of a tree, for instance, don't stop branching out when they hit an obstacle, they find newer ways to spread. At Mphasis, we break barriers and embrace the new normal with our focus on innovation, strategic partnership and customer-centric approach.



2020 Breaking Barriers

About Mphasis

Mphasis (BSE: 526299; NSE: MPHASIS) 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 ($C = X2C^{\infty} = 1$) 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 are key to building strong relationships with marquee clients. To know more, please visit www.mphasis.com



Mphasis Limited
 Regd. Office: Bagmane World Technology Centre, Marathahalli Outer Ring Road,
 Doddanakhundi Village, Mahadevapura, Bengaluru - 560048. CIN: L30007KA1992PLC025294
 Tel: 91 80 6750 1000; Website: www.mphasis.com; email: investor.relations@mphasis.com

NOTICE

29th Annual General Meeting to be held over Video Conference, Record Date and Dividend information

Notice is hereby given that the twenty ninth Annual General Meeting ("AGM") of Mphasis Limited will be held at 9:00 am (IST) on Thursday, the 23 July 2020, through Video Conferencing ("VC") in compliance with general circular Nos.20/2020 read-with, 14/2020, 17/2020 issued by the Ministry of Corporate Affairs (MCA) and circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities Exchange Board of India (SEBI) (hereinafter collectively referred to as "Circulars"), to transact the ordinary and special businesses contained in the Notice of the twenty ninth AGM 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 twenty ninth Annual Report for the financial year ended 31 March 2020 together with the Notice of the AGM, is being despatched electronically to the members of the Company, to their e-mail IDs which are registered with the Company/Depositories in accordance with the Circulars, whose names appear in the register of members/list of beneficial owners as at 26 June 2020. The Annual Report and the Notice of the AGM is also 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 Ltd., (BSE) www.bseindia.com.

The Company is pleased to provide a voting facility to the Members to exercise their right to vote by electronic means (remote e-voting) on all resolutions as set out in the said Notice and has engaged National Depository Services Limited (NSDL) as the Agency to provide the e-voting facilities. 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 to the shareholders.

Those members who are present in the AGM through VC facility 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 addresses and mobile numbers with the Company's Registrar and Share Transfer Agent viz., Integrated Registry Management Services Private Limited at <https://www.integratedindia.in/mpsh.aspx>. Members holding shares in physical form or who have not registered their e-mail addresses 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 29.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 29.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 the case 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, Practicing Company Secretary, has been appointed as the scrutinizer 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, 29 June 2020
Cut-off date for remote e-voting	Thursday, 16 July 2020
The date and time of commencement of remote e-voting	Saturday, 18 July 2020 at 9.00 AM (IST)
Closing of remote e-voting	Wednesday, 22 July 2020 at 5.00 PM (IST)
Declaration of results of voting	The results will be declared forthwith, upon receipt of Scrutinizer report, within 48 hours from the date of the AGM i.e. before Saturday, 25 July 2020, before 5 pm (IST) and placed at the registered office of the Company and also at the Corporate Office of the Company. 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 Saturday, 4 July 2020 to Thursday, 23 July 2020 (both days inclusive).

Shareholders may note that the Board of Directors in their meeting held on 13 May 2020 has recommended a final dividend of Rs.35/- per share. The final dividend once approved by the shareholders in the ensuing AGM will be paid electronically to those shareholders who have updated their bank account details. 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/mpsh.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.

However, shareholders who have not updated their bank account details, dividend warrants/ demand drafts/ cheques will be sent out to their registered addresses once the postal facility is fully functional in the Country.

Members may note that as per the Income Tax Act, 1961 ("Income Tax Act"), as amended by the Finance Act, 2020, dividend distribution tax has been abolished with effect from 1 April 2020. Accordingly, 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 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.

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)	7.5% 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

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") 2020-21 does not exceed Rs. 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, the following documents which may be uploaded on <https://www.integratedindia.in/ExemptionFormSubmission.aspx> on or before 15 July 2020 before 5:00 pm (IST).

- Lower/Nil withholding certificate issued under section 197 of the Income Tax Act covering FY 2020-21;
- Form 15G, which is applicable to Resident Individual shareholders who are below 60 years of age and whose tax on total income during FY 2020-21 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 2020-21 and whose tax on total income during FY 2020-21 is estimated to be Nil.

Members may please note that these forms must not pertain to FY 2019-20 whose validity is extended upto 30 June 2020 and must be valid for FY 2020-21.

No communication/documents on the tax determination/ deduction shall be considered by the Company after 15 July 2020 and the TDS basis the information / documents available with the Company would be considered.

For **Non-resident Shareholders** (excluding FPIs / FILs), 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 / 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 2020-21 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.

The above referred non-resident shareholders may upload the aforementioned documents on <https://www.integratedindia.in/ExemptionFormSubmission.aspx> on or before 15 July 2020 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 / FILs, 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). 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.
- 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.

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 <https://www.mphasis.com/home/corporate/investors/tax-declaration-fy20.html> 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/>.

For Mphasis Limited

Sd/-

Subramanian Narayan


Vice President and Company Secretary

Bengaluru

29 June 2020

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.**
- 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 at evoting@nsdl.co.in or grii@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. 16 July 2020. A person who is not a member as on the cut-off date should treat 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, Vice President and Company Secretary, Mphasis Limited, Bagmane World Technology Center, Marathahalli Outer Ring Road, Mahadevapura, Doddanakhundi Village, Bengaluru – 560 048, Ph:+91-080-67504613 or e-mailed to subramanian.narayan@mphasis.com.
- The remote e-voting module shall be forthwith blocked by NSDL at 5:00 pm (IST) on Wednesday, 22 July 2020 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.



NALCO
 National Aluminium Company Limited
 (A Government of India Enterprise)

Captive Power Plant,
 Angul-759145, Odisha, India
 CIN : L27203OR1981GOI000920
 A NAVRATNA COMPANY

NOTICE INVITING TENDERS
 Digitally signed online tenders are being invited from experienced bidders on OPEN/ Two- part (E-tender) mode through Central Public Procurement Portal for the following jobs at NALCO, CPP Plant at Angul, Odisha :

1-NIT No. MC-4911
Name of the work: Stone Picking & Tramp Metal Removal from Running Conveyors in CHP and Safe Disposal.


2-NIT No. MC-4913
Name of the work: Mill Reject Handling, Oil Gun Cleaning, Oil Wagon Unloading, Bunker Emptying and Other Miscellaneous Jobs.

3-NIT No. MC-4921
Name of the work: Unloading of Nalco Coal Wagon at Track Hopper in CHP-1.

4-NIT No. MC-4922
Name of the work: Overhauling of Rotating Equipments in Boiler & Auxiliary Area.

For details of NITs like contract period, EMD, Date and time of E-submission, Part - I Bid Opening, Modification/Amendments (if any) please log in to www.nalcoindia.com & <http://eprocure.gov.in>

AGM (Mech.), Contract Cell



HIGH ENERGY BATTERIES (INDIA) LIMITED
 Regd. Office: "ESVIN House", 13 Old Mahabalipuram Road, Perungudi, Chennai 600096
 Phone:044-24960335, Email: investor@highenergyvtd.com
 (An ISO 9001:2015 & ISO 14001:2015 Company)
 CIN: L36999TN1961PLC004606


AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

PARTICULARS	Quarter Ended 31 st March, 2020	Quarter Ended 31 st March, 2019	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
	(Audited)	(Audited)	(Audited)	(Audited)
Total Income from Operations	979.95	1343.51	6166.02	4675.03
Net Profit / (Loss) for the period [before tax and Exceptional items]	(10.22)	142.35	881.09	56.56
Net Profit / (Loss) for the period before tax [after Exceptional items]	(10.22)	142.35	881.09	56.56
Net Profit / (Loss) for the period after tax (after Exceptional items)	(20.69)	107.11	560.19	43.63
Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(58.51)	78.42	513.70	36.59
Equity Share Capital	179.28	179.28	179.28	179.28
Earnings Per Share (of Rs.10/-each) -Basic	(1.15)	5.97	31.25	2.43
-Diluted	(1.15)	5.97	31.25	2.43

NOTE:
 1. The above is an extract of the detailed format of quarterly financial results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other disclosure Requirements) Regulations, 2015. The full format of the quarterly / Annual financial results are available on the stock exchange websites www.bseindia.com. The same is also available on the company's website www.highenergyvtd.com in under the financials section.

(By Order of the Board)
 For **HIGH ENERGY BATTERIES (INDIA) LIMITED,**
G.A. PATHANJALI
 Managing Director

Place : CHENNAI
Date : 27.06.2020



CSB Bank
CSB BANK Limited (Formerly The Catholic Syrian Bank Ltd)
 Regd. Office: 'CSB Bhavan', Post Box No. 502, St. Mary's College Road, Thrissur – 680020, Kerala, India.
 Tel: +91 487–2333020 | Fax: +91 487–2338764 | Website: www.csb.co.in | Email: investors@csb.co.in
 Corporate Identity Number: U65191KL1920PLC000175

NOTICE OF THE 99th ANNUAL GENERAL MEETING, E-VOTING AND BOOK CLOSURE

NOTICE is hereby given that:

- The 99th Annual General Meeting (AGM) of CSB Bank Limited will be held on Monday, July 20, 2020 at 11:00 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in compliance with Companies Act 2013, read with General Circular numbers 20/2020 dated May 05, 2020, 17/2020 dated April 13, 2020 and 14/2020 dated April 08, 2020 issued by the Ministry of Corporate Affairs (MCA), SEBI Circular dated May 12, 2020 and all other applicable laws and circulars issued by MCA, Government of India and Securities and Exchange Board of India (SEBI) (collectively referred to as Circulars), and as per the circulars, companies are allowed to hold AGM through VC/OAVM, without the physical presence of members at a common venue so as to follow the social distancing norms in view of the continuing COVID-19 pandemic. Hence, the AGM of the Bank is being held through VC/OAVM to transact the business as set out in the Notice of the Meeting.
- In compliance with the above Circulars, electronic copies of the Notice of the AGM and Annual Report for fiscal 2020 have been sent to all the members whose email addresses are registered with the Bank/Depository Participant(s) and shareholders holding shares in physical mode with the Bank's Registrar & Share Transfer Agent. The notice of the 99th AGM and Annual Report for the Financial Year 2019-20 are also available on the Bank's website, at <https://www.csb.co.in> under 'Investor Relations' section, website of both the stock exchanges viz., BSE Limited at <https://www.bseindia.com> and the National Stock Exchange of India Ltd., at <https://www.nseindia.com> and on the NSDL's website, at <https://www.evoting.nsdl.com>. The dispatch of Notice of the AGM through emails has been completed on June 27, 2020.
- Shareholders holding shares either in physical form or dematerialized form, as on the cut-off date (**July 13, 2020**), may cast their votes electronically on the business as set forth in the Notice of the AGM through the electronic voting system ('remote e-voting'), the details of which are given below:

A	Statement on businesses to be transacted by electronic voting	Business set out in Notice dated June 22 nd , 2020 may be transacted by electronic voting
B	Date of completion of sending notice of AGM	June 27, 2020
C	Date and time of commencement of remote e-voting	From 9.00 a.m onwards on Thursday, July 16, 2020
D	Date and time of ending of remote e-voting	Up to 5.00 p.m. on Sunday, July 19, 2020
E	The remote e-voting module shall be disabled by NSDL beyond 5:00 p.m. IST on July 19, 2020 and once the votes on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.	
F	Website details of the Bank/Agency, where the Notice of AGM is displayed	https://www.csb.co.in https://www.evoting.nsdl.com
G	Contact details of the person responsible to address the grievances connected with electronic voting.	Mr. Amit Vishal, Senior Manager - NSDL at amity@nsdl.co.in / 022-24994360/ or Mrs. Pallavi Mhatre, Manager- NSDL at pallavid@nsdl.co.in 022-24994545
H	If any person who is not a member /ceased to be a member as on the cut-off date should treat this notice for information purpose only.	

- Any person, who acquires shares of the Bank and becomes a shareholder post-dispatch of the Notice of the AGM and holds shares as on the cut-off date i.e. July 13, 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if a person is already registered with NSDL for e-voting then the existing user ID and password can be used for casting their vote;
- Shareholders may note that:
 - The facility for e-voting will also be made available during the AGM, and those shareholders present in the AGM through VC/OAVM facility, who 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 the e-voting system at the AGM.
 - The shareholders who have cast their votes by remote e-voting prior to the AGM can also attend the AGM but shall not be entitled to cast their votes again.
 - Only persons whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting or e-voting at the AGM.
- The manner of voting remotely for shareholders holding shares in dematerialized mode and physical mode is provided in the Notice of the AGM. The details are also made available on the website of the Bank. Shareholders are requested to visit <https://www.csb.co.in> to obtain such details.
- Shareholders holding shares in dematerialized mode and had not registered their email address and mobile numbers are requested to register their email address and mobile numbers with their relevant depositories through their depository participants. Shareholders holding shares in physical mode and had not registered their email address and mobile numbers are requested to furnish their email address and mobile numbers with the Bank's Registrar & Share Transfer Agent, S,K,D.C. Consultants Limited, at info@skdc-consultants.com to receive copies of the Annual Report 2019-20 along with the Notice of the 99th AGM, instructions for remote e-voting and instructions for participation in the AGM through VC/OAVM.
- In case of queries relating to remote e-voting, members may refer to the Frequently Asked Questions (FAQ's) for members and e-voting user manual for members at the 'Downloads' section of NSDL's website or call the toll free no :1800-222-990 or send a request to evoting@nsdl.co.in.
- The members who require technical assistance to access and participate in the meeting through VC may contact the helpline number: 1800-222-990.

- Mr. P.D Vincent, LLB, MBA, FCS, Practicing Company Secretary (Managing Partner, SVJS & Associates, Company Secretaries) has been appointed as Scrutinizer for conducting the e-voting process in a fair and transparent manner.
- Shareholders may please note that, in terms of the aforementioned circulars, the Bank will not be sending physical copies of AGM Notice and Annual Report to the shareholders.
- NOTICE** is hereby further given that pursuant to Section 91 of the Companies Act 2013 read with Rule 10 of Companies (Management and Administration) Rules, 2014, the Register of members and Share Transfer Books will remain closed from **July 14, 2020 to July 20, 2020** for the purpose of 99th Annual General Meeting.

By order of the Board for CSB Bank Limited
Sd/-
Sijo Varghese
Company Secretary

Place: Thrissur
Date: June 27, 2020



29 June 2020

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 Report for the year ended 31 March 2020

We refer to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and enclose the Business Responsibility Report under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for year ended 31 March 2020.

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

DocuSigned by:
Subramanian Narayan
864FB8DBFAE44A7...



Subramanian Narayan
Vice President and Company Secretary

Encl: As above





Mphasis Ltd.

Business Responsibility Report

FY 2019-20



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From the CEO Desk



Dear Shareholders,

Before I begin, I would like to thank you for your continued interest and investment in Mphasis.

I am truly grateful for the opportunity of presenting the annual Business Responsibility Report of your Company this year as well. As mentioned in the past year, we are reporting our policies and performance across the nine principles of National Voluntary Guidelines issued by the Ministry of Corporate Affairs, Government of India. This disclosure reaffirms our spirit of a responsible corporate by adhering to the mandatory requirements as well

as incorporate best-in-class elements of transparency in our business. We are relentlessly working on improving our disclosures by incorporating newer elements and sharing a comprehensive business responsibility report.

Our 'Growth' Mantra is Growth that is 'Consistent', 'Competitive', 'Profitable' and 'Responsible'. This is our guiding principle as well as business strategy. Publishing this report has enabled a suite of management frameworks and governance systems aligned with our business processes that help us achieve our business objectives in a responsible manner. This report provides an insight into how business responsibility is ingrained to your Company's culture.

All of us are going through some extraordinary times due to the unprecedented Covid 19 pandemic situation. However, safety, health and wellbeing of our employees and families is paramount to us. The leadership team continuously assess and appropriately respond to the crisis as it evolves, to adjusting our operations. As always, we operate in accordance with guidance from local government and public health authorities across the globe. We have put in place many virus-mitigating actions which result in a reduction of potential transmission like:

- Sanitized work environment
 - Further enhancement of cleaning protocols in all areas to ensure the highest cleanliness and sanitary conditions.
 - Introduction of supplementary hygiene measures across all locations, including the introduction of additional hydroalcoholic gel dispensers.
- Social distancing
 - Work from home (WfH) where applicable (wherever clients have permitted). Majority of our employees have been provided with laptops and connectivity.
 - Doubling cabs: Where there were five passengers per cab, that has been reduced to 2-3 to ensure safe distance.
 - Additional space availability: With all support and delivery teams working from home, the freed up real estate is being used to spread out employees in safe distance.
- Sheltering
 - In certain cities where there are challenges for employees residing in Paying Guest accommodations and have been asked to vacate; we are providing alternate accommodation. So, employees do not have to travel back home, as by travelling you put yourself, and your near and dear ones at risk.

We have extensive online collaboration capabilities for all employees to communicate with each other and with clients. We are working tirelessly to help everyone stay safe while at the same time continuing to serve our customers. When we come out on the other side of this situation, we will no doubt be held in good stead for having displayed this approach.



Moving on to Corporate Social Responsibility, which has been an integral part of our efforts to be a responsible business. Our social programs are executed via the Company's Philanthropic arm, Mphasis F1 Foundation in partnership with external implementation partners. The key objective of our CSR programs has been to work for socially excluded and economically disadvantaged groups through innovative models and technology-based solutions.

Our CSR programs broadly focus on improvement in learning outcomes, promotion of rural entrepreneurship, promotion of accessibility for persons with disabilities, inclusion of underserved communities, applied research to solve for social problems, and incubation /acceleration support for social startups. The singular focus in all our community initiatives has been to bring about long term, sustainable social outcomes. Towards this, we try to build in sustainability into project design itself and work with the communities long enough till the interventions are assimilated well and sustained for the long term.

While direct interventions with communities are critical, we also keenly realize that indirect interventions can be just as effective and can have large multiplier effects. We achieve this through our focus on social entrepreneurship as well as applied research projects through academia. We realize the incredible promise that social entrepreneurs hold for positive social outcomes and have incubated more than 25 social startups this financial year- allowing them to refine their operating models, go to market, and scale. We also realize the critical role that applied research can play in developing novel ways of addressing critical social issues, and accordingly have partnerships with academic institutions like IIIT B, IIM B and Plaksha University in place.

Some of our flagship programs include:

- Founding partner for Plaksha University, a pioneering initiative to revolutionize engineering education in the Country, focusing on interdisciplinary learning, innovation and entrepreneurship.
- Institutionalized wheelchair accessible vehicle transportation services – UberAccess- for persons with disabilities in partnership with Uber in Bangalore; more than 17000 trips facilitated for around 4500 users thus far.
- Focusing on improving English language outcomes in more than 40 government schools benefiting more than 6000 students. Third party impact evaluation suggest considerable improvement over similar schools with no such intervention.
- Established Cognitive Computing Centre of Excellence at IIIT Bangalore to focus on applied research using cognitive computing to solve for social problems.

Through these unprecedented times of COVID 19, Your company has been actively contributing to support vulnerable groups and communities. Mphasis is proud to have set up the Covid Helpdesk – AphaMitra for Government of Karnataka in record time. Your company had over 150 medical professions working across shifts to respond to calls that come to the 104 Covid helpline. We are also working closely with all stakeholders – NGOs, government, academia - to ensure we are making optimal and effective contributions at multiple levels. We will be exploring immediate relief opportunities for health workers, providing support to vulnerable communities and supporting technology projects that can complement on ground relief efforts.

I request you to look at the full Business Responsibility report that is available in the next few pages; that covers other aspects such as - Employee Engagement at Mphasis, Corporate Governance at Mphasis, Environmental Sustainability, Quality Management and delivery, Customer satisfaction and value creation, et al among others. Do share any feedback, recommendations or views you may have on this.

I hope you find this report helpful in furthering your understanding of your Company's sustainability practices.

Best regards,

Nitin Rakesh

CEO and Executive Director

Business Responsibility at Mphasis

Our strategic vision is Growth - Growth along the four key vectors namely, Consistent, Competitive, Profitable and Responsible. We have made great progress on all 4Gs of Growth, which has resonated extremely well with the market. Our clients responded positively to our message of customer centric transformation with the application of Front2Back™ (F2B), powered by X2C2™. Most remarkably, we demonstrated that we have a unique combination of domain and technology solutions.



Figure 1: Our Vision - The four G's of Growth

What business responsibility means to us?



Empowering our people

We empower our employees by providing opportunities to channel their creativity, abilities and skills towards achieving their professional and personal goals.



Customer centric innovation

We continuously strive to create cutting edge digital solutions through hyper-specialized approaches and deep customer relationships, service delivery improvement, increased customer value and future-proofing our solutions to meet evolving needs and expectations.



Promoting environmental sustainability

We are committed to conducting our business activities in an environmentally responsible manner and we focus on reducing our environmental footprint across the value chain.



Caring for communities

We are focused on supporting innovative programs in education, livelihoods and inclusion through our CSR initiatives, delivered through Mphasis F1 foundation.



Being transparent and accountable

We have deployed systems, policies and governance mechanisms to ensure responsible business practices across our operations and value chain.



Connecting with stakeholders

We have established management systems to drive our processes and build trust in order to engage efficiently with our stakeholder

Awards

**2020HW
Tech 100
Mortgage
Winner**

Mphasis Digital Risk bags the esteemed "2020 HW Tech 100 Mortgage Winner" Award

**Rotary
Karnataka
CSR
Award**

Mphasis Wins Rotary Karnataka CSR Award 2020

**Mphasis
Certified as
Great Place
to Work**

Great Place to Work Certified Company

Mphasis CEO Nitin Rakesh of the first 250 CEO signatories of the Valuable 500

**The
Valuable
500**

Ms. Veda Iyer, Global CMO & Head Sales, APAC, 'Women in Tech' leader/Innovator/Disruptor of the year category

**Women
Leadership
Influencer
Award
2020**

Mphasis CFO V Suryanarayanan recognised with the CFO India's League of Excellence 2020 awards

**League of
Excellence
2020**



Customer Centricity at Mphasis

Nothing is more important to our business than maintaining the confidence that customers have in our services. We are aware that our position as a leading service provider in an industry, characterized by disruption, transformation and modernization, is a product of our constant desire to power solutions through new gen technologies and innovation.

Mphasis enables customers to reimagine their digital future by applying a distinctive formula of integrated cloud and cognitive technology.

A leading applied technology services company, Mphasis stands tall on the edge of NEXT and positive disruption. With our agile business processes and innovations, we anticipate the future of applied technology, predict tomorrow's trends to keep our clients at the summit in an ever-changing marketplace. Leading with architecture and design, our next-gen solutions enable enterprises to accelerate on their digital transformation journey.

Modernization: Based on our Front2Back™ (F2B) methodology, focuses on delivering the business benefits that would come from a modern platform with rich next-gen technology, while shrinking and wrapping legacy logic.

DevOps: An integrated DevOps and Agile Framework accelerates solution deployment securely, delivers business value at speed, and ensures faster time to market. Our DevOps goes beyond tool-based solutions to breakdown silos between development and operations teams.

Application Management Services: Integrated, cognitive, automated Application Management Services leverages NextSTEP™ and follows a continuous evolution based iterative transformation approach to deliver business value.

Data Analytics and AI: Focuses on data migration and integration, preparation and organization of the data, and analyzing the prepared data for downstream system.

Next-Gen Application Development: Moves enterprises from a 'big-ball-of-mud' enterprise to a product enterprise, and ultimately to a platform enterprise. Through unparalleled user-centric design and experience, we create an 'innovation-by-default' culture through AI-driven experience platforms, IPs and accelerators with a breakneck speed of development.

Enterprise Automation: Integrates structured and unstructured data through the use of machine learning, natural language processing, robotic automation and other techniques to redefine automation across the organization.

Cyber Security: A portfolio of services designed to secure clients' digital journey. Securing the broader company philosophy of bringing 'T' back into IT, our Cyber Security offering aims to solve complex security challenges using latest and proven technology.

Infrastructure Management Services: A full-stack infrastructure management and transformation services for our clients based on AI and cognitive powered service delivery platform, InfraGenie™. It helps achieve standardization, efficiency, reliability and predictability in their infrastructure operations

Customer centricity is foundational to Mphasis and is reflected in the Mphasis' Front2Back™ transformation - an architecture-centric approach that harnesses the power of cognitive technologies and rich data resident in enterprises, using our industry-specific X2C²™ framework. Our Service Transformation approach helps 'shrink the core' through the application of digital technologies across legacy environments. This enables clients to stay ahead in a changing world using our advantages of domain expertise, speed, innovation and specialization.

Our ability to deliver quality to the clients is a result of four key elements:

- Deep client relationships
- Critical scale and agility
- Engineering DNA
- Deep domain experience



Quality Management and Delivery

Our customer relationship management is process driven and is laser focused on increasing customer value. We have established a robust mechanism to gather customer feedback as we believe customer centricity is vital to our business and enables us to be a partner of choice. We continuously strive to improve our service delivery and meet the customer evolving needs and expectations. Our enterprise wide quality management program consistently keeps track of our service delivery quality and is based on leading industry standards - ISO 9001:2015, ISO 13485:2016 and SEI CMMI v1.3 Integrated Dev and SVC at maturity level 5. The Quality Management System (QMS) implemented as SPEED (Single Path to Effective and Efficient Delivery) covers services delivery functions as well as supporting functions across all Mphasis facilities in India.

Mphasis has established the following service delivery excellence framework to promote operational and delivery excellence:

Solution Risk Review: Our dedicated function established to review the solutions and 'De-risk' them at the pursuit stage and minimize risk of project turning red at 'execution stage'.

Contract Review: We review the contracts to ensure compliance with customer commitments/contract clauses, identify gaps if any and/or risks in being compliant and work to timely mitigate.

Pre-Kick-off workshop/Boot camps: We engage in workshops with customers prior to formal kick-off of a project. The main objective is to check project planning, risks and their mitigation, identify best practices, tools and reusable components upfront and acts as a preparatory phase to minimize issues during project execution.

Project Management Reviews: This system has been put in place to arrest Red projects early, bring synergy on focus to execute and add value to delivery teams.

Deep Dive Process/GTG: This process is conducted on red projects within 3 days of identification to prepare Go to Green (GTG) plans. The target is to recover red/amber projects back to green as quickly as possible but within 8 weeks.

Productivity improvement: It is important to identify, bring visibility and enable leverage through the adoption of tools, reuse, automation, innovation and NextStep for projects to improve their productivity.

Health Checks: Focused project governance through project and process health checks, early alerts, audits, final inspection of deliverables are carried out in these checks. Monthly management reviews from delivery dashboard for specific Lines of Business (LOB) within an account, covering all milestones/deliverable/service levels committed. Operational excellence is covered through talent management, learning & development, optimizing of resources and infrastructure.

Delivery Excellence

SPEED (Single Path for Effective and Efficient Delivery) is Mphasis defined Quality Management System (QMS) to manage the service delivery built on different Life Cycle models like Agile Development, Software Engineering Waterfall model, Application Operation & Support, Application testing, Infrastructure service delivery and Business process services delivery. SPEED enables the leaders, program and project managers, delivery, and project teams to provide consistent Delivery excellence and customer satisfaction. It is aligned to Industry standards and methodologies of CMMI, ISO and ITIL. These processes are tailored and deployed based on the project specific or client-specific requirements.

Project Governance: Includes following activities

- **Process In-phase or Health check (PIC):** Process performance of the project is quantified, assigned Green / Yellow / Red colors to indicate how well the project is complying to the defined process
- **Project Health Index (PHI):** Quantifies the health of the project, considers all the relevant aspects of project execution. Assigned Green / Yellow / Red colors to indicate the project's health
- **Quality Maturity Index (QMI):** Quality Maturity Index indicates the richness of the process and the consistency with which it is applied in projects throughout the account. Assigned Green/Yellow/Red colors to indicate the Account Maturity
- **Early Warning:** These alerts are mainly focused to highlight and bring attention with respect to project scope changes, quality of deliverables, process non-compliances, Deliverables/Milestone/SLA/schedule slippages, customer dis-satisfaction, cost over-run. This helps the Delivery



leadership team to act for early resolution and prevent red projects.

- **MMRs:** Monthly Review of Project performance with Senior Delivery Leadership. Review are done for the project performance w.r.t Project Metrics, SLA Adherence, Project Health, Process Health, Early Warning Alerts, Client Satisfaction Survey score, Attrition, Customer complaints

MPPM (Mphasis Project and Portfolio Management system) is a workflow-based tool configured with project management processes that helps Project Managers to plan, monitor and manage their projects. It provides:

- Support for overall Project Governance
- Enforce process controls through workflows
- Project planning and monitoring capabilities
- Real-time visibility and control over project processes, metrics, risks and dependencies
- Unified view of Project data through integrated dashboards
- Alerts and notifications to take proactive actions

Remote Working Rigor:

Weekly Pulse Check tool

- A Power App based tool which Delivery Managers use weekly to rate 12 key parameters related to Delivery health, BCP robustness and remote working best practices.
- Quick pulse-check view obtained on the ground from DMs on weekly basis, also a mechanism for the Delivery team to alert Senior management on key issues seeking help
- Executive summary dashboard view to Senior Leaders (CEO, LT1) aggregated for Red items at channels/services & a summary view to define? on their respective portfolios
- Delivery Leaders get a bird's eye view on various parameters as well as Red item views to address and mitigate risks in those, weekly governance on the Red parameters

Digital Dashboard

- Dashboard to provide single view for Mphasis and Client team using the real time data from the client tools such as JIRA / SNOW / HP-ALM etc.
- A Client APP, deployed in the client environment with all the required connectors to the standard tools, available on Mobile/Tablet/Desktop
- Multiple levels of views for different client stakeholders with aggregated, drill down and trend views across various type of programs
- This will provide a Digital view of projects with real time data, instead of running around for the project status data across multiple sources.

Alerts Dashboard

- One stop view for all the critical alerts which needs attention from the senior management, dashboard views in Mobile/Tablet/Desktop
- Provides mechanism to raise early alerts from GDAL / ODPs, which can be alerted to CEO/LT1s for timely executive governance
- It includes Customer escalations, Low CSAT, SLA Misses, Red Programs, Risky Programs and Outages
- Open Alerts from various areas will be available for consumption at different management levels

Customer Satisfaction and Value Creation

We typically carry out two types of surveys to ensure that we exceed the expectations of all our stakeholders. They are:

1. Operational survey - covering the stakeholders from Client Operations Team, with whom day to day interactions are done.

2. Strategic survey - Covers the strategic stakeholders from client's senior management team.

These surveys are conducted once in 6 months. The feedback score is measured on a scale of 1 to 5, lowest being 1 and highest being 5. As part of the survey, if the score is less than 4.5, we further initiate service improvement plan to address the concerns raised by the customers

Mphasis has been at the forefront of customer experience initiatives during FY 19-20 which include:

Customer Experience Centre (CEC) in a Box- Mphasis' Customer Experience Center (CEC)-in-a-box is an innovative concept that showcases our latest digital capabilities and enables us to collaborate and co-innovate with clients. Demonstrations, design thinking workshops and rapid prototyping and testing can be undertaken without any location constraints.



A Conference Room...



...is used to not just to present demos



...but is transformed into an Innovation Lab



...where we conduct Design Thinking



...collaborate with Customer Teams to Ideate



...design and test

Customer Experience Centre (CEC) in a Box – An illustration

- **Virtual Inauguration of Development Center** – With the use of Digital technology, Mphasis has enabled their client CXO's (Chief Experience Officer) to virtually inaugurate its Offshore Development Centers in India.
- **Innovation Applied** – Mphasis hosted 'Innovation Applied' event in France which was attended by 25 clients and 9 partners.

Architecture Summit

Mphasis hosted its first 'Architecture Summit' for one of the largest logistics players in the world. The summit focused on the solution roadmap and technical architecture for its key platforms.



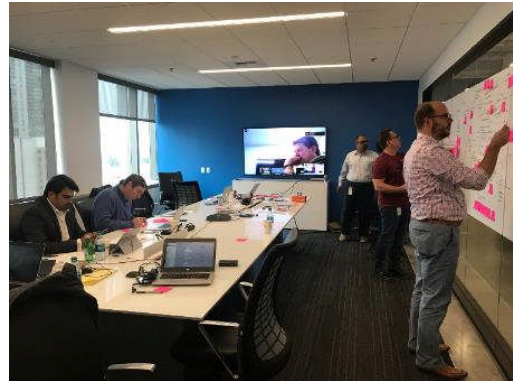
Snapshots from our 'Architecture Summit'



Account Based Marketing - In keeping with our focus on hyper personalization we also had several touch points with the strategic clients.

Design Thinking workshops where we worked with the clients to develop solutions for challenges they were facing.

Hackathons were another key initiative that we scheduled with leading clients both in the US and in Europe.



Mphasis
The Next Applied

Shrinking and Modernizing the Core to shift away from Legacy to Micro-services

Date: 5th June Time: 11 AM ET | 8.30 PM IST | 3.30 PM GMT

Dear XXXX,

Application Modernization Services market is ~US\$45bn. Most traditional approaches tend to focus on IT modernization that lead to big bang multiyear projects.

Mphasis Modernization approach, based on our Front2Back™ (F2B) methodology, focuses on delivering the business benefits that would come from a modern platform with rich next-gen technology, while shrinking and wrapping legacy logic.

We have also been recognized as a "Mid-size player" in the **Forrester Now Tech: Application Modernization and Migration Services, Q1 2019 report**, for our primary capabilities as System Integrators (SI) and Global System Integrators (GSI), aligned with cloud and digital go-to market capabilities.

Know from Suresh Nair, Vice President & Principal Consultant, Mphasis, the need of modernization and understand -

- Mphasis Modernization approach including our tools and automation
- What's included in the modernization platform
- Mphasis Front2Back™ approach to modernize the core

We invite you to attend this information-filled and interactive webinar, and look forward to your participation.

www.mphasis.com

Register Here

Speakers

Suresh Nair
Vice President & Principal Consultant, Mphasis

Lorem Ipsum is simply dummy text of the printing and typesetting industry. Lorem Ipsum has been the industry's standard dummy text ever since the 1500s, when an unknown printer took a galley of type and scrambled it to make a type specimen book.

Webinars: To build awareness and share details of our new offerings we ran a series of Webinars for our clients and prospects



Glimpses from the Sparkle Program

Sparkle Program

It is an umbrella program, which hosts various events organized for our clients under the sponsorship of client CXOs. The objective of SPARKLE Program is to build Thought Leadership, increase brand awareness, enhance recall value and open new business avenues or expand existing ones. Mphasis organized sparkle day at one of the largest American banks during the reporting period. This event showcased our recent innovations along with expert discussion and TED Talks.

Lunch and Learn /Brown Bag Sessions – Based on a client need, we set up sessions with experts from the Industry as well as Mphasis SME's to host these sessions. This helped clients understand that Mphasis point of view was in sync with that of the industry experts.



Delivering value and creating impact

We are constantly striving to deliver enhanced value to our clients through customized solutions to address challenges our clients face. A few instances where our services have led to significant positive impact are highlighted below.

Employing Robotic Process Automation to Reduce Turnaround Time for a Global Insurance Firm

Challenge: A large back-office team was manually reviewing cases and making decisions to log or renew quotes for the insurance carrier's customers. This approach resulted in errors and increased response times. The client sought to reduce turnaround time significantly, improve accuracy, and drive cost reduction.

Mphasis solution: The Mphasis Robotic Process Automation (RPA) team, deployed a desktop automation solution was designed to club manual steps together so that we could get as close to complete straight-through processing as possible. The benefits to the client were:

- Automation of processes after simplification and streamlining led to 55 percent full-time equivalent (FTE) reduction along with improved accuracy and error reduction
- Improvement in cycle times and reduction in turnaround time by 80-90 percent
- Simplification of agent operations enabled new agents to be more productive and reduced training time
- Consolidation of process steps and interfaces to minimize human effort

Reducing Time to Market through Automation and Site Reliability Engineering (SRE) for a Leading Energy Firm

Challenge: High manual errors and increasing costs hampered the productivity of the client. A detailed analysis revealed that the following issues needed to be addressed on priority.

- Ineffective tools/process integration between software development and IT operations
- Extended time for provisioning and deployments, leading to lengthy time to market
- Lack of standardized processes and tools, and minimal automation

Mphasis Solution: We leveraged our expertise in program management, architecture, cloud, and Agile and DevOps to address client challenges. From execution in Agile mode to monitoring and test automation; we partnered with the client to enhance infrastructure provisioning and automation. The project included the automated deployment for AWS cloud environments and segregation of various environments (INT, SQE, PPR, and production). We also supported the client in capacity management implementation, service cost monitoring and enhancement of root-cause analysis through site reliability engineering (SRE) practices. The benefits to the client were:

- Reduced deployment time from days to minutes through push button deployment
- Minimized costs by 23 percent across delivery and reduced deficits by 34%
- Improved speed to market by 58 percent
- Supported four AWS regions for geo-distributed and automated deployments.



Supporting the Start-Up Ecosystem

- **Sparkle:** Sparkle Innovation Ecosystem is a contextual innovation program at Mphasis, designed to curate, apply and deliver new and disruptive technologies to address specific business challenges of our enterprise clients. Sparkle brings together incubators, accelerators, VCs, academicians, from across the world, as well as in-house research labs and bespoke solution studios, that help clients reimagine their technology roadmap, apply innovation at scale, faster at lower risk.

Sparkle co-creates a structured, yet flexible process to systematically understand client needs, provide immersive experiences designed to accelerate meaningful results through interactive 'Sparkle Days' sessions. This combines design thinking, process mining, solution strategy and rapid prototyping converge to help a client arrive at

solutions to their most complex problems in a fraction of the time it takes them otherwise. This innovation process promotes ambitious experimentation with innovation in a controlled environment, guided by business objectives, and without the costs and risks for our clients.

Though Sparkle was launched recently, we have begun to see great traction amongst various constituents for this program - including clients looking for innovative solutions, as well as Mphasis internal solution teams looking to 'sparkle up' their solution stacks; Sparkle has so far curated and built a database of over 700 relevant startups and are implementing a formal 'Innovation Partner Relationship Management' process to build and nurture a robust innovation partner ecosystem.

Employee Engagement at Mphasis

We at Mphasis recognize the importance of providing an atmosphere of mutual trust and support to our employees. For creating a diverse workforce, retaining talent, providing recognition and keeping our employees motivated, we have undertaken various initiatives to implement an effective employee engagement and well-being strategy. The idea behind each event and initiative is to cater to the holistic development of our employees.

Flagship Events

Pillars: Pillars is Mphasis longevity program to celebrate the commitment & hard work of those Mphasians who have been with the Organization for more than a decade (Mphasians who have completed 10, 15 & 20 years in Mphasis). Through this program, we have felicitated around 5000 tenured employees since its inception. In India, we invite the employees along with their family members for the event.

Bring Your Child to Work: To encourage our employees, we have instituted this special program where children of our employees are invited to the office/workplace for a day full of fun and learning. The purpose of the program is to convert a child's imagination of their parent's workplace into a reality. It is a day we dedicate to the children and ensure they have lots of fun and learning activities. Children between the age group of 4 years –15 years can attend this program & on an average 1,200 – 1,400 kids participate in this event every year.

Mphiesta : Mphiesta is a Fun Carnival with lot of fun activities and games for our employees. We set-up game stalls, conduct games with master of ceremony, fun activities and DJ. On an average 3,000 – 5,000 employees participate in this event every year.

Up Your Game: We organize an indoor sports tournament comprising of Carrom, Table Tennis & Chess. This initiative is taken to keep our workforce agile and healthy. This event is conducted across all major offshore locations & approximately 750 – 800 employees participate in this tournament every year.

Engaging with Our Employees

Quarterly Financial Wellness sessions -

Quarterly Financial Wellness sessions are conducted every quarter on selected topics through webinar and a recording link is shared with all employees who cannot join the webinar. Topics covered in the last year include Filing Tax Returns, Financial Planning, Managing Loans, Provident

Fund & National Pension Scheme & around 750 employees participated in these webinars.



Mphasis
The Next Applied

PILLARS
YOU'VE TRULY SUPPORTED US!

As we look ahead into 2020, we would like to take a moment and thank you for a fabulous 2019. As it the financial results, awards won, becoming strategic partner of choice for our clients and for also being recognized for our great culture. We strongly believe that without your dedication and commitment, such growth would not be possible.

With long term dedication comes a sense of togetherness and as we foster this enduring relationship, we are thrilled to announce that PILLARS program is just around the corner. PILLARS is our longevity program which aims at recognizing employees who have been associated with Mphasis for a decade and more. This is our 10th year of PILLARS celebration and we are excited to turn the spotlight on these extraordinarily tenured employees for their accomplishments. It is our way to thank each one of them for going the extra mile.

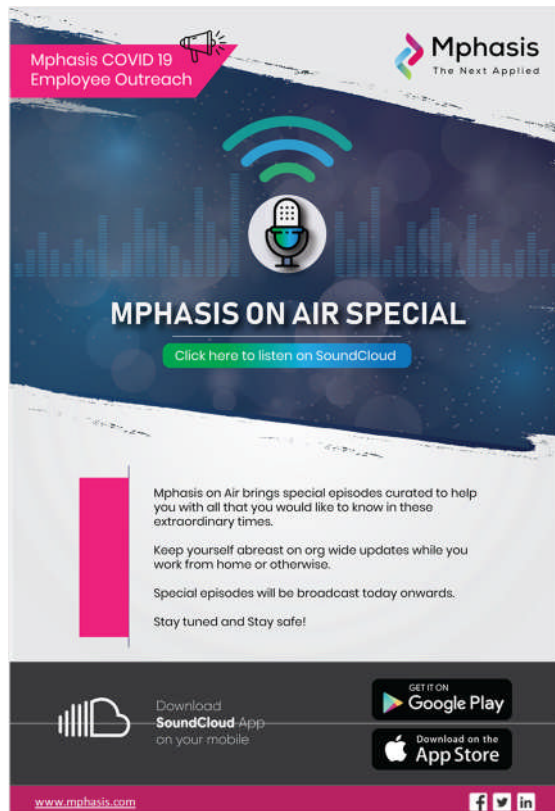
Window period for 2019 PILLARS PROGRAM
1st July 2018 to 31st Dec 2019
(Please refer the attached document for eligibility criteria & the Pillars list)

Please join us in congratulating and recognizing our Pillars of 2019. Do take a minute to meet and greet them as they are the cornerstone of strength and have whole heartedly supported us in making Mphasis a successful and a great place to work!

GET IN TOUCH:
Watch out for mails from employeeengagement@mphasis.com for more updates on the Pillars program.

Disclaimer: For some employees, the actual tenure may be greater than the tenure specified in the attachment because the reference period chosen is greater than one year.

Mphasis On Air (MOA) – Mphasis On Air radio plays every Friday at 4 PM IST. Company updates & other updates are shared via this program across all offshore locations.



Christmas Celebration: Christmas celebration in US & UK office involves Office decoration, ethnic wear, fun activities & engagement followed by snacks & high tea.

The NeXt Store: This is an exclusive online merchandise store available only to Mphasis employees. Employees can browse & buy Mphasis branded merchandise on the portal. These include products like apparel, bags, personal accessories, stationery and desktop products.

Shutter Bugs: This is a photographers' club for digital photography enthusiasts. It's a platform to connect photography enthusiasts with other digital photographers (both amateur and professional), share photos and stories, get critiqued, and discuss photography techniques and gears.

Mprivilege: These are special discounts and offers on entertainment, fine dining, health & wellness, travel & holiday, shopping and much more which can be availed by our employees by simply displaying their company identity card.

Hackathon: Hackathons boost creative thinking, foster a solution mindset and spark experimentation. Mphasis Hackathons commend fresh thinking and inspire innovation and digital thinking. Till date, we have organized hackathons on varied themes such as Cloud, Data Analytics, Cognitive solutions, AI, ML, Chatbots, RPA, Application Support, Application maintenance, Test Automation, Infrastructure Automation, Test Automation tool, NLP etc. Average participation for each event is approximately 200 employees. Hackathons in Mphasis are conducted in collaboration with top technology companies around the world including Google Cloud, Automation Anywhere, AWS etc.

My Story: My Story recognizes an employee's interests & passion outside of work and values each employee as a unique individual (Passions, Hobbies, Interests, Talent etc.). My Story not only highlights an individual's achievement, but also encourages fellow employees to pursue their dreams and make it happen!



Rewards & Recognition

Every year at Mphasis, we organize an Annual Rewards and Recognition Program for recognizing stellar performance and rewarding our heroes. The R&R program at Mphasis is called “The Spirit of Winning”. We have monthly, quarterly and annual rewards and recognition programs that awards employees who have made exceptional contribution to the organization and more importantly given recognition for their hard work. The ACE event is conducted in exotic locations (Pattaya, Dubai, Phuket), 2N3D experience with lot of engagement activities and a Gala dinner where the winners were felicitated in the presence of senior leaders.



Training & Development

We have designed and developed a web-based system called "Talent Next" as the bedrock of our Talent development initiatives. This system is built as a one-stop destination for all talent development initiatives. Curated and graded courses aligned with the immediate and upcoming business requirements are hosted on Talent Next and are available to learners either directly for self-assignment (aspirational learning) or through nomination by the manager (business critical skill building). Powered by cognition, the system recommends skills to learners - factoring the learning history, current role of the learners and job description.

Learning paths are laid down for every job role making it easier for stakeholders to define the skill-building roadmaps. Every learner gets a unique Talent Next experience due to hyper-personalization. An immersive learning ecosystem, it supports all facets of skill building - Learning (Digital/Virtual Instructor Led Training/Blended), Hands-on (Practice), benchmarking of learning by certifications (internal & external). Beyond talent development, the objective is deployment thereby providing an accelerated growth path to the learner.

The entire initiative is driven in an Agile model (Sprints) and elements of gamification make learning engaging and foster a culture of competitive learning. All associates have access to a digital learning platform. This platform hosts over 12,000 courses in Leadership Development, Compliance, Technology Development & certification, Business skills, etc.



Employee Wellness Initiatives

Physical Wellness: Zoojoobe is our wellness platform that helps employees to form healthy habits in a fun & easy way. It's a gamified app which helps employees to take up health challenges and set reminders on their mobile. They can create



groups to motivate/challenge each other to stay fit. They can also access resources like articles, webinar recordings, mindfulness sessions, group forums on this platform. They also earn points through healthy habits and are rewarded.

In addition to this, to ensure good health of our employees, we organized various webinars in FY 19-20 on topics concerning health like Simple Ways to Eat Healthy Every day, Meditation at Work, World health day special: Importance of a healthy lifestyle, Chair Yoga, Acupressure Techniques for Instant Relaxation, Habits for a successful professional life, Key Tips to an Impactful Presentation, How to stay positive and motivated at work, setting Health Goals for 2020, Boosting Mental Wellbeing Through Creativity, Managing Difficult Emotions, Super Seeds and Nuts to include in your Diet, The Psychology of Happiness etc.

Mental Wellness

We have a “**Reach Us**” service in place to ensure mental well-being of our employees. Reach Us is a confidential counseling service which equips our employees to meet their life’s challenges better in a safe and secure environment. Employee counseling services are provided free of cost and open to all Mphasis employees across India. Employees can schedule their counselling appointment through their handheld mobile device. Access to article, Online dietician support, HRA, online counselling etc.

We offer 3 modes of counselling services to our employees.



E-Counseling



Telephone Counseling



Face-to-face counselling

- **E-Counseling:** Interact with a counsellor through secure web-based messaging.
- **Telephone Counseling:** Speak to a counsellor on the telephone with prior appointment. 24/7 services through toll free number.
- **Face-to-face counselling:** Meet a counselor in person with prior appointment

REACHUS
We're waiting to hear from you

Mental Health In The Times of COVID - 19

When we are dealing with a crisis, the first thing to get impacted is our mental health. COVID-19 is a crisis like none other, and it has impacted our mental and emotional resilience on a large scale.

THIS WEBINAR FOCUSES ON:

- Tips for dealing with the mental health fallout of isolation and quarantine
- The stigma associated with the pandemic
- Strategies for supporting mental health during COVID-19

Click here to watch the webinar.

Free, Professional and Confidential Counseling.

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- Online Counselling
- Face to Face Counselling

1to1Help services are applicable for India employees only

Visit: www.1to1help.net
Call us on **1800 270 1790**
(Toll free)

Download mobile app: **Android / IOS**

1to1help

Online resources available on the 1to1help portal include-

- Self-help Library
- Assessment Tools (Health Risk Assessment, BMI calculator etc.)
- Discussion Group
- Chat with coach /counsellor/Dietician
- Wellness Coaching
- Exclusive Articles

Promoting Diversity and Inclusion

At Mphasis, we understand that everyone is unique and the diverse background that they come from adds to the plethora of point of views and experiences that our employees bring to the table. It is this philosophy of embracing difference and ensuring that we respect and treat all with dignity, that has led to Mphasis being an equal opportunity employer.

We realize that to stay current and relevant, it is important to move with changing times. Hence at Mphasis policies are regularly looked at and revamped as per the changing needs.

Our additions to the policy on leaves includes -

1) Adoption Leave for Single Parent - 3 Months/12 Weeks, Work From Home.

2) Paternity Leave - Paternity Leave can be availed by male employees for a maximum of 10 days in



their tenure and for a maximum of 2 children (ie, 5 days per child)

3) Fertility Treatment Leave - 2 Weeks/14 Days

4) Gender Reassignment Leave - 30 Days

Focused effort on hiring more women employees

The Leadership at Mphasis has taken a conscious and committed call to ensure that more women employees are hired at all levels. Focused efforts to maintain an equal ratio are constantly made through strategic planning and implementation.

With this endeavor, we have covered 105 recruiters and 121 panelists. Mphasis aims at ensuring a better equipped and diverse group of internal stakeholders to undertake the interview process for prospective employees including women and Persons with Disabilities.

Providing a safe workplace

We are committed to providing a safe work environment to all employees and contractual work force. Mandatory safety related trainings are assigned at regular intervals on areas like fire safety, office safety and emergency preparedness.

Quarterly workshops are also organized on relevant themes like diabetes, heart disease, obesity, smoking cessation, women health etc. We supplement this with 'Health talk' sessions and video bites from renowned doctors and medical practitioners.

Every six months a mock evacuation & fire drill is conducted by an external agency across all our facilities in India. Specialized role-based safety training is also conducted for personnel in specialized roles. These trainings include chemical safety training for HK Janitors, electrical safety training for EM staff, emergency response training

for ERT members, first aid training, basic life support training (CPR) etc.

1,300 employees (including permanent employees, permanent women employees, casual/ temporary/ contractual employees, Employees with disabilities) have been provided with 40 hours of safety training in the FY19-20.

Integrated circuit

Mphasis has launched an exclusive program for our top executives with a special focus on our women employees and clients. The program provides them a platform to share their journey and learn from each other's experiences.

Disability Initiatives

Special training programs have been designed and executed from a Diversity and Inclusion standpoint, such as recruiter sensitization training for hiring of persons with disability which focused on the finer details that needs to be kept in mind while hiring persons with disability.

Further, we have implemented an Open-Door Policy to ensure we have an open communication channel between our people and the higher leadership to discuss any ideas, issues, concerns or questions. This has promoted a culture of collaboration and transparency.

Further initiatives that we have been working on include creating an 'Alumni Club' to promote a second career for women as well have actively participated in recruitment drives to include more second career women into the organization. We have also designed programs to improve Career progression including job rotation.

Environmental Sustainability at Mphasis

We have developed various strategies and initiatives to address global environmental issues such as climate change and global warming. We are mindful of our responsibility towards the natural environment and are committed to minimise the impact of our businesses on the environment.

EHS Management System

We have 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.

Our EHS Policy addresses the concerns related to the environment through the following commitments outlined in the policy:

- Meeting all the environment related compliance requirements (like hazardous waste annual returns, environmental audit statement, battery returns and E-waste returns) across our business locations in the country in a timely manner.
- Enhance sustainability initiatives to reduce company's carbon footprint and thereby continuously monitoring the carbon data.
- Conserve natural resources by minimizing usage, reusing and recycling material and by purchasing recycled material.
- Ensure the optimum consumption of energy throughout our business, including conserving energy, improving energy efficiency by use of energy efficient devices and giving preference to renewable over non-renewable energy sources wherever feasible.
- Strive to prevent pollution and to minimize the environmental impacts.
- Educate our suppliers to operate consistently with our Supplier Code of Conduct and applicable Environmental standards.
- Set targets for continuous improvements on Environmental performance indicators and report our performance to our stakeholders.

Salient features of our environmental, health & safety practices

- Collating the EHS data from PAN India facilities such as energy consumption, paper consumption, transportation distance, waste inventory, water consumption etc. on monthly basis in order to assess the data and for preparing quarterly report on the same.
- Organizing EHS activities such as health checkups & awareness camps, wellness camps and health sessions across PAN India facilities.

- Organizing First aid training, Fire safety training, Chemical safety training across PAN India facilities.
- Organizing Environmental awareness events and circulating the relevant communications
- Providing necessary support for external EHS audits and participating in various EHS award categories
- Conducting EHS call for PAN India facilities on regular basis.

Management of Environmental Impact Across Our Operations

Mphasis has established an organization wide Enterprise Risk Management (ERM) based on the ISO 31000 international standard on risk management to identify and mitigate all risks that could potentially impact our business objectives including environmental risks. The ERM framework categorizes social and environment risks into the 'compliance' bucket and enables us to respond swiftly to the identified risks. Governance risks are monitored based on compliance with the Companies Act, 2013, other relevant regulatory requirements and ethical practices. These requirements are updated during the quarterly legal compliance assessments and reported to the Audit Committee and/or Board of Directors of the Company for noting and/or for approval. The Company has installed lighting energy savers and LED light fixtures, remote operation of AC by software application, occupancy sensors, enthalpy system, replacement of old Precision Air Conditioners(PACs) by new PACs which have environment friendly R 410 refrigerant at data center to minimize power consumption and solar inverters at certain facilities to promote sustainable energy usage. The old inefficient UPS are replaced by latest state of the art UPS which are more than 95% energy efficient. Hydrogen sensing system are installed at all the UPS battery rooms to give advance alarm if the batteries are heating up. The carbon footprints are monitored on a monthly basis. 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).

Other Initiatives to Reduce Environmental Impact

- We have an ORR facility which is ISO 14001:2015 (Environmental Management System) certified organization
- Implemented a visitor management tool to reduce the consumption of paper and waste generation resulting from security's visitor management
- Present transport tool ETMS is been integrated with the mobile app for reducing the paper consumption which is being used per month to maintain trip details
- Display of various environmental awareness posters at prominent places.
- Wastepaper and paper products are sent for recycling to ITC Paper Mills and other wastes like metal and plastic are sent for recycling through the govt certified vendors.
- E Waste, battery waste & hazardous waste management – managed in adherence to all regulatory requirements.
- The transport team has developed a tool ETMS to reduce and stop the use of paper to rooster employee trip details.

Managing Our Energy Consumption

The Company's operations involve low energy consumption. Mphasis is committed to conserving energy and efficient usage of energy. The key facilities have been awarded 5-star, 4-star or 3-star rating by Bureau of Energy Efficiency, Government of India (BEE) for the last 6 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 4 rating for one of its facility at Bengaluru appreciating its sustainable initiatives. One of the Company's facilities at Bengaluru is certified ISO 14001:2015 by British Standards Institution (BSI) showcasing the demonstration towards the environmental management system.

Measuring and accurately reporting our data on energy consumption helps us in setting energy reduction targets. This is critical for us to determine the efficacy of our energy efficiency program and set energy reduction targets. The data on energy consumption are given in the below table:

<i>Type of direct energy consumed</i>	<i>Unit</i>	<i>Total</i>
Grid electricity/purchased electricity	kWh	3,83,51,699
Diesel (DG sets)	kWh	3,80,328
Solar energy	kWh	7,175
Total energy	kWh	3,87,39,202

Energy efficiency measures

The company has taken multiple initiatives to reduce its energy footprint or to promote energy efficiency. The major savings in energy consumptions and carbon reductions were achieved through the three initiatives listed in the following table:

<i>Description of activity</i>	<i>Estimated annual CO2e savings (MT CO2e)</i>	<i>Annual monetary savings (INR)</i>
Enthalpy System	73.8	900,000
Lighting Energy Savers	74825	912,500
Day Light sensors	29930	365,000

Other process improvements were also initiated during the year to ensure a more efficient use of energy resources which include:

- Replacement of R22 refrigerant with R 410-A at our DLF facility to eliminate the emission of ozone depleting substances. Additionally, the cleaner R 410-A refrigerant was installed at our new construction project – Tower F (Bengaluru).
- Achieved higher energy efficiency through the Installation of 100 KVA X 3 Transformer-less UPS and 60 KVA X 3 Transformer less UPS replacing the old 120 KVA x 3 UPS and 80 KVA X 2 UPS.

- Installed new condenser coil units for Precision Air Conditioners at CC4 facility in Pune to enhance energy efficiency. Hydrogen sensor units were installed in all the UPS battery room to monitor the hydrogen emitted from the batteries across all our locations.

Addressing Carbon Emissions

We evaluate the amount of CO₂ emissions from our various business operations on monthly basis which is closely monitored by EHS team. This helps to limit the same by setting a target for the amount of energy consumption on monthly basis and by introducing various energy conservative measures and through above detailed various EHS initiatives. The data is circulated to all our stakeholders with an interest in our environmental performance. Our Greenhouse Gas (GHG) emissions data is summarized in the table below:

Source	Unit	Total emissions FY 2019-20
Fuel (Diesel, LPG, Coal)	tCO ₂ e	263
Purchased electricity (grid)	tCO ₂ e	36,996
Employee commute (diesel-cars)	tCO ₂ e	5168

Managing and Minimizing Waste

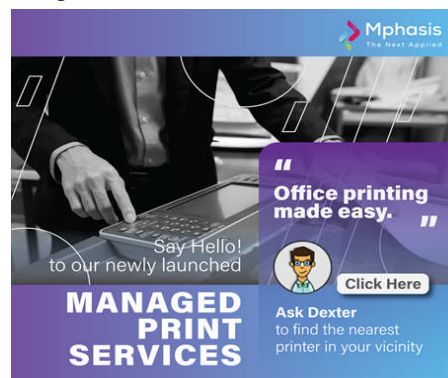
We believe that having an effective waste management system helps in protecting the environment, health of the community and reduces legal liabilities. We have implemented our waste management practices across our operations, based on the 3R principle – reduce, reuse and recycle. Our waste is disposed of in a safe, responsible and ethical manner to ensure minimal impact on the environment.

The main sources of waste generated in our operations-

Paper waste

We strive to incorporate digitization to the best possible extent to reduce the usage of paper. Printers and toners procurement have been discontinued, end to end services are maintained by HP. This way, the generation of printer and cartridges waste is reduced. Though we encourage digitization at all levels to reduce the paper waste, we also recognize the need to use the physical paper for certain operations. We encourage and supply our employees with the eco-friendly paper

to ensure minimal impact on environment and meet their operational needs.



Managing E-waste

Generated E waste is being managed as per the prevailing E waste rules 2016 and is routed to State Pollution Control Board authorized recyclers for dismantling and further recycling process. The e-waste returns are submitted to PCB under form 3 once in 6 months.

Other waste items

We promote environmentally friendly practices like usage of ceramic cups instead of paper cups for consuming beverages, having reusable cutlery like steel or ceramic alternatives and using hand driers in wash areas instead of paper tissues.

Renewable Energy

We are among one of the few IT companies in India to implement captive renewable energy generation units at multiple locations as part of our sustainability initiative. We are keen to diversify our energy mix and actively support renewable energy applications to help reduce our consumption of grid electricity. We have installed 15 and commissioned 10 kW of solar power capacity at Kshema facility in Global Tech Park, Bangalore and at our Mangalore facility. The total energy generated from these two units is about 11,757 kWh for the reporting period.

Say No to Plastic Program

Around the world, one million plastic drinking bottles are purchased every minute, while up to 5 trillion single-use plastic bags are used worldwide every year. In total, half of all plastic produced is designed to be used only once, and then thrown away. Researchers estimate that more than 8.3 billion tonnes of plastic has been produced since the early 1950s.

About 60% of that plastic has ended up in either a landfill or the natural environment. If current trends continue, our oceans could contain more plastic than fish by 2050!

The global volume of plastic waste continues to grow, and some of the biggest producers don't manage their waste effectively. Mphasis pledged not to be one of them.

During the year, the Company initiated "Let us 'Say No To Plastic'", a new program which will help us divert waste and do our part to reduce our impact on the local community and in turn the environment. The program is simple and straightforward. It requires a few small changes in our daily habits both at home and at office. Our leadership team, the administration SPOC's and the CEO took the challenge to ban single use plastic at all our offices with each one of our employees to support in becoming the poster child for a plastic free organization. The Company reached out to its

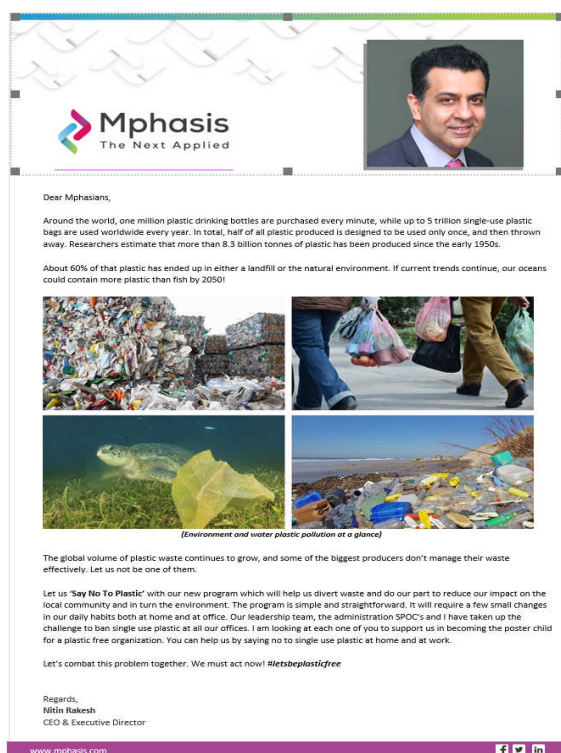
employees worldwide to help us by saying no to single use plastic at home and at work.

Responsible supply chain

Our suppliers are a vital part of the Mphasis sustainability process. Sustainable sourcing at Mphasis is twofold approach, while we hold ourselves up to the highest standard of commitment, we also demand the same level of excellence from our suppliers. We select our suppliers responsibly by requiring them to have a documented Environmental Management System and ISO 14001 certification.

We ensure that their operations meet our ethics and compliance requirements and they work within the

The movement had an overwhelming response from the Employees who despite joining the campaign also started following the message. We made certain conscious changes in our usages and processes to eliminate plastics, some of which are highlighted below:



framework of the law and are fair in their dealings with us and their other stakeholders. We also extend our Code of Business Conduct (COBC) and POSH policy to them and expect compliance. Periodically a letter is written to all our suppliers on the code of conduct to be followed by them while dealing with us. This letter is also part of the supplier enrolment form to ensure that before we empanel them, they are aware of the code of conduct and follow the same. Most of our high value procurements are from vendors where sustainability is paramount. Additionally, we encourage local procurement by requiring that suppliers exist in the same geography as the facilities served. Approximately 1.5% of our needs are met by local suppliers.

Supplier performance evaluation: The procurement department is responsible for providing performance feedback to key suppliers at least once a year. The supplier's performance review involves assessing the supplier's deliverables on key projects and giving a rating that reflects their performance. The evaluation is done on non-price parameters like technology, flexibility, quality, performance to commitments and communication. Additional criteria can be added depending on the project or commodity.

Supplier screening: All procurements over INR 25 Lakhs are routed through our Negotiation Committee consisting of three members which are procurement representative, Finance representative and user group representative. These three members scrutinize all the vendors and do the selection. While conducting a sourcing event, preference is given to diverse suppliers. It encourages the use of suppliers who are minority owned, women owned, veteran owned, LGBT owned, disabled owned, SME etc. in the supply chain.

Diverse suppliers with growth potential can be selected even if they are not the most competitive

in a sourcing process. However, the standard procurement process will be followed.

Managing our Water Footprint

Water conservation is essential for a water stressed country like India and we have stepped upon to conserve this priceless resource. Our core operations are not water resource dependent, but it is used for drinking, for kitchen use and for lavatories. Wastewater generated from the use is reused and recycled to the extent possible and it is used for landscaping, gardening or toilet flushing.

We have also installed water aerators to reduce our water consumption from operations.



Water aerators

Creating awareness and engaging employees: We have nurtured an enabling environment for employees to help them reduce their impacts. Through regular events in partnership with various NGOs, internal awareness campaigns and demand side management approaches, we regularly encourage positive environmental action in our employees.

Concern towards environment is promoted by sending regular e-mails to the organization that highlight the benefits of simple activities like taking the stairs, carpooling, turning off lights and computers when not in use to reduce overall carbon footprint. By linking employee behaviour to carbon emissions, and providing them with opportunities to reduce their footprint, we have seen a decline in our monthly carbon emissions data.




Quantity of waste recycled and method of disposal

<i>Type of Product/Waste</i>	<i>Percentage of Product/Waste recycled</i>	<i>Details on methods of disposal</i>	<i>Units of Measurement</i>	<i>Quantity of waste recycled</i>
Dry paper and paper products	21,624	Toilet Roll paper done through builders' dump yard and printed paper which is shredded is disposed through disposal procedure. Also sent the waste products to ITC for recycling and in turn got note pads as by products.	kg	23,087
Metal waste	730	Sent to ITC for recycling	kg	430
Plastic waste	330	Sent to ITC for recycling	kg	290
E-waste	11,41	NA	kg	0
Food waste	56,672	Food waste will be sent to Tanglin for recycling	kg	9,967



Giving back to the society

Mphasis has a stated vision of redefine the power of social change by harnessing the power of technology and disruptive solutions. We are conscious of the transformational role technology can play as a key enabler in the realms of education, livelihood creation and equitable development.

Our Approach to Social Responsibility

Our CSR programs leverage technology to achieve positive outcomes for the communities around us needing our continued support. Our aim is impact lives through relevant programs and providing support in our three focus areas:

- Education
- Livelihood
- Inclusion

The CSR programs are carried out through our independent charitable trust, Mphasis F1 foundation, set up with a charter to support and drive innovative programs that work towards an inclusive development of the society and the under privileged.

The Mphasis F1 Foundation engages with all the local stakeholders to identify community needs and implement programs that create lasting impact in the target areas through enhanced economic and social capabilities. The Foundation identifies suitable NGOs with demonstrated experience in the communities where the program is undertaken. In all our programs, we make sure that we gather regular feedback from the on-ground stakeholders to assess participation, satisfaction levels and to document experiences of change. In all projects, our implementation partners are actively in touch with the local communities right throughout the project lifecycle.

To assess the program outcome effectively, we also undertake baseline and end line surveys and maintain a program evaluation matrix which is reviewed periodically by our internal team. We also interact directly with beneficiaries in some cases to obtain additional perspectives on how the project is helping them.

Impact Assessment and Evaluation

Once a CSR program is rolled out, Mphasis monitors and evaluates it from time to time (quarterly in case of most of the programs, mid-term evaluations in case of long-term programs and external evaluations at the end of major programs). Detailed qualitative reports are sought periodically from our project partners to assess the indirect

impact of our major programs. The evaluation is typically against the initially agreed upon impact metrics with the implementation partner. For CSR project reaching a stage of maturity, a suitable third-party impact evaluation firm is engaged to evaluate a holistic view of the project and measure all direct and indirect outcomes of the project/activities.

As we had communicated in our last report regarding the intention to undertake third party assessments for completed projects from this year, our flagship program Arivu Disha executed through Headstreams for the last five years was evaluated by a competent third party during the year. The agency adopted a mixed-method approach consisting of quantitative (survey) and qualitative research techniques (focus group discussion, one-on-one interview) using primary and secondary data collection methods. The objective of the exercise was to understand and anticipate likely social consequences of the respective initiatives among Government school students in Karnataka.

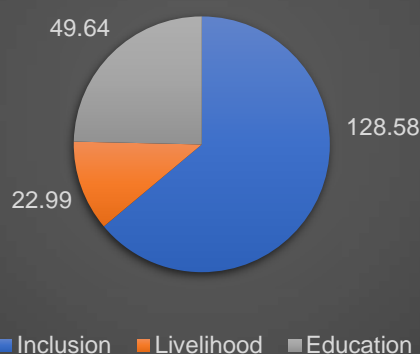
The impact assessment revealed that the program was valued by the students as it allowed them to explore their own creative side using digital technologies. It was also observed that an increasing number of students were using the skills to impart learning to their siblings and friends and take part in activities such as waste recycling.

CSR Governance and Expenditure

We follow a two-tier organizational structure for planning, implementing and monitoring the CSR activities/projects of the Company. As per the provisions of Section 135 of the Companies Act, 2013, Mphasis has constituted a “CSR Committee” responsible for recommending and communicating the progress of the projects to the board along with the monitoring and oversight of program implementation. For execution implementation of the programs, we have a dedicated CSR team that is responsible for activities on the ground as well as for liaising with our partners and stakeholders on social impact programs.

In total, our CSR expenditure for 20 projects that span across our three focus areas stood at 201.2 million INR. Additionally, the overhead cost of maintaining our CSR project offices for the year was 6.8 million INR.

CSR expenditure by focus areas (in million INR)



Major Programs and Impact

We have undertaken more than 40 programs across our three focus areas over the course of the year. We would like to highlight our major initiatives that made a positive impact on the community in 2019-20.

Arivu Disha – A Technology Driven Learning Program

Arivu, is an innovative learning program, conceptualized and implemented by Headstreams, a leading NGO with support from Mphasis since 2015, to address the key challenges that exist in education. The program provides exposure to marginalized students enrolled in government schools, to a very innovative learning environment. Using the Arivu digital app, teachers can create digital games for learning without prior coding or UI/UX designing experience. Mphasis has supported Headstreams with approximately INR 120 M over a period of 5 years. Arivu is currently being implemented in 3 districts of Karnataka in 42 state-run schools. Cumulatively, the program has benefited more than 6000 students of grades 6 to 9. As the program had reached its final year, we also undertook a third-party impact assessment of the progr





Museum of Art & Photography (MAP)

Mphasis supports MAP with an INR 100 M grant in its pioneering effort to create the most accessible museum in the country. It is envisioned to be a barrier free space easily accessible for persons with disabilities and senior citizens. The grant will be given to MAP over a period of 5 years and will be utilized to create accessible infrastructure (accessible website, accessible signages, accessible technology), and to conduct educational and outreach programs to promote art.



Mphasis- UberAccess and UberAssist

Mphasis has partnered with Uber Technologies Inc to launch Mphasis-UberAccess and Mphasis UberAssist- an initiative that provides accessible public transportation services for Persons with Disabilities (PwDs) - in Bengaluru, India. Mphasis supports Uber India with an INR 135.4 M grant over a period of 4 years. Since its launch, UberAccess has completed ~17000 trips and has served around 4500 riders' trips across Bengaluru.

Social Alpha – Startup Incubation

Mphasis has partnered with Social Alpha to support incubation of start-ups working on assistive technologies for Person with Disabilities (PwDs). Mphasis supports Social Alpha with a one-year grant of INR 25 M. Through this initiative, 10 social enterprises working on assistive technologies will be provided with required acceleration support. This includes go-to-market support, design for manufacturing support and funding support. The partnership will also lead to launch of an assistive technology open innovative platform for all the stakeholders to work together towards solving problems faced by PwDs.



Plaksha University (RHEF) – Transforming Higher Education Through Partnerships

Mphasis is among the founding partners for Plaksha University, a pioneering initiative to revolutionize engineering education in the country, focusing on interdisciplinary learning, innovation and entrepreneurship

Mphasis supports Plaksha with an INR 100 M grant over a period of 5 years. This grant will go towards ensuring a highly accessible campus infrastructure, scholarships for students, and to set up research centres. This world class University is expected to be functional by 2021 and have partnerships with reputed international educational institutes such as UC Berkley, Purdue and Stanford.



Employee Contribution and Volunteering

We have an active payroll giving program, where employees are encouraged to donate a portion of their salary to a social cause of their choice. A total of INR 1,289,740 was contributed by the employees through payroll contribution for the FY 19-20

By leveraging the skills of our employees through their participation in volunteering activities within the scope of our CSR projects, we strengthen our relationships within the community. Our role and initiatives that impact the communities we operate within, has helped us create meaningful partnerships to promote social development. Furthermore, senior leadership of the organization continue to provide mentoring support to each program in their individual capacity.

Corporate Governance at Mphasis

We believe that following strong governance practices are imperative for generating trust with our customers as well as our stakeholders which is critical for smooth functioning of our business operations. Our principles of governance are based on ethics, transparency, responsibility, accountability, compliance, trust and confidence values.

We strive to remain competitive and in order to ensure implementation of highest standards of corporate governance principles and practices in our operations, we have a robust governance system in place. We have a transparent and clear organizational structure with well-defined roles and responsibilities, an effective risk management system and control mechanisms in place.

Our Board of Directors

The responsibility of providing an effective governance to the company has been entrusted with our Board of Directors. The Company's business is conducted by its employees under the overall supervision of the Chief Executive Officer, who is assisted by a council of senior managerial personnel in different functions.

Composition of the Board

The board of directors is constituted keeping in mind the interests of the company as well regulatory requirements. The board has optimal combination of Executive Directors, Non-Executive Directors, Women Directors and Independent Directors to meet the needs of the company as well as in compliance with the provisions of the Companies Act, 2013 and all other applicable laws.

Board Meetings

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 and compliances are reviewed. In order to ensure the board can discharge its duties effectively, it is regularly apprised on the performance of the Company and is provided with necessary information and presentations on matters concerning business, compliances and quarterly financials.

The Board undertakes the following important functions:

- Reviewing and assessing the business and the operational strategy and plans developed by management;
- Responsible for CEO succession, evaluation and compensation;

- Satisfying itself that the Company is governed effectively in accordance with good corporate governance practices;
- Overseeing the functioning of sub-committees of the Board;
- Monitoring management performance and directs corrections;
- Balancing the interests of different stakeholders;
- Reviewing and assessing the risks facing Mphasis and management approach to addressing such risks;
- Overseeing the reliability of external communications, especially to shareholders;
- Overseeing the process for compliance with laws and regulations; and
- Monitoring and reviewing the Board Evaluation framework.

Directors Orientation Program

A director orientation program is a process which begins when a person is appointed as a director. The program assists the board in order to be fully aware of the roles & responsibilities that have been entrusted upon them and to facilitate better decision making, we have established a director orientation program. The appointed 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. To ensure that this information is always available for the director's reference throughout his/her tenure, these details are also hosted on a secured electronic platform.

An important objective of this program is to ensure the directors are educated continually on the market, updated on changes in the competitive landscape, enterprise risk minimization overview and regulatory compliances. These efforts ensure that the company provides full support to its board not only at the time of their appointment, but throughout their tenure.



Board Committees

The Board has constituted the following Committees to take informed decisions in the interest of the company and to establish best corporate governance practices.

- Audit Committee;
- Share Transfer Committee;
- Nomination and Remuneration Committee;
- CSR Committee;
- ESOP Compensation Committee;
- Stakeholders Relationship Committee;
- Treasury & Operations Committee
- Strategy Committee; and
- Risk Governance and Management Committee

The Board Committees meets at regular intervals and monitors the various aspects of business responsibility as per defined periodicity. The Audit Committee takes note of the Enterprise Risk Management (including the Business Continuity Plan), status of litigations and whistle-blowers on a quarterly basis. Observations arising out of internal audits on HR practices and vendor management are reviewed as and when such reports are issued. The CSR Committee reviews the CSR activities of the Company on an on-going basis. The Board takes note of the status of sexual harassment cases on quarterly basis. The Investor Grievance Committee takes note of the status Investor Complaints on a monthly basis. The Risk Governance and Management Committee reviews the Risk Management Plans and takes updates on Cyber Security practices periodically.

The Board also takes updates, at every meeting, from the Chairperson of the respective Committees regarding the Committee meetings held since the date of the last Board Meeting.

Risk Management Framework

We believe that effective governance is not restricted to legal formalities but encompasses implementation of ethical business practices also in its purview. A comprehensive risk management system is critical for such implementation and more importantly to focus on generating long-term value creation.

A truly Black Swan event unparalleled in the recent history, COVID-19 impacted every sphere of activity across the globe and slammed brakes on all economic activity. It is yet to reveal its full impact. It has accentuated

the Volatility, Uncertainty, Complexity and Ambiguity (VUCA) factors in the business environment, making planning the future very difficult as we are still in the early stages of the Pandemic. It might be few months before we get back to normalcy. In addition to disturbing the fragile business equilibrium it has accentuated the possibility of a global economic recession manifold. As businesses shrink, discretionary spending on IT will come down especially on new IT initiatives and will be selective. Given the dismal economic outlook, risks related to growth and profitability are likely to increase.

With the new approach to Risk management - Being Agile to Become Anti-fragile –our Company is confident of surmounting challenges posed by the COVID-19 calamity.

Our Company has implemented an Enterprise Risk Management (ERM) program benchmarked to COSO ERM framework, adhering to ISO 31000 Risk Management Standard and complying with the Indian Companies Act, 2013 / Companies (Amendment) Act, 2019.

ERM at Mphasis assists the company in Identification, assessment, monitoring, mitigation and reporting of strategic, operations, financial, compliance and information risks. The program is aligned to the business strategy of the Company.

The details of risks assessments are reviewed by the Audit Committee on a quarterly basis. Broadly, enterprise risks are classified and managed under the following categories:

- Strategy Risks
- Operational Risks
- Cyber and Privacy Risks
- Financial and Reporting Risks
- Compliance Risks

Risk Governance and Management Committee (RGMC)

The company has formed a Risk Governance and Management Committee (RGMC) comprising of Board Members and senior executives to assist the Board in discharging its risk oversight of its responsibilities in relation to Risk Management and Cyber Security. The Committee is responsible for providing governance and oversight on the matters of Risk Management and Cyber Security and ensures compliance with the regulatory requirements.



The primary function of the RGMC are as follows:

- Reviewing and approving annually, an ERM framework of the Company including the Risk Appetite Statement and the framework for the cyber and data security and recommend the same to the Board for its approval;
- Reviewing and recommend changes to the approved ERM framework of the Company required from time to time including periodic review of the risks related to the execution of company's business strategy to ensure that the ERM program assists in achieving the business goals of the Company;
- Evaluating the significant risk exposures to the Company and review the management actions to mitigate such risks; and
- Evaluating the Cyber – Security preparedness of the Company including overseeing of the Business Continuity Planning and Disaster Recovery preparedness and overseeing the resolution of risk events including breach of information security and cyber-attacks, if any, and make appropriate recommendations to the Board.

Mphasis Risk Management Committee (MRMC)

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 on various identified enterprise risks and periodically reviews the mitigation efforts.

There is a dedicated risk management function headed by Chief Risk Officer (CRO) to coordinate all risk related activities across the enterprise and who periodically provides status updates on enterprise risks to the Board/RGMC/Audit Committee.

Fraud Risk Management System

To conduct our business in an ethical manner and ensure it is devoid of misconduct at every level, we have implemented a comprehensive Fraud Risk Management System. We have comprehensive policies and procedures that provide direction for ensuring antifraud mechanisms as a part of the fabric of the organization.

Our governance structures like internal audits, whistle blower policy and an independent investigation team has built a strong framework to detect and mitigate fraud risk. Our operations span across the globe and therefore we adhere to various country specific such as Foreign Corrupt Practices Act in the USA and the UK Anti-Bribery Act. The Company has established appropriate mechanisms to ensure compliance to these laws, including guidelines and training.

Certifications

- **Continuity and Disaster Recovery Risk-** The Company is certified on **ISO 22301** which is an international standard for Business Continuity Management System (BCMS) and which provides reasonable assurance of continuity of service to clients.
- **Data and Information Security Risk -** 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 standard on Information Security Management System (ISMS). This certification provides a reasonable assurance to all concerned stakeholders that the Company has implemented adequate data protection and information security measures.

Ethical Conduct

To ensure transparency & accountability towards all stakeholders, we have implemented various policies and practices to be followed and upheld by all our employees and the management.

At Mphasis Ltd., we have a comprehensive set of policies relating to ethical business conduct:

Code of Business Conduct Policy- Our COBC requires directors, officers and employees to observe high standards of business and personal ethics in conduct of their duties and responsibilities. All employees are required to go through an annual certification on the COBC.

Compensation Policy- The remuneration policy for our senior executives including the key managerial personnel, is guided by the Mphasis Compensation and Benefits Manual. Our policy is designed with the aim of being competitive in the industry and providing fair and reasonable remuneration to attract and retain our executives.

Prevention of Sexual Harassment (POSH) Policy- We are committed to provide a safe



workplace for all employees. The POSH policy is constituted in accordance with the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has established Internal Complaints Committees at all its locations. During the reporting period 54 sexual harassment complaints were filed, out of which 43 complaints were disposed of in terms of the aforesaid Act as on 31 March 2020. Complaints outstanding will be investigated and disposed within the prescribed time limits.

Anti-bribery and Corruption Policy- As part of our operational as well as organizational-level risk identification and management process, all our locations undergo assessment for risks related to corruption.

Whistleblower Policy- The Company has a Whistleblower Policy to enable employees, partners and business associates a framework where they can raise unethical practices and/or concerns (whether or not a violation of law) and report it to the Whistleblower Custodian without revealing their **identity**, if they choose to do so. This Policy governs reporting and investigation of allegations that are in breach of COBC.

The company has implemented various channels to report actual or suspected fraud or violation of the Company's Code of Conduct or Ethics policy i.e. through e-mail to the Whistleblower office at **whistleblower@mphasis.com** or a written complaint can be dropped into the Whistle blower drop box at the respective Company's location. Complaint can also be made telephonically and left at the Whistleblower Hotline. Further the stakeholders can also directly report the violations to the Chairman of the Audit Committee who is the Whistleblower Ombudsperson.

These policies are applicable across all levels of management, employees, clients, vendors, contractors, consultants, suppliers, agents, sponsors and all others that are doing business with the organization, as well as its subsidiaries, irrespective of their geographical location.

Upholding Human Rights

Yes, The Human Rights related policies extend to Mphasis' vendors, suppliers and contractors. Our policies reflect our commitment to acting ethically and with integrity in all our business relationships and in implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains. Mphasis is aware of the need to address workplace issues such as working hours, child labor, forced labor, nondiscrimination, health and safety and the environment. We expect all those in our supply chain, including contractors, to comply with our values and governance systems.

In fact, given that the United Kingdom recently adopted a Modern Slavery Act 2015 which prohibits Slavery and Human Trafficking in multiple forms, Mphasis has incorporated these provisions into its company manuals and directives across the organization, and not just in the United Kingdom through its 'Anti-Slavery statement'. Since the inception of the Mphasis Anti-Slavery initiative in 2016, Mphasis has:

- 1.) Expanded on its purchase order Terms and Conditions (T&Cs) to include Mphasis' zero tolerance stance on Modern Slavery and to require that all suppliers adopt the same position when doing business with Mphasis;
- 2.) Expanded on its supplier contracts to include clauses allowing for termination of agreements if a supplier engages in acts contrary to human rights;
- 3.) Expanded companywide training to include Modern Slavery training to all national and international employees of Mphasis

Stakeholder Engagement at Mphasis

We develop partnerships and explore possibilities to create, preserve and enhance value for all our stakeholders. The input and feedback we receive from all our stakeholder groups throughout the year has helped us make informed decisions regarding our economic, environmental, social and governance performance.

At Mphasis, we develop a two-way partnership with our stakeholders and explore possibilities to create, preserve and enhance value for the company. We have mapped our internal and external stakeholders and engage with them through multiple engagement channels throughout the year. Our internal stakeholders include contract employees, trainees, interns and management. Our external stakeholders include our customers, suppliers, partners, investors, regulatory bodies and the communities in which we operate.

Please refer to the table below for details of our engagement methods for each identified stakeholder group

<i>Stakeholder</i>	<i>How we engage on an ongoing basis?</i>	<i>Structured/periodic engagement</i>
Employees	Intranet Employee engagement programs/ Employee assistance program CSR activities for employees and their families Pillars program for employees who have completed 10 years at Mphasis Cultural and sports activities for employees EHS mailers on environment, health and safety Mailers Whistleblower Training and development	Performance Appraisal VoE (Voice of Employee) Pulse Survey 360-degree feedback Rewards and recognition Environment day activities
Customers	Weekly – Status review meetings Monthly – Governance review meetings Monthly/Quarterly – Senior management governance reviews Quarterly – Customer satisfaction survey	Relationship meetings by CEM/CRM/Sales Leaders/MU Head/Delivery Leaders/GDU President/CEO
Communities and NGOs	Employee volunteering Monthly connect meetings with F1 Foundation Quarterly progress meetings with NGOs Mphasis website	Social audits F1 Foundation
Partners / Business Associates & Suppliers	We write letter to all our suppliers periodically on the code of conduct to be followed by them while dealing with the company. This letter is also part of the supplier enrolment form to ensure that before we empanel them, they are aware of the code of conduct and follow the same.	Yearly survey is carried out to assess the services provided by the select range of suppliers in different fields. The inputs are obtained from the stakeholders availing the services



Investors and shareholders	Analyst meeting Earnings calls A separate page for investor relations on the website Press conference/briefings on acquisitions, strategic decisions, financial results, etc. Investor grievance handling mechanism Postal ballots, electronic voting, etc. RTA Contact Dividend Reminders Stock Exchanges disclosures	Annual general meetings Shareholder interactions
Regulators and Public Policy Makers	Timely statutory reporting and returns filed with all the regulators Participation in seminars, webinars, etc. organized by various regulators	Timely disclosure of information to the Stock Exchanges and other regulators

Engaging with Industry Associations

As a leading player in the service industry, we are actively involved in various forums of interest to our business and stakeholders. We ensure that all such engagements are conducted in line with our business conduct. The bodies that we have an active membership are:

Name of Association/Industry Body	Broad areas of engagement
The National Association of Software and Services Companies (NASSCOM)	Sustainable business principles, Inclusive development policies, Governance and administration, Economic reforms, products and technology
Confederation of India Industries (CII)	India Women Network Corporate law reforms

Mphasis has an ongoing CSR partnership with the NASSCOM foundation where we support the social innovation forum through seed grants, mentoring and industry access to startups working to improve accessibility in education.

On the advocacy front, Mphasis has been supporting the National Centre for Promotion of Employment for Disabled People (NCPEDP) and its advocacy program aimed at better policies to improve accessibility for persons with disabilities to create a 'World Without Barriers'. The advocacy partnership engaged with the government at multiple levels and resulted in the passing of Right of Persons with Disabilities Act in 2016.

Mphasis has been supporting National Centre for Promotion of Employment for Disabled People (NCPEDP) to conduct strong, systematic and sustained advocacy and monitoring to encourage Govt. of India to draft and implement national disability legislation. The efforts of the program were rewarded in 2016, when the Right of Persons with Disabilities Act was passed unanimously by both houses of Parliament.

For its continued efforts, MPHASIS-NCPEDP partnership received the prestigious Zero Project Award for 'Best Innovative Practice 2019 on 'Independent Living and Political Participation' at Vienna.

BRR Index

The Company's business responsibility ingrains the spectrum of nine principles of National Voluntary Guidelines (NVG) issued by the Ministry of Corporate Affairs, Government of India, along with their key elements. The report has also incorporated in essence, the principles of National Guidelines on Responsible Business Conduct (NGRBC) which are a revised version of the NVGs as a good practice.

Section A – General Information about the Company

1	Corporate Identity Number (CIN) of the company	L30007KA1992PLC025294
2	Name of the Company	Mphasis Limited
3	Year of Registration	1992
4	Registered Address	Bagmane World Technology Center, Marathahalli Outer Ring Road, Doddanakundi Village, Mahadevapura, Bangalore - 560 048, India
5	Website	https://www.mphasis.com/
6	Telephone Number	+918067504613
7	Email ID	subramanian.narayan@mphasis.com
8	Financial Year Reported	2019-20

Products/Services

- | | | |
|---|--|--|
| 9 | Sector(s) that the Company is engaged in (industrial activity code-wise) | As per classification under National Industrial Classification, Central Statistical Organization, Ministry of Statistics and Programme Implementation, Government of India, New Delhi, the company is engaged in the following activity: |
|---|--|--|

*Group	Class	Description
620	6201	Computer Programming and Related

- | | | |
|----|---|--|
| 10 | List three key products/services that the Company manufactures/provides (as in balance sheet) | 1. Computer Programming, Consultancy and related activities
2. Other information and communication service activities |
|----|---|--|

Operations

- | | | |
|----|--|---|
| 12 | Total number of International locations where business activity is undertaken by the Company | The company has business activities in the 17 international locations namely-
1. USA
2. Canada
3. Belgium
4. France
5. Germany
6. Netherlands
7. Ireland
8. Poland
9. Sweden
10. Switzerland
11. United Kingdom
12. Japan
13. Singapore
14. China |
|----|--|---|

15. Taiwan
16. Hungary
17. Australia

13	Total number of National locations where business activity is undertaken by the Company	<p>The company has business activities in 6 national locations namely-</p> <ol style="list-style-type: none"> 1. Bangalore 2. Mangalore 3. Chennai 4. Mumbai 5. Pune 6. Hyderabad
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14	Markets served by the Company – Local/State/National/International/	National and International markets.
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Associate Entities

15	Details of Trust/Society/Section 8 company to further its CSR agenda:	
	a. Names;	Mphasis F 1 Foundation Trust
	b. Organization form (Trust, Society, Company) and year of establishment;	Trust Established in the 2008
	c. Main objects/purpose;	<ol style="list-style-type: none"> 1. To focus on women, children, young adults from the less privileged and economically backward strata of society, and persons with disabilities; 2. To support innovative and effective programs and projects that empower women, children, young adults from the less privileged and economically backward strata of society, and persons with disabilities; 3. To support projects that aim to impart relevant vocational skills to these communities to create a career development plan for them, to actively encourage and promote employment of these communities both within Mphasis as well as within other organizations. 4. To give donations to any educational or medical or other charitable institutions or trusts; 5. To give scholarships, financial assistance, prizes or awards to deserving students or student or for providing funds for any deserving student or students to pursue studies either in India or abroad and to give all other help for advancement of education; 6. To meet the costs or expenses of medical treatment, medicines, or medical apparatus required to be given to any deserving poor patients who cannot bear the same on their own; 7. To support programs that support people from underprivileged segments, including women, children and persons with disabilities; 8. To support organizations which are non-profits, secular, non-political, credible and which are committed to addressing humanitarian issues, providing education and technology access for the youth etc.;

		9. To help any persons affected by any calamity such as earthquake, fire, floods, riots or accidents; 10. To contribute and participate in such other charitable purpose or purposes of public utility as the Trustees may think fit and proper.
	d. Amounts and sources of funds received in the reporting year;	Please refer to CSR section in the Annual Report for FY20
16	Contact details of Nodal Officer for this report (name, designation, email id, phone number).	Name: Mr. Nipun OS, e-mail: Nipun.Os@mphasis.com

Section B – Financial Details of the Company

Note: All numbers are in million - Unaudited

1	Paid up Capital (INR)	1,865.43 million
2	Total Turnover (INR)	43,471.39 million
3	Total Profit after Taxes (INR)	12,050.55million
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2%
5	List of activities in which expenditure in 4 above has been incurred: - a. ...b..... c....	Refer to chapter ‘Giving back to the society’

Section C- Other Details

1	Does the Company have any Subsidiary Company/ Companies?	Mphasis has 27 subsidiaries namely- 1. Mphasis Software & Services (India) Private Ltd. 2. Msource (India) Private Limited 3. Mphasis Corporation, USA 4. Mphasis Deutschland GmbH 5. Mphasis Australia Pty. Ltd 6. Mphasis (Shanghai) Software & Services Co. Ltd. 7. Mphasis Consulting Limited 8. Mphasis Europe B.V. 9. Mphasis UK Limited
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	10. Mphasis Pte Ltd., Singapore 11. Msource Mauritius Inc. 12. Mphasis Ireland Ltd 13. Mphasis Belgium BVBA 14. Mphasis Lanka (Private) Limited 15. Mphasis Poland Sp. z o.o 16. Mphasis Infrastructure Services Inc., USA 17. PT. Mphasis Indonesia 18. Mphasis Wyde Inc, USA 19. Wyde Corporation, USA 20. Wyde Solutions Canada Inc. 21. Mphasis Wyde SASU, France 22. Mphasis Philippines Inc. 23. Digital Risk, LLC, USA 24. Digital Risk Mortgage Services, LLC, USA 25. Digital Risk Valuation Services, LLC, USA 26. Investor Services, LLC, USA 27. Stelligent Systems LLC, USA
2	<p>Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)</p> <p>Mphasis BR policies also extend to our subsidiary companies and they also participate in our BR initiatives in line with our policies. Mphasis subsidiaries are integrated within the core culture as 'One Mphasis', which ensures same belief system at all levels while engaging in the business.</p>
3	<p>Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]</p> <p>Business Responsibility at Mphasis also extends to all our suppliers. Our policies like COBC, Whistleblower, Anti-Slavery Policy and POSH are applicable to our suppliers as well. Our supplier registration process requires the suppliers to disclose information related to their environmental management system as well as information related to human rights. Most of our high value procurements are from standard vendors where BR initiatives are undertaken regularly.</p>

Section D- BR Information

1	Details of Director/Directors responsible for BR
	a. Details of the Director/Directors responsible for implementation of the BR policy/policies
(i)	DIN Number 00042261
	Name Nitin Rakesh
	Designation CEO and Whole time Director
	b. Details of the BR Head
1	DIN Number Not Applicable
2	Name Subramanian Narayan
3	Designation Vice President & Company Secretary
4	Telephone Number +91 80 4690 4613
5	Email-ID Subramanian.Narayan@mphasis.com



The National Voluntary Guidelines on Social, Environment and Economic Responsibilities of Business (NVGs), released by the Ministry of Corporate Affairs, is composed of nine principles of Business Responsibility.

1) Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

2) Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

3) Businesses should promote the wellbeing of all employees

4) Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

5) Businesses should respect and promote human rights

6) Business should respect, protect, and make efforts to restore the environment

7) Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

8) Businesses should support inclusive growth and equitable development

9) Businesses should engage with and provide value to their customers and consumers in a responsible manner

1) Principle-wise (as per NVGs) BR Policy/policies

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have policy/policies for#	Y	Y	Y	Y	Y	Y	NA	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy confirm to any national/international standards? ** If yes, specify?	Y	Y	Y	Y	Y	Y	NA	Y	Y
4.	Has the policy been approved by the Board? If yes, has it been signed by the MD/owner/CEO/appropriate Board Director?	Policies are approved by respective functional heads. Policies are approved by the Board of Directors of the company								
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6.	Indicate the link for the policy to be viewed online?	Policies meant for public disclosures are maintained and updated online. Internal policies and procedures are accessible on the intranet.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	All policies undergo regular monitoring and review by respective policy owners.								

Notes: # Mphasis has the following policies covering the 9 principles: Code of Business Conduct (CoBC), Corporate Social Responsibility Policy, EHS Policy, Anti-Bribery & Corruption Policy, Whistle-blower Policy, Prevention of Sexual Harassment Policy, Quality Management System, Enterprise Risk Management System, Fraud Risk Management System, and HR Policies. With respect to principle 7, all of our engagements with external stakeholders (Industry associations etc.) are governed by the principles and values enshrined in our Code of Business Conduct. We engage in responsible public policy advocacy through our membership with leading industry bodies (like NASSCOM) in line with the NVGs.

**Our policies comply with all applicable local laws. They are also aligned with the principles of the National Voluntary Guidelines.



If answer to S. No. 1 against any principle, is 'No', please explain why:

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The Company has not understood the Principles	NA								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

Part 3- Governance Related to BRR

No.	Questions	Response by the Company
1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The Board of Directors (including its Committees) monitors the constituents of BR elements at different frequencies. The Audit Committee takes note of the Enterprise Risk Management (including the Business Continuity Plan), Litigations and whistle-blowers on a quarterly basis. Observations from Internal Audits on HR practices and Vendor management are reviewed as and when such reports are issued. CSR Committee reviews the CSR activities of the Company on an on-going basis. The Board takes note of the status of sexual harassment cases on quarterly basis. The Investor Grievance Committee takes note of the status Investor Complaints on a monthly basis. For more details, refer to the chapter 'Corporate governance at Mphasis'.
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	<p>Yes, the Company publishes a Business Responsibility Report on its website under the Investor Section in the Financial & Filing Page.</p> <p>Hyperlink for viewing the report : https://www.mphasis.com/home/corporate/investors.html</p> <p>The Business Responsibility Report is published annually.</p>

3	Month/year of last review by Governance Structure/ top management of performance of the business across the Principles and Core Elements of the Guidelines?	The review of performance of the business is carried on a continuous basis. The review of core elements of the guidelines covering social, environmental and governance aspects are reviewed based on the process enumerated in point 1 above.
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Section E- Principle Wise Disclosures

Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The policy relating to ethics, bribery and corruption covers not only the company, but all our subsidiaries as well. Please refer to the Chapter on Corporate Governance for more details.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Following Complaints have been received in the past financial year along with the status of their resolution

Stakeholder Complaints			
<i>Nature of Complaint</i>	<i>Number of stakeholder complaints received</i>	<i>Number of stakeholder complaints resolved</i>	<i>Number of stakeholder complaints pending as on end of the financial year</i>
Customer Complaints	1	1	Nil
Stock exchange Complaints	4	4	Nil
Sexual Harassment Complaints	54	43	11 cases are work in progress and within the redressal timelines
Violation of code of business conduct & ethics	8	8	Nil



Essential Indicators

1. Month/year of last review by Governance Structure/ top management of performance of the business across the Principles and Core Elements of the Guidelines?

Already responded in response to section D, part 3, first question.
2. Number of meetings/ dialogues with minority shareholders that were organized in the year?

Last dialogue with the minority shareholders took place at the AGM held on 23 July 2019.
3. Value of non-disputed fines / penalties imposed on your business by regulatory and judicial institutions in the year?

No fines for the reporting period.
4. Details of unmet obligations (fiscal, social, etc.) arising out of any benefits or concessions provided by the central, state, or local governments (100 words)

Nil

Leadership Indicators

1. Was report on responsible business conduct made, in the year:
 - a. As per mandatory/global reporting frameworks. This is as per the mandatory framework
 - b. Available in the public domain. Yes
 - c. Assured by a third party. The report is reviewed by the management internally.
2. Details of non-disputed fines/penalties imposed on your business by regulatory and judicial institutions in the year available in public domain.

No fines/penalties imposed on your business by regulatory and judicial institutions.
3. Provide examples (up to three) of corrective action taken on the complaints / cases of corruption and conflicts of interest to prevent recurrence.

Not applicable, as there were no complaint received on corruption.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**
Mphasis provided financial services, logistics, and technology industries to various clients. The management at Mphasis, as a part of its vision towards the contribution for the environment related to the business operations, has implemented an ISO 14001: 2015 Environmental management system standard. This Environmental Management System (EMS) manual presents the environmental policy, structure of the environmental management system and related documents. Following activities are covered as part of Environmental management system:
 - Waste management - Well defined Procedure and waste handling mechanism are available for the waste materials generated such as used Batteries, E-waste like Personal Computers (Central Processing Unit with input and output devices), Laptop Computers (Central Processing Unit with input and output devices), Printers including cartridges, Telephones, Electric waste, Solid waste (Dry waste, Paper Waste, Carton Boxes), Metal Waste, Plastic Waste, General Office Waste, Garbage (Waste from Pantry, Workstations, cafeteria and Rest room), etc.
 - Indoor Air Quality Monitoring is done at defined frequency
 - Calculating Organization Carbon Foot Print from possible emission sources are done at defined frequency.



For further information on how we manage our environmental footprint as we deliver services to our clients, refer to the chapter – ‘Environmental sustainability at Mphasis’ and for further information on our human resource related practices, refer to the chapter – ‘Employee engagement at Mphasis’.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**
 - (i) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**
 - (ii) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Please refer to the Chapter- Environmental Sustainability at Mphasis for details in respect of resource use.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**
 - (i) **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Yes, the company has a procedure in place for sustainable sourcing.

We look at the following sustainability factors while procuring IT assets from our suppliers-

- Diverse Vendors.
- MSMED Status
- Yearly revenue
- Quality Certification
- POSH Committee
- ISO Certification
- Slavery and Human trafficking
- Environmental Management
- Child Labour

While empanelment of our suppliers, we ensure that all the above-mentioned factors are thoroughly checked. This is done through a supplier registration form which the vendor is supposed to fill.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

Please refer to the chapter Environmental sustainability at Mphasis

- (i) **If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Please refer to the chapter Environmental sustainability at Mphasis.

5. **Does the company have a mechanism to recycle products and waste?**

Please refer to the chapter Environmental sustainability at Mphasis.

- (i) **If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**
Please refer to the chapter- Environmental Sustainability at Mphasis for detailed information on recycling of products and waste at Mphasis.

Essential Indicators

1. % of total raw material consumed in the year (by value) that consisted of material that was recycled or reused (provide details in 50 words):
 - a. <5%



- b. between 5% and 25%,
- c. > 25%.

Please refer to the chapter- Environmental Sustainability at Mphasis for detailed information on recycling of products and waste at Mphasis.

2. Describe the process in place to safely collect, reuse, recycle and dispose of your products at end-of life (100 words)

We have a disposal process based on the statutory requirements for the disposal of our obsolete Inventory. Please refer to the chapter- Environmental Sustainability at Mphasis for more details.

Principle 3 - Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.

Total number of employees is 19,313 out of which 13,225 are males and 6088 are females.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

Total number of employees hired on temporary/contractual/casual basis is 513 out of which 371 are males and 142 are females.

3. Please indicate the Number of permanent women employees.

5,946

4. Please indicate the Number of permanent employees with disabilities.

73

5. Do you have an employee association that is recognized by management?

No. Currently no such employee association that is officially recognized by Mphasis.

6. What percentage of your permanent employees is members of this recognized employee association?

NA.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

	<i>Category</i>	<i>No. of complaints filed during the financial year</i>	<i>No. of complaints pending as on end of the financial year</i>
A	Child labour/ forced labour/ involuntary labour	We do not hire any child labour/forced labour/involuntary labour.	
B	Sexual harassment	54	43 (11 complaints are work in progress and within the redressal timelines)
C	Discriminatory employment	0	0



8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

The training needs are identified by a process of discussion with Vertical heads, Department / Function heads, Delivery Leads and Delivery Managers. The needs are aligned with the Strategic Business Plan, Key competencies identified, Business Goals, Team Development Plan, Individual Development Plan, Corporate Training initiatives and Organizational Training initiatives.

A Permanent Employees	Total: 100% (inclusive of separated employees) Number of hours of training provided: 220766
B Permanent Women Employees	Total: 100% (inclusive of separated employees) Number of hours of training provided: 8618
C Casual/Temporary/Contractual Employees	Total: 61% (inclusive of separated employees) Number of hours of training provided: 1181
D Employees with Disabilities	Total: 99% (inclusive of separated employees) Number of hours of training provided: 78

Please refer to the Employee Engagement Chapter for a detailed response on our training initiatives.

Essential Indicators

1. % of your establishments / value chain that has been audited in the year for:

- a. Child labour
- b. Forced/involuntary labour

Not Answered.

2. % of your employees that were paid above the legal minimum wage in the last year.

96.68% employees were paid above the legal minimum wage in the last year.

3. Ratio of the highest salary paid to the lowest salary paid amongst your permanent employees.

The ratio of the highest salary paid to the lowest salary paid amongst our permanent employees is 141.75%.

4. Number of cases of delay in payment of wages during the year:

- a. Resolved – No cases
 - b. Pending resolution
- No cases.

Leadership Indicators

1. Describe the work-life balance issues (up to three) that were brought up by employees (100 words).

Please refer to the chapter- employee engagement for more details.

2. Examples (up to three) of identified work-life balance topics that have been implemented.

Please refer to the chapter- employee engagement for more details.



Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders? Yes/No

We have mapped our internal and external stakeholders. For detailed information on how we map our internal and external stakeholders, please refer to the chapter on stakeholder engagement at Mphasis.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

We have recognized people with disabilities and women employees as vulnerable stakeholder groups.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

We have taken special initiatives to engage with the vulnerable stakeholders. We provide safety for our female employees taking cab at nights.

We have built ramps and created a specially abled friendly environment for specially abled people.

Essential Indicators

1. List stakeholder groups that have been identified as key to your business.

All the stakeholders are key to the business.

2. Positions / departments / functions responsible for engagement with each stakeholder category identified above?

Stakeholders	Department/Function responsible for engagement
Employees	Human Resources
Society	CSR Team
Suppliers	SCM Team
Clientele & Partners	Market Units & Delivery Units
Investors and external channels	Marketing & Corporate Communication
Shareholders	Secretarial Department

3. Number of stakeholder groups that were formally engaged on environment and social issues in the last year?

Please refer to the chapter on stakeholder engagement at Mphasis for a detailed response.

Leadership Indicators

1. Frequency of engagement with each stakeholder group?

There are different frequencies of engagement with different stakeholders

2. List of the vulnerable and marginalized groups in each stakeholder group.

No vulnerable or marginalized groups among stakeholders.



3. Examples of decisions and actions taken by the business to address the interests of vulnerable/marginalized groups

Not applicable.

Principle 5 - Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers /Contractors/NGOs/Others?**

Yes. Refer to Chapter – Corporate Governance at Mphasis.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

The stakeholder complaints have been resolved satisfactorily by the management as described in Question 2 of principle 1.

Essential Indicators

1. **% of employees that have been provided training on human rights issues:**

a. In the year

b. Total to date

All our employees are trained on our Code of Business Conduct (“COBC”) which explicitly forbids violations of human rights.

2. **Employee categories that are covered by the human rights policies of the business –**

Permanent/Contract/Casual.

The COBC which outlines our approach and commitment to human rights covers all our employees.

Principle 6 - Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others?

The policy related to Principle extends to subsidiary companies in addition to the suppliers and contractors of Mphasis Ltd. The joint ventures have their own set of policies against principle 6.

Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming etc.?

Yes. We have strategies and initiatives to address global environmental issues such as climate change and global warming. For detailed information on these initiatives please refer to the chapter- environmental sustainability at Mphasis.

Does the company identify and assess potential environmental risks?Y/N

Yes, Mphasis has established an organization wide Enterprise Risk Management (ERM) based on the ISO 31000 international standard on risk management. For detailed information on this, please refer to the chapter- environmental sustainability at Mphasis.

Does the company have any project related to Clean Development Mechanism?

No, the company does not have any project related to Clean Development Mechanism (CDM).

Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy,etc. Y/N.

For detailed information on these initiatives, please refer to the chapter- environmental sustainability at Mphasis.



Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Please refer to the chapter- environmental sustainability at Mphasis.

Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year?

We have not received any show cause or legal notice from the CPCB/SPCB as on 31st March 2020. None of the cases are pending with the PCB authorities.

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Please refer to the chapter – Stakeholder engagement at Mphasis

Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic

Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Please refer to the chapter – Stakeholder engagement at Mphasis

Principle 8 - Businesses should support inclusive growth and equitable development

Does the company have specified programmes / initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. Our CSR programs span across three focus areas: **education, livelihoods and inclusion of persons with disabilities**. For detailed information on these initiatives please refer to the chapter- Giving back to the society at Mphasis.

Are the programmes/ projects undertaken through in-house team/own foundation/ external NGO/ government structures/ any other organization?

Please refer to the chapter – Giving back to the society.

Have you done any impact assessment of your initiative?

Please refer to the chapter – Giving back to the society.

What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

Please refer to the Giving back to the society chapter for details.

Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

Please refer to the Giving back to the society chapter for details.

Essential Indicators

1. Social impact assessments of your business operations conducted:

a. Number completed in the year?

b. Number conducted by an independent external agency

Please refer to the Giving back to the society chapter for details.



2. Examples of products, technologies, processes or programmes (up to three) that contribute to the benefit of the vulnerable and marginalized sections of society.

Three of our programs contribute directly to the vulnerable and marginalized sections of the society:

Arivu-Disha - The programme encourages marginalized students enrolled in government schools to learn through play by using blended teaching approaches using different mediums and formats including elements such as digital and activity space, missed call service called DIAL TO LEARN and a bi-lingual comics in English and Kannada and also through the Arivu-Disha App customized for the purpose.

Mphasis-UberAccess & Assist - Mphasis F1 Foundation has partnered with Uber Technologies Inc to bring in Mphasis-uberACCESS and Mphasis UberAssist- an initiative to provide accessible public transportation services for persons with disabilities - in Bengaluru.

Katalyst - Mphasis has supported 45 young women from low income families pursuing professional education through various development intervention such as skill enhancement, mentor support and exposure.

3. With respect to projects during the year for which R&R is applicable:

a. Number of persons that were affected displaced by these projects?

b. Gross amount paid out to project-affected and displaced persons?

Please refer to the Giving back to the society chapter for details.

4. Details of investments (top three by value) in regions which are underdeveloped (100 words).

Please refer to the Giving back to the society chapter for details.

5. Grievances / complaints received from local community:

a. Number received during the year

b. Number pending resolution

No grievance or complaints received from the local community during the reporting period.

6. Details of adverse orders or judgments in intellectual property rights disputes related to traditional knowledge during the year (100 words).

There has been no adverse order or judgement related to traditional knowledge during the year.

7. Number of beneficiaries covered under your CSR projects (as per Section 135 of Companies Act 2013), disaggregated by the vulnerable and marginalized group categories.

For projects where we have made an estimation of the number of direct beneficiaries, the details are provided below:

UberAccess: Trips till date: 10,800+; Unique riders till date: 2,800+

UberAssist: Trips till date: 42,500+; Unique riders till date: 34,500+

Katlayst - 45 girl students

Arivu-Disha - 6000 students over 4 years

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Please refer to the chapter – ‘Customer centricity at Mphasis’

Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No/N. A. / Remarks (additional information)



The same is not applicable to Mphasis as it is not involved in manufacturing.

Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

No consumer complaints in respect of advertising during the financial year.

Did your company carry out any consumer survey/ consumer satisfaction trends?

Please refer to the chapter – ‘Customer centricity at Mphasis’

Essential Indicators

3. Number of consumer complaints in respect of data privacy:

a. Received during the year.

b. Pending resolution

No consumer complaints with respect to data privacy were received by our organization in 2019-20.

4. Number of consumer complaints in respect of advertising:

a. Received during the year.

b. Pending resolution.

No complaints in relation to data privacy or advertisement were received by our organization during the financial year.